

# SALT

## **Salt Investment Funds Product Disclosure Statement**

Offer of units in the Salt NZ Dividend Appreciation Fund,  
Salt Enhanced Property Fund, and Salt Long Short Fund

Dated 13 October 2017

**Issued by Salt Investment Funds Limited**

This document replaces the Salt Investment Funds product disclosure statement dated 10 February 2017.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose). Salt Investment Funds Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

# 1. Key information summary

## What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Salt Investment Funds Limited will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Salt Investment Funds Limited and of its investment manager and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

## What will your money be invested in?

Three funds within the Salt Investment Funds are offered under this Product Disclosure Statement (PDS), collectively referred to as the Funds: the Salt NZ Dividend Appreciation Fund (NZ Dividend Appreciation Fund), the Salt Enhanced Property Fund (Enhanced Property Fund), and the Salt Long Short Fund (Long Short Fund). Currently the Long Short Fund is generally only available for investment to existing investors in that Fund and new investors of financial advisory firms selected by us.

These investment options are summarised on the following page. More information about the investment target and strategy for each investment option is provided at Section 3, 'Description of your investment options'.

## Who manages the Salt Investment Funds?

Salt Investment Funds Limited (we, our, or us) is the manager of the Salt Investment Funds. See Section 7, 'Who is involved?' for more information.

## What are the returns?

The return on your investment comes from:

- any increase or decrease in the Fund's unit price (which you receive when you redeem your units); and
- any distributions made to you from the Fund.

The NZ Dividend Appreciation Fund and Enhanced Property Fund intend to pay semi-annual distributions of all of the net dividend income accrued for the period. The Long Short Fund does not currently pay distributions. All distributions are at our discretion. See Section 2, 'How does this investment work?' for more information.

## How can you get your money out?

An investment in a Fund is redeemable. You can usually withdraw units from a Fund at any time provided you withdraw a minimum of \$5,000 from that Fund, and your remaining investment in the Fund is at least \$25,000.

Withdrawals may be paid out either in cash or by transferring investments of the relevant Fund of a value equal to the withdrawal amount to you. If the withdrawal amount is less than 5% of the value of a Fund, we need you and the Supervisor to agree before we can satisfy the withdrawal request by transferring investments in this way. We can suspend or defer withdrawals in certain circumstances.

See Section 2, 'How does this investment work?' for more information about how you can get your money out.

Your investment in these units in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

## How will your investment be taxed?

Each Fund is a portfolio investment entity (PIE).

The amount of tax you pay in respect of a PIE is based on your Prescribed Investor Rate (PIR). This can be 0%, 10.5%, 17.5%, or 28%. See Section 6 of the PDS, 'What taxes will you pay?' on page 11 for more information.

## Where can you find more key information?

Salt Investment Funds Limited is required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [www.saltfunds.co.nz](http://www.saltfunds.co.nz). The manager will also give you copies of those documents on request.

Fund	Brief description of Fund and its investment objective	Risk indicator	Estimated total annual fund charges (of net asset value)	Buy / sell spread
<b>NZ Dividend Appreciation</b>	The Fund's investment objective is to outperform the S&P/NZX 50 Gross Index on a rolling three year basis by investing predominantly in New Zealand shares that may pay high and sustainable dividends.	<p>* Please refer below for further information</p>	1.19%	0.30% of each investment/ withdrawal
<b>Enhanced Property</b>	<p>The Fund's investment objective is to outperform the S&amp;P/NZX All Real Estate (Industry Group) Gross Index on a rolling three year basis by investing predominantly in New Zealand and Australian property and property-related shares.</p> <p>The Fund may also short sell securities, hold cash, lever its assets and utilise active currency management to generate returns (although the Fund will generally be fully hedged).</p> <p>Given the Fund's broad mandate and wide range of investment tools available, its investment performance will depend, to a larger degree than traditional equity investment funds, on Salt's skill in selecting, combining and implementing investment decisions. <b>These unique features mean that the Fund will not be appropriate for all investors.</b></p>	<p>* Please refer below for further information</p>	1.27%	0.30% of each investment/ withdrawal
<b>Long Short</b>	<p>The Fund's investment objective is to outperform the Reserve Bank of New Zealand Official Cash Rate +5% p.a. benchmark on a rolling three year basis.</p> <p>The Fund aims to deliver positive absolute returns in all market environments. In addition to holding "long-only" New Zealand and Australian securities, the Fund may also short sell securities, hold cash, lever its assets and utilise active currency management to generate returns (although the Fund will generally be fully hedged).</p> <p>Given the Fund's broad mandate and wide range of investment tools available, its investment performance will depend, to a larger degree than traditional equity investment funds, on Salt's skill in selecting, combining and implementing investment decisions. <b>These unique features mean that the Fund will not be appropriate for all investors.</b></p>	<p>^ Please refer below for further information</p>	1.94%	0.20% of each investment/ withdrawal

\* For these two Funds a mix of market index returns and actual returns have been used to calculate the risk indicators because the Funds have not yet been in existence for a period of five years. Market index returns have been used for the following periods: NZ Dividend Appreciation Fund from 30 September 2012 to 30 June 2015; Enhanced Property Fund from 30 September 2012 to 11 November 2014. As a result of market index returns being used, the risk indicators may provide a less reliable indicator of the potential future volatility of each Fund.

^ For the Long Short Fund, we have used an alternative methodology of calculating the risk indicator where the Fund's actual returns have been used for a period of 3.25 years since it commenced operations (30 June 2014 to 30 September 2017). As a result of a shorter investment period being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the Fund. Please refer to the offer register at [www.companiesoffice.govt.nz/](http://www.companiesoffice.govt.nz/) disclose for more information.

**See Section 4, 'What are the risks of investing?' for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).**

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## 2. How does this investment work?

This PDS contains an offer of units in each of the NZ Dividend Appreciation Fund, Enhanced Property Fund, and Long Short Fund. Each Fund is established within the registered managed investment scheme known as the Salt Investment Funds.

We, Salt Investment Funds Limited, are the manager of the Salt Investment Funds. We are a wholly-owned subsidiary of Salt Funds Management Limited (Salt), a boutique investment management firm specialising in managing New Zealand-centric listed equity and property mandates.

The New Zealand Guardian Trust Company Limited is the supervisor of the Funds (Supervisor). We have appointed MMC Limited as the administration manager of the Funds (Administration Manager), and Salt is the investment manager for the Funds.

### Structure of the Salt Investment Funds

The Salt Investment Funds is structured as a master trust with three Funds established within it. The Salt Investment Funds are governed by a master trust deed, and an establishment deed for each Fund, entered into between us and the Supervisor. Each Fund is a single trust fund. This means that the assets of one Fund cannot be used to satisfy the liabilities of another.

Your investment is converted into units in the Fund you choose. By purchasing units in a Fund you are pooling your investments in that Fund with other investors, which Salt then invests in underlying investments. Your units represent your proportionate holding of that Fund's net assets (its assets less its liabilities, fees and expenses), although they do not give you legal ownership of those underlying assets. Because unit values are based on the value of the relevant Fund's net assets, those unit values will fluctuate in line with the changing value of the relevant Fund's underlying investments and any distributions made (see below).

Returns from investing in a Fund are reflected in changes in the value of your units, any distributions made from the Fund, and repayment of your investment when you withdraw.

### Distributions

The NZ Dividend Appreciation Fund and Enhanced Property Fund intend to pay semi-annual distributions paid out of all of the net dividend income (as determined by us) accrued for the preceding six month period. For this purpose, 'net dividend income' generally means all dividend income received during the period, less any dividends paid on borrowed securities (for the Salt Enhanced Property Fund only) although we can change this at our discretion.

Distributions will be calculated within seven business days of the last day of each distribution period (which end on 30 April and 31 October, respectively). Payments are intended to be made within five business days of the date on which the distribution is calculated.

Distributions are paid on the number of units held as at the close of business of the last business day prior to the day the distribution is calculated. The distribution will reduce the unit price of those units.

You can elect to have distributions re-invested in the Fund or direct credited to your bank account. Re-invested distributions will be applied to purchase additional units in the relevant Fund. Buy spreads are not charged on units issued as a result of distribution re-investment. You can change your election by giving us at least 10 business days' notice. We can amend this notice period by notifying investors, and can waive the notice period in our discretion.

The Long Short Fund does not currently pay distributions. All distributions are made at our discretion, and we may change our distribution policy (including by ceasing to offer distribution re-investment) for any Fund from time to time.

## Significant benefits

Investing in the Salt Investment Funds offers a range of benefits, including:

- **Diversification:** Pooling together investors' money into a single Fund enables us to invest in a wide range of securities on your behalf, providing better diversification and lowering the overall risk of your investment.
- **Access to investments and unique investment strategies:** The Funds provide access to securities and investment strategies such as short-selling securities (for the Long Short Fund and Enhanced Property Fund) that might otherwise be difficult to achieve on your own.
- **Experienced investment managers:** The Funds utilise the investment expertise of highly experienced managers who have a multi-decade perspective on investment opportunities and investment risk.

## Investment strategy of the Funds

Each Fund invests in different types of investments, and has a different investment strategy and objective. The Enhanced Property Fund and the Long Short Fund each have unique features (including the use of short selling) which mean that these Funds will not be appropriate for all investors. Further information is set out in Section 3, 'Description of your investment options' and Section 4, 'What are the risks of investing?'

## Making investments

You can invest in the Funds either directly or through an administration service. The Long Short Fund is currently generally only available for investment to existing investors in that Fund and new investors of financial advisory firms selected by us. Contact us for a list of eligible administration services and financial advisory firms at any time.

### *Investing directly*

You can invest in the Funds by making lump sum and regular investments, either by cheque or direct credit. Once you have made an initial investment, there is no obligation to make further payments. Investments of any amount can usually be made, provided the following minimums are met:

Type of minimum	Minimum per Fund
Initial investment	\$25,000
Additional lump sum investment	\$5,000
Regular investment	\$1,000 per month

We can waive these minimums generally or in a particular case. We can also change these minimums from time to time. We can, at our discretion, accept consideration for units in a form other than cash, including existing investments. Please contact us if you would like to discuss this option.

### *Investing through an administration service*

Any investment made through an administration service will be held by the administration service's custodian on your behalf and different minimum investment levels may apply to the particular service that you use. You will need to make payments to the provider of that service by following the process it has. The provider will be able to provide you with details.

### *Processing applications*

Generally, if we receive a valid application before 1.00pm on a valuation day, we will issue units at the price set using the value of the relevant Fund's assets and liabilities on that day. If we receive the application on or after 1.00pm, we will issue units at the price set using the value of those assets and liabilities on the next valuation day. Valuation days currently occur every business day in Auckland. We also may defer processing applications if we consider it necessary or desirable. Units will be issued at the unit price, which is calculated by dividing the Fund's net asset value by the number of units on issue and adjusting that amount for the applicable buy spread.

See the Other Material Information (OMI) document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) for more information about making investments.

## Withdrawing your investments

You can withdraw part or all of your investment in a Fund at any time.

If you are investing directly, you will need to provide written notification to us at the address set out on page 11 specifying the monetary amount or number of units you wish to withdraw, and the Fund or Funds you wish to withdraw from. If you are investing through an administration service, you will need to request a withdrawal by following the process the provider of that service has. They will be able to provide you with details of that process.

The minimums currently applying to withdrawals (unless it is for all of your units in the relevant Fund), are:

Type of minimum	Minimum per Fund
Partial withdrawal	\$5,000
Remaining holding	\$25,000

You will need to make a full withdrawal if the requested withdrawal would reduce the value of your remaining unit holding in the relevant Fund below the above minimum balance. We can waive the above requirements at our discretion.

Withdrawals will be processed as soon as possible after we receive written notification that you wish to withdraw, and in any case will be processed within 15 (for the Long Short Fund) or 10 (for every other Fund) business days of receipt. Valid withdrawal notices received by us on a valuation day before 1.00 pm will be processed at the unit price set using the value of the Fund's assets and liabilities on that day. Withdrawal notices received on or after 1.00 pm will be processed at the unit price set using the value of those assets and liabilities on the following valuation day. If we do not think it is practical or desirable to calculate the relevant withdrawal amount on those days then we will process the withdrawal at the unit price applicable to the first valuation day we consider practicable. The unit price for all withdrawals is adjusted for the applicable sell spread.

We have discretion to satisfy a withdrawal request by either paying you the amount you withdraw in cash, or transferring investments of the relevant Fund to you. Unless the amount withdrawn is 5% or more of the value of the Fund for the relevant valuation day, you and the Supervisor must agree before we can satisfy a withdrawal request by transferring investments to you. We will contact you if we propose to transfer investments to you to satisfy a withdrawal request.

If, within three months, investors request to withdraw or switch 5% or more of the units in a Fund, we can defer the redemption of those units for up to 90 days. We can also suspend withdrawals and switches from a Fund for up to three months if it is not practicable or would be materially prejudicial to the interests of investors in that Fund to permit withdrawals. We can extend the time period for suspensions or deferrals with the Supervisor's agreement.

See the OMI document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) for more information about withdrawals.

## How to switch between Funds

You can switch between Funds at any time. A switch is treated as a withdrawal from one Fund and an investment in another and the applicable buy and sell spreads will be incurred.

The minimums applying to switches (unless it is for all of your units in the relevant Fund) are the same as those for withdrawals. Switches can also be suspended or deferred in the same circumstances as withdrawals.

### 3. Description of your investment options

The table below shows details of each Fund:

Fund	Summary of investment objectives and strategy	Target investment mix	Risk category	Minimum suggested investment time frame
<b>NZ Dividend Appreciation</b>	<p>The Fund's investment objective is to outperform the S&amp;P/NZX 50 Gross Index on a rolling three year basis by investing predominantly in New Zealand shares.</p> <p>The Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, pay high and sustainable dividends.</p>	<i>Australasian equities</i> 100%	4*	5 years
<b>Enhanced Property</b>	<p>The Fund's investment objective is to outperform the S&amp;P/NZX All Real Estate (Industry Group) Gross Index on a rolling three year basis by investing predominantly in New Zealand and Australian property and property-related shares.</p> <p>The Fund targets a portfolio of shares of New Zealand and Australian property trusts, companies and other property related securities with exposure to property and property-related sectors. The Fund may also, at our discretion, short sell securities, hold cash, lever its assets and utilise active currency management to generate returns (although the Fund will generally be fully hedged).</p> <p>Given the Fund's wide investment limits (as described in the statement of investment policy and objectives for the Funds (SIPO)), broad range of risk management tools, ability to short sell securities and leverage its assets, the Fund's investment performance will depend, to a larger degree than traditional equity investment funds, on Salt's skill in selecting, combining and implementing investment decisions. <b>These unique features mean that the Fund will not be appropriate for all investors.</b></p>	<i>Listed property</i> 95% <sup>†</sup>  <i>Cash and cash equivalents</i> 5%	4*	5 years
<b>Long Short</b>	<p>The Fund's investment objective is to outperform the Reserve Bank of New Zealand Official Cash Rate +5% p.a. benchmark on a rolling three year basis.</p> <p>The Fund aims to deliver positive absolute returns in all market environments. In addition to holding "long-only" New Zealand and Australian securities, the Fund may, at our discretion, short sell securities, hold cash, lever its assets and utilise active currency management to generate returns (although the Fund will generally be fully hedged).</p> <p>Given the Fund's wide investment limits (as described in the SIPO), broad range of risk management tools, ability to short sell securities and leverage its assets, the Fund's return is unlikely to reflect general equity market performance and its investment performance will depend, to a larger degree than traditional equity investment funds, on Salt's skill in selecting, combining and implementing investment decisions. <b>These unique features mean that the Fund will not be appropriate for all investors.</b></p>	<i>Australasian equities</i> 30% <sup>†</sup>  <i>Cash and cash equivalents</i> 70% <sup>†</sup>	3 <sup>^</sup>	5 years

- + Targets indicate an average value of what might be expected and should be considered as a general guide only. The actual investment mix could vary quite markedly in the normal course of undertaking the Funds' investment strategy. See the SIPO for the Funds for more information about how these Funds invest.
- \* For these two Funds a mix of market index returns and actual returns have been used to calculate the risk indicators because the Funds have not yet been in existence for a period of five years. Market index returns have been used for the following periods: NZ Dividend Appreciation Fund from 30 September 2012 to 30 June 2015; Enhanced Property Fund from 30 September 2012 to 11 November 2014. As a result of market index returns being used, the risk indicators may provide a less reliable indicator of the potential future volatility of each Fund.
- ^ For the Long Short Fund, we have used an alternative methodology of calculating the risk indicator where the Fund's actual returns have been used for a period of 3.25 years since it commenced operations (30 June 2014 to 30 September 2017). As a result of a shorter investment period being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the Fund. Please refer to the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) for more information.

We can change the SIPO for the Funds after giving notice to the Supervisor. We will give you at least one month's prior notice of any material changes to the SIPO. The most current version of the SIPO is available on the schemes register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose). A description of any material changes to the SIPO will be included in the Funds' annual report.

Further information about the assets in the Funds can be found in the fund updates at [www.saltfunds.co.nz](http://www.saltfunds.co.nz).

## 4. What are the risks of investing?

### Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Set out on the right is an example (blank) risk indicator. See the table on page 2 for the filled-in risk indicator for each Fund.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific risks') that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 3.25 years to 30 September 2017 (for the Long Short Fund) or the five years to 30 September 2017 (for the other two Funds). While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each Fund.

### General investment risks

Some of the things that may cause a Fund's value to move up and down, which affect the risk indicators, are investment return risk, market risk, company risk, credit risk, liquidity risk, currency risk, derivative risk, and concentration risk.

Risk	Description
<b>Investment return risk</b>	Investment risk is the risk that returns from the Funds' investments will be negative or lower than expected, affecting the value of your investment in the Funds. Different asset classes have different levels of risk. For example, equity and property investments are generally considered higher risk and potentially more volatile than fixed interest and cash assets.
<b>Market risk</b>	Investments generally are affected by movements in market demand and supply, economic conditions, market sentiment, political events, natural disasters, and consumer demand.
<b>Company risk</b>	The risks associated with an investment in a particular company, including the risk that the value of its securities may fluctuate as a result of factors specific to that company.
<b>Credit risk</b>	Credit risk is the risk that a party to a contract with a Fund defaults, fails to complete a transaction, or otherwise becomes unable to meet its financial obligations.
<b>Liquidity risk</b>	Liquidity risk is the risk that investments cannot be sold without loss of capital and minimum delay, due to either limited market depth for the trading of the investment in the secondary market or disruptions in the market place for the investment.
<b>Currency risk</b>	Funds that invest in overseas markets may have their returns impacted by the changes in the currency exchange rate between the overseas market currency and the New Zealand dollar (although Funds with foreign currency exposure use varying levels of currency hedging).
<b>Derivative risk</b>	As the Funds may use a range of derivatives including forwards, futures and options, their investment movements may be more volatile than a fund with no derivative exposure.
<b>Concentration risk</b>	As the Funds focus on investing in equity securities, they may have large exposures to underlying companies, geographical areas, or industries. An adverse impact on these exposure areas will have a greater impact on returns than a more diversified portfolio.

### Other specific risks

The other specific risks set out below also apply to the Funds but are not reflected in the risk indicators. We have processes in place to mitigate, to the extent practicable, these risks.



Risk	Description
<b>Key person risk</b>	As we and Salt are boutique fund managers, the Funds are dependent on the continued involvement and commitment of key investment personnel. The loss of any of them could have an adverse effect on our and Salt's ability to make investment decisions in respect of the Funds, and therefore on the Funds' returns.
<b>Risks relating to performance of the parties involved in the Funds</b>	Various parties are involved in the operation of the Funds, including us, Salt, the Supervisor, the Administration Manager, and in the case of the Long Short Fund and the Enhanced Property Fund, the counterparty which each Fund sources its securities lending from. If any of these parties fail to properly perform their obligations to the Funds, the value of your investment in the Funds or your ability to withdraw may be negatively affected. In addition, as Salt is our parent company, any issue affecting its ability to perform functions may also affect us.

#### Long Short Fund and Enhanced Property Fund

Risk	Description
<b>Short selling risk</b>	When short selling, the relevant Fund borrows shares it does not own from a counterparty and sells these with the intention of buying them back at a later date and at a lower price, thereby making a profit. As the theoretical upper limit on a share price is unlimited, the potential loss (and negative effect on returns) is also unlimited. The lender may request return of the shares which gives rise to the possibility that shares will have to be bought at a time not of our choosing, potentially resulting in losses.
<b>Leverage risk</b>	These Funds employ leverage through the use of short selling and derivatives (see the table on page 6). A Fund that utilises leverage has greater exposure to the value of market securities than a Fund which has not used leverage. This magnifies the potential gains and losses from investments and increases the volatility of the Fund's return compared to a Fund that has not used leverage.
<b>Stock lending risk</b>	When borrowing shares from a counterparty to short, the Fund is required to post collateral in the form of cash or securities with the counterparty. Collateral acts as a form of guarantee that the shares borrowed by the Fund will be returned. The lender has the right to sell or lend the collateral to other parties. The Fund, therefore, is exposed to the creditworthiness of the lender in obtaining the collateral back if an adverse event occurred, which may negatively affect returns if we are unable to obtain that collateral.

See the OMI document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) for more information about risks.

## 5. What are the fees?

You will be charged fees for investing in the Salt Investment Funds. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term
- one-off fees (for example, buy / sell spreads).

#### Annual fund charges

Fund	Estimated total annual fund charges (of net asset value)			
	Management fees	Other management and administration charges	Performance-based fees	Total*
<b>NZ Dividend Appreciation</b>	0.97%	0.23%	N/A	1.19%
<b>Enhanced Property</b>	0.87%	0.23%	0.18%	1.27%
<b>Long Short</b>	1.53%	0.21%	0.21%	1.94%

\*All figures have been rounded to two decimal places, resulting in differences between each total and the sum of the relevant Management fees, Other management and administration charges, and Performance-based fees.

## Explanation of categories of fees

The fees outlined above cover the following two fee categories:

Fee category	What it covers
<b>Management and administration charges</b>	<p>The management and administration charges cover the following:</p> <ul style="list-style-type: none"> <li>• Management fees; and</li> <li>• Other management and administration charges, which includes Supervisor's fees, Custodian's fees, Administration fees, Establishment cost recoveries (in respect of the Enhanced Property Fund only) and Other expenses. These other management and administration charges (other than extraordinary or special fees or expenses) are currently capped at the following percentage of each Fund's average daily gross fund value: <ul style="list-style-type: none"> <li>o NZ Dividend Appreciation Fund: 0.20% per annum, excluding GST,</li> <li>o Enhanced Property Fund and Long Short Fund: 0.25% per annum per Fund, excluding GST.</li> </ul> </li> </ul> <p>All fees and expenses in this category are estimates based on each Fund's actual fees and expenses incurred in the 12 months to 31 March 2017.</p>
<b>Performance-based fees</b>	<p>The Long Short Fund's performance fee is an estimate based on the Fund's actual performance fee charged in the 12 months to 31 March 2017.</p> <p>The Enhanced Property Fund's performance fee is an estimate based on the actual performance fee charged from 24 August 2016 (the date a performance fee was introduced) to 31 March 2017.</p>

All of the above fees and expenses are deducted from the unit value. Each of the fees listed above, other than Other expenses, are calculated and accrued daily as a percentage of the daily gross fund value of the relevant Fund (essentially meaning its net assets but ignoring any accruals for fees and expenses).

All fees are paid monthly in arrears (except for the Supervisor's fee, which is paid quarterly in arrears, and the performance fees, which are paid annually in arrears) from the relevant Fund.

In addition to the above, transaction costs, which include brokerage, short selling expenses and other associated costs, are reflected in the Funds' unit prices and could therefore affect returns.

All fees are disclosed on a before-tax basis. GST will be added to fees and may be included in some expenses, as applicable.

### Performance fees

The performance fees portion of the annual fund charges for the Enhanced Property Fund and the Long Short Fund set out above is charged on the following basis:

Fund	Hurdle rate of return*	Amount of performance fee**	Frequency of calculation	Maximum limit
<b>Long Short</b>	The Reserve Bank of New Zealand Official Cash Rate plus 5% per annum over the performance period	15%	The performance period is every 12 months up to and including 31 March each year. The performance fee is accrued and adjusted on a daily basis and paid annually in arrears.	None
<b>Enhanced Property</b>	The return of the S&P/NZX All Real Estate (Industry Group) Gross Index plus 1% per annum over the performance period	10%	The performance period is every 12 months up to and including 31 March each year. The performance fee is accrued and adjusted on a daily basis and paid annually in arrears.	None

Each Fund's performance fee is subject to a **high-water mark**. This means that the performance fee is only payable if and to the extent that the gross value of each unit in the relevant Fund at the end of a performance period, adjusted for imputation credits (for the Long Short Fund only), any distributions made, and any unpaid performance fee that has accrued since the last high water mark was set, exceeds the previous high-water mark. The first high water mark is the unit price on commencement of the first performance period for the relevant Fund and is only ever reset to a higher unit price if a performance fee is payable, at which point the new high-water mark will be set at the relevant Fund's unit value on that day.

\* The 'hurdle rate' is the minimum return each Fund must achieve before a performance fee is payable (assuming the high water mark unit price is exceeded).

\*\* As a percentage of the relevant Fund's return in excess of the hurdle rate of return, plus any GST.

In our fund updates, we will compare the Long Short Fund's performance against a market index that we consider reflects changes in the market value of the types of asset that the Fund invests in. However, the hurdle rate of return for the performance fee payable to us is based on the Reserve Bank of New Zealand Official Cash Rate plus 5% per annum over the performance period. This means you may be paying a performance fee even if the Fund's performance (after fees but before tax) does not match or beat a market index which has more comparable assets.

In our fund updates, we will compare the Enhanced Property Fund's performance against the S&P/NZX All Real Estate (Industry Group) Gross (including Imputation Credits) Index. This means that imputation credits are included when calculating market index returns in our fund updates, but are not included in the Fund's and index's returns when calculating the performance fee for that Fund. This means there is a chance that you may pay a performance fee even if the Fund's performance (after fees but before tax) does not match or beat the index we use for calculating market index returns in our fund updates.

## Individual action fees

Investors are currently charged a buy/sell spread to reflect the associated transaction costs of buying or selling units in a Fund. These reflect our estimate of the brokerage and other costs incurred when units are purchased or redeemed.

The current buy/sell spreads (which can change at our discretion) are as follows:

Fund	Buy/sell spread	How and when payable
<b>Long Short Fund</b>	0.20% of funds invested into the Fund and 0.20% of funds withdrawn from the Fund.	The spread is deducted from the relevant amount at the time you invest or withdraw. The spread is retained in the relevant Fund and ensures other investors entering and exiting the Fund do not adversely affect the returns on your investment. No spreads are charged on units issued as a result of distribution re-investment.
<b>Enhanced Property Fund and NZ Dividend Appreciation Fund</b>	0.30% of funds invested into the relevant Fund and 0.30% of funds withdrawn from the relevant Fund.	

There are currently no other individual action fees charged. You may be charged other fees on an individual basis for investor-specific decisions or actions in the future. See the OMI document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

### Example of how fees apply to an investor

John invests \$25,000 in the Enhanced Property Fund. He is charged a buy spread of \$75 (0.30% of \$25,000).

This brings the starting value of his investment to \$24,925.

He is also charged management and administration fees, which work out to about \$274.18 (1.10% of \$24,925). These fees might be more or less if his account balance has increased or decreased over the year.

John may also be charged a performance-based fee if his fund earned more than its target.

### Estimated total fees for the first year

Individual action fees: \$75

Fund charges: \$316.55 (includes a performance-based fee of \$42.37)

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the Enhanced Property Fund. If you are considering investing in other Funds in the Salt Investment Funds, this example may not be representative of the actual fees you may be charged.

## The fees can be changed

We can change the fees set out above or introduce new fees in the future, subject to the maximum fees set out in the master trust deed for the Funds. The maximum management fee that can be charged is 2% of the gross fund value of a Fund, and the maximum Supervisor's fee is the greater of \$20,000 for all three Funds or 0.075% plus any GST. Where fees are increased we will give affected investors one month's prior notice. We may increase or remove the cap on fees or expenses for a Fund by one month's notice to affected investors. Although we do not currently intend to do so, we can introduce contribution, withdrawal, or switching fees by two months' notice. We can also waive our fees.

We must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at [www.saltfunds.co.nz](http://www.saltfunds.co.nz).

## 6. What taxes will you pay?

Each Fund is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to [www.ird.govt.nz/toii/pir/workout/](http://www.ird.govt.nz/toii/pir/workout/). If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

If you invest in the Fund through an administration service that is a proxy for investors under the Income Tax Act 2007, that service provider will be the investor in the Fund on your behalf. It is your responsibility to tell your service provider your PIR when you invest in the Fund or if your PIR changes. If you do not tell them, the default rate of the service provider may be applied.

See the OMI document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) for more information about the tax consequences of an investment in the Salt Investment Funds.

## 7. Who is involved?

### About Salt Investment Funds Limited

The manager of the Salt Investment Funds is Salt Investment Funds Limited. We are responsible for managing and administering the Funds. We are a wholly-owned subsidiary of Salt (the Funds' investment manager), a boutique investment management firm specialising in managing New Zealand-centric listed equity and property mandates.

You can contact us by calling 09 967 7276, emailing [info@saltfunds.co.nz](mailto:info@saltfunds.co.nz), or writing to PO Box 106-587, Auckland, 1143.

### Who else is involved?

Title	Name	Role
<b>Supervisor</b>	The New Zealand Guardian Trust Company Limited	Supervisor of the Funds under the Financial Markets Conduct Act and responsible for supervising us as manager of the Funds.
<b>Custodian</b>	The New Zealand Guardian Trust Company Limited (who have appointed the Asset Servicing Division of National Australia Bank Limited as sub-custodian)	Holds the assets of the Funds.
<b>Administration manager</b>	MMC Limited	Provides unit pricing and registry services.
<b>Investment manager</b>	Salt Funds Management Limited	Decides which assets the Funds will invest in.

## 8. How to complain

### You can lodge a complaint with us:

Call: 09 967 7276 during normal business hours  
Email: [info@saltfunds.co.nz](mailto:info@saltfunds.co.nz)  
Write to: Salt Investment Funds Limited, PO Box 106-587, Auckland, 1143

### You can also lodge a complaint with the Supervisor:

Call: 09 909 5100 or 0800 87 87 82 during normal business hours  
Write to: Level 14, 191 Queen Street, Auckland

We and the Supervisor are each a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited (FSCL). If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, FSCL may be able to consider your complaint. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Call: 0800 347 257 during normal business hours  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)  
Write to: Financial Services Complaints Limited, PO Box 5967, Wellington 6145

## 9. Where you can find more information

Further information relating to the Salt Investment Funds, including financial statements, annual reports, quarterly fund updates, the master trust deed and establishment deeds for the Funds, and SIPO, is available on the offer register and the scheme register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose). A copy of the information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers.

You may also receive a statement of the units held within 14 days of allotment of your investment or a quarterly statement detailing all investments, portfolio movements, and withdrawals over the period. Distribution statements will be sent to investors at the time of payment of any distributions.

You can also obtain, free of charge:

Type of information	How to obtain
Fund updates	Fund updates are available from our website and on request.
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us. Direct investors in the Funds can also obtain an estimate of unit holdings in the same way.

You will also be sent an annual tax statement which will include PIE income allocated to you and the amount of tax paid at your chosen PIR. You will also be asked to confirm your IRD number and PIR.

You can find general information about us, Salt, the Funds, and the investment management team on our website at [www.saltfunds.co.nz](http://www.saltfunds.co.nz).

## 10. How to apply

To invest directly in the Funds, please:

- complete the application form at the end of this PDS and ensure your payment is made in accordance with the instructions in the application form
- send the application form, together with your cheque (if relevant) and any other documentation (as set out in the application form) to the address set out in the application form.

To invest through an administration service, please contact us for a list of eligible administration services at any time.

# Application Form for the Salt Investment Funds- PDS Date 13 October 2017

Please mail this Application Form, together with your cheque and any other relevant documentation to:

**Salt Investment Funds Limited**  
**c/o MMC Limited**  
**PO Box 106-039**  
**Auckland 1143**

If you pay by direct credit, please send originals of the Application Form and other relevant documentation to the address above and your payment details to the following email address:

**registry@mmcnz.co.nz**

**Please complete this form in CAPITAL LETTERS**

<b>1</b>	<b>TYPE OF INVESTOR</b>													
<b>What type of investor are you?</b>														
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Joint Ownership	<input type="checkbox"/>	Power of Attorney	<input type="checkbox"/>	Partnership							
<input type="checkbox"/>	Trust	<input type="checkbox"/>	Estate	<input type="checkbox"/>	Company	<input type="checkbox"/>	Retirement Scheme							
<input type="checkbox"/>	Other													
<b>Are you an existing unit holder?</b>														
<input type="checkbox"/>	Yes	Unitholder number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	No													
<b>Are you a proxy?</b>														
<input type="checkbox"/>	Yes													
<input type="checkbox"/>	No													
<b>2</b>	<b>INVESTOR DETAILS</b>													
<b>Name – complete only if not investing as an individual or joint ownership</b>														
<input type="text"/>														
<b>IRD number</b>														
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>					
<b>PIR*</b>														
<input type="checkbox"/>	0%	<input type="checkbox"/>	10.5%	<input type="checkbox"/>	17.5%	<input type="checkbox"/>	28%							
<b>Trust Name</b>														
<input type="text"/>														
<b>Type of Trust</b>	<b>Date established</b>													
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>							
<b>Details of major source of funds used for this investment</b>														
<input type="checkbox"/>	Personal Employment	<input type="checkbox"/>	Inheritance	<input type="checkbox"/>	Business Earnings	<input type="checkbox"/>	Other - please describe below							
<input type="text"/>														

Full name & date of birth of all beneficiaries						

**Individual 1 – Complete for each applicant, director, trustee where relevant**

Title	SURNAME	FIRST NAME(S)
Date of birth		IRD number
D	D	M
M	M	Y
Y	Y	
PIR*		Tax status
<input type="checkbox"/>	0%	<input type="checkbox"/>
<input type="checkbox"/>	10.5%	Resident
<input type="checkbox"/>	17.5%	<input type="checkbox"/>
<input type="checkbox"/>	28%	Non-resident

**Individual 2 – Complete for each applicant, director, trustee where relevant**

Title	SURNAME	FIRST NAME(S)
Date of birth		IRD number
D	D	M
M	M	Y
Y	Y	
PIR*		Tax status
<input type="checkbox"/>	0%	<input type="checkbox"/>
<input type="checkbox"/>	10.5%	Resident
<input type="checkbox"/>	17.5%	<input type="checkbox"/>
<input type="checkbox"/>	28%	Non-resident

**Individual 3 – Complete for each applicant, director, trustee where relevant**

Title	SURNAME	FIRST NAME(S)
Date of birth		IRD number
D	D	M
M	M	Y
Y	Y	
PIR*		Tax status
<input type="checkbox"/>	0%	<input type="checkbox"/>
<input type="checkbox"/>	10.5%	Resident
<input type="checkbox"/>	17.5%	<input type="checkbox"/>
<input type="checkbox"/>	28%	Non-resident

\*PIR – Prescribed Investor Rate:  
 We will use the highest Prescribed Investor Rate for joint holders. If you are unsure what your PIR is, visit [www.ird.govt.nz](http://www.ird.govt.nz) and search for 'Prescribed Investor Rate', contact Inland Revenue on 0800 227 774, or speak to your tax advisor. If your PIR is invalid or you do not choose one, the default 28% will apply

**3 CONTACT DETAILS**

Physical address				Postal address (if different from physical address)			
Unit No.	Street No.	Street name		Unit No.	Street No.	Street name	
Suburb	City	Postcode		Suburb	City	Postcode	
Country				Country			

<b>Home phone</b>	<b>Work phone</b>
<input type="text"/>	<input type="text"/>
<b>Email address</b>	
<input type="text"/>	

**4 FOREIGN ACCOUNT TAX COMPLIANCE ACT - For the purposes of the provisions of the United States legislation commonly known as the Foreign Account Tax Compliance Act ('FATCA')**

For individuals and joint ownership investors

**Investor 1: Are you a citizen or tax resident of the United States?**

<input type="checkbox"/> Yes	US Taxpayer Information Number (TIN)*	<input type="text"/>
<input type="checkbox"/> No		

**Investor 2: Are you a citizen or tax resident of the United States?**

<input type="checkbox"/> Yes	US Taxpayer Information Number (TIN)*	<input type="text"/>
<input type="checkbox"/> No		

**Investor 3: Are you a citizen or tax resident of the United States?**

<input type="checkbox"/> Yes	US Taxpayer Information Number (TIN)*	<input type="text"/>
<input type="checkbox"/> No	* For individuals your TIN will be your social security number.	

**For entities (including trusts): Is the entity a US company, trust, or partnership for US tax purposes?**

<input type="checkbox"/> Yes	US Taxpayer Information Number (TIN) or exemption code (for exempt payees)*	<input type="text"/>
<input type="checkbox"/> No	* For entities, your TIN will be the Employer Identification Number (EIN).	

**If no, which of the following describes your FATCA status?**

<input type="checkbox"/> New Zealand Financial Institution*	<input type="checkbox"/> A participating foreign financial institution*
<input type="checkbox"/> A deemed-compliant foreign financial institution**	<input type="checkbox"/> Partner jurisdiction financial institution
<input type="checkbox"/> Other financial institution	<input type="checkbox"/> Active non-financial foreign entity***
<input type="checkbox"/> Passive non-financial foreign entity****	<input type="checkbox"/> An exempt beneficial owner**

\* A custodial or depository institution, an investment entity, or a specified insurance company for FATCA purposes.  
 \*\* As defined in the relevant US Treasury Regulations.  
 \*\*\* A non-US entity that is not a Financial Institution but falls within the 'active' categories, including a listed company (and its related entities), many registered charities, and entities (including companies) for whom less than 50% of gross assets and income are considered passive.  
 \*\*\*\* Generally, any Non-Financial Foreign Entity that is not 'active' (see above) will be 'passive'.

**If the entity has a Global Intermediary Identification Number (GIIN), please provide it**

<input type="text"/>
----------------------

For help in determining your status for FATCA purposes, please see the Inland Revenue's website at <http://www.ird.govt.nz/toii/fatca-index.html>. You need to provide us with further information if there is a change in circumstances which renders the above certification incorrect or unreliable. We may request further information from you in the future for this purpose.



**5 COMMON REPORTING STANDARDS ('CRS') – For the purposes of OECD’s Standard for Automatic Exchange of Financial Account Information in Tax Matters which incorporates the Common Reporting Standard ('CRS')**

For individuals and joint ownership investors (including each controlling person of a passive non-financial entity investor – see the entities section below)

**Individual 1: Are you a tax resident in any other country than New Zealand or the United States?**

Yes

No

If yes, please specify the other country/countries in which you are a tax resident:

Please provide your foreign taxpayer identification number/tax number\* (TIN) for each of those countries:

If you do not have a foreign TIN for a country, please provide an explanation:

If you are a controlling person of an entity (as specified in the entities section below), please specify what type of controlling owner you are:

**Individual 2: Are you a tax resident in any other country than New Zealand or the United States?**

Yes

No

If yes, please specify the other country/countries in which you are a tax resident:

Please provide your foreign taxpayer identification number/tax number\* (TIN) for each of those countries:

If you do not have a foreign TIN for a country, please provide an explanation:

If you are a controlling person of an entity (as specified in the entities section below), please specify what type of controlling owner you are:

**Individual 3: Are you a tax resident in any other country than New Zealand or the United States?**

Yes

No

If yes, please specify the other country/countries in which you are a tax resident:

Please provide your foreign taxpayer identification number/tax number\* (TIN) for each of those countries:

If you do not have a foreign TIN for a country, please provide an explanation:

If you are a controlling person of an entity (as specified in the entities section below), please specify what type of controlling owner you are:

\* This is the functional equivalent of a New Zealand IRD number.

#### For entities (including trusts)

Is the entity a tax resident in any other country than New Zealand or the United States?

Yes

No

If yes, please specify the other country/countries in which the entity is a tax resident:

Please provide the entity's foreign taxpayer identification number (TIN) for each country:

If the entity does not have a foreign TIN for a country, please provide an explanation:

For CRS purposes, is the entity a:

Financial institution<sup>1</sup>

Active non-financial entity<sup>2</sup>

Passive non-financial entity (PNFE)<sup>3</sup>

If the entity is a PNFE, is any controlling person<sup>4</sup> a tax resident in any other country than New Zealand?

Yes

No

If yes, the controlling person must complete an individual self-certification. If the controlling person is specified on page 14 then please complete the individual section(s) above. If the controlling person is not specified on page 14, please contact us for a self-certification form to complete. In either case, please indicate on the form what type of controlling owner the individual is<sup>4</sup>.

- <sup>1</sup> If the entity is a financial institution for FATCA purposes, it is likely (but not certain), to be a financial institution for CRS purposes.
- <sup>2</sup> An active non-financial entity includes a listed company (and its related entities), governmental entities and international organisations. See the links below for the full definition.
- <sup>3</sup> A passive non-financial entity generally covers an entity that:
  - a. Is not a financial institution; and
  - b. Either derives predominantly (50% or more) passive income (as defined for CRS purposes) and/or predominantly has assets that produce or are held for the production of passive income.
- <sup>4</sup> A controlling person is defined as the natural persons who exercise control over an entity. In the case of a trust, the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust will be included. This means that the term may include a director, partner, trustee, settlor, beneficiary, protector of a trust, or other natural person exercising ultimate effective control over the entity.

For more information on CRS, and determining your status for CRS purposes, please see the Inland Revenue's website at [www.ird.govt.nz/international/exchange/crs/crs-glossary/crs-glossary.html](http://www.ird.govt.nz/international/exchange/crs/crs-glossary/crs-glossary.html) and [www.taxpolicy.ird.govt.nz/topical-issues/implementing-aeoi](http://www.taxpolicy.ird.govt.nz/topical-issues/implementing-aeoi). In addition to the above, you need to provide us with further information if there is a change in circumstances which renders the below certification incorrect or unreliable. We may also request further information from you in the future for this purpose.

## 6 INVESTMENT DETAILS

I/We wish to invest the following amounts (in NZD) in each of the following Funds

Fund	Initial investment (minimum \$25,000 per Fund)	Subsequent investment (minimum \$5,000 per Fund)	Regular investment (minimum \$1,000/month per Fund)
Salt NZ Dividend Appreciation Fund	\$	\$	\$
Salt Enhanced Property Fund	\$	\$	\$
Salt Long Short Fund*	\$	\$	\$

\* The Salt Long Short Fund is generally only available for existing investors in the Fund and new investors of financial adviser firms selected by us.

### Payment details

#### Cheque

Payable to: NZGT (Salt) Nominees Limited  
Please cross it 'not transferable'

#### Direct Credit

Bank account name: NZGT (Salt) Nominees Limited  
Bank account number: 03-1509-0166921-00  
Reference: Name of your Salt Investment Funds account  
or IRD number

## 7 BANK ACCOUNT & DISTRIBUTION – you must provide a New Zealand bank account which is in the same name as your Salt Investment Funds holding

Account name

Bank name

Branch name

Account number

Please make sure you provide a bank deposit slip, bank statement or confirmation from your bank verifying your account name and number.

See the product disclosure statement for details of the Funds that currently pay distributions. We may change our distribution policy for any Fund from time to time. Please specify whether you would like any distributions to be paid to your bank account or reinvested in additional units. If no option is selected, distributions will be reinvested. Contact us to update your election.

Reinvest in additional units in the relevant Fund

Direct credit to the above bank account

## 8 IDENTITY VERIFICATION

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires us to verify the identity of all new investors in the Salt Investment Funds. This means your application must be accompanied by relevant certified documents as outlined in the Checklist for Identity Verification and Certification of Documents sections below.

For natural persons, verification of identity and proof of address can be done online, by us, instead, using Cloudcheck at no cost to you. If you elect to use the Cloudcheck service:

- you must tick the appropriate box under the Declaration section below;
- you must send in non-certified copies of those documents related to your identity (e.g. passport) and proof of address (e.g. utility bill) with your application; and
- you must send in original or certified copies of all other documents listed in the checklist for identity verification that is related to your investor type (e.g. for individual or joint account, an original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number).

Our requirements may change from time to time and we may be required to ask you for additional information in the future, including if we are unable to verify your identity by using the Cloudcheck service.

## CHECKLIST FOR IDENTITY VERIFICATION

### Individual or joint account

Original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number

Certified true copy of identification for each applicant with the certification not more than three months old<sup>1</sup>

Original or certified true copy of address verification for each applicant that is not more than three months old<sup>2</sup>

### Partnership account

Original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number

Certified true copy of identification for each partner with the certification not more than three months old<sup>1</sup>

Original or certified true copy of address verification for each partner that is not more than three months old<sup>2</sup>

Original or certified true copy of the Partnership Deed with the certification not more than three months old

### Trust account

Original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number

Certified true copy of identification for each trustee and beneficial owner\* with the certification not more than three months old<sup>1</sup>

Original or certified true copy of address verification for each trustee and beneficial owner\* that is not more than three months old<sup>2</sup>

Original or certified true copy of the Trust Deed with the certification not more than three months old

### Company account

Original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number

Certificate of Incorporation

Proof of address or registered office

Trading name (if applicable)

List of directors and authorised signatories

Certified true copy of identification for each director, beneficial owner\* of the company, authorised signatory or anyone else acting on behalf of the company in respect of the investment, with the certification not more than three months old<sup>1</sup>

Original or certified true copy of address verification for each director and authorised signatory that is not more than three months old<sup>2</sup>

#### \* Beneficial owners:

A beneficial owner is an individual who has effective control of a customer or person on whose behalf a transaction is conducted, or who owns 25% or more of the customer or person on whose behalf a transaction is conducted. Examples are -

- Beneficial owners of a company may include shareholders, senior management (e.g. CEO), and any other person with effective control (such as some directors).
- Beneficial owners of a trust may include a beneficiary of the trust, and any other individual who has effective control over the trust, specific trust property, or the power to amend the trust deed, or remove or appoint trustees or one or more of the beneficiaries of the trust.

### Power of attorney

Original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number

Certified true copy of identification for each applicant with the certification not more than three months old<sup>1</sup>

Original or certified true copy of address verification for each applicant that is not more than three months old<sup>2</sup>

Original or certified true copy of the Power of Attorney with the certification not more than three months old

Original or certified true copy of the Certificate of Non-Revocation with the certification not more than three months old

## Estate account

Original or certified true copy of bank deposit slip, bank statement or confirmation from your bank verifying the account name and number

Certified true copy of identification for each executor with the certification not more than three months old<sup>1</sup>

Original or certified true copy of address verification for each executor that is not more than three months old<sup>2</sup>

Original or certified true copy of the Probate with the certification not more than three months old

For investor types not listed above, please contact us directly.

<sup>1,2</sup> Please refer to Notes section on page 22.

## 9 PRIVACY ACT 1993

This statement relates to the personal information that you are providing to Salt Investment Funds Limited by way of this application and any subsequent personal information which you provide in the future. The personal information you have supplied may be used by Salt Investment Funds Limited, Salt Funds Management Limited, The New Zealand Guardian Trust Company Limited, and MMC Limited (and any of their related entities) for the purposes of enabling Salt Investment Funds Limited to arrange and manage your investment, and to contact you in relation to your investment. Salt Investment Funds Limited will provide you (on request) with the name and address of any entity to which information has been disclosed. You have the right to access all personal information held about you by Salt Investment Funds Limited. If any of the information is incorrect, you have the right to request to have it corrected. You acknowledge that you are authorised to provide personal information on behalf of the applicant and evidence of this authority is provided (in the case of a parent/guardian/other person providing information about the applicant). You agree that your/each of your names and addresses may be used by Salt Investment Funds Limited or any of its related companies, including Salt Funds Management Limited, to provide you with newsletters and other information about the Salt Investment Funds and other products and services, and for the purposes outlined in this section and the declaration below.

## 10 DECLARATION

I/We confirm that I/we:

- have received, read, and retained a copy of the product disclosure statement dated 13 October 2017;
- agree to be bound by the terms and conditions of the master trust deed and establishment deeds for the Salt Investment Funds, as amended from time to time;
- agree to the terms outlined above in relation to the Privacy Act 1993 and the supply of personal information and FATCA and CRS related information;
- consent to Salt Investment Funds Limited providing any information relating to my/our CRS or FATCA status or CRS or FATCA matters to the New Zealand Inland Revenue Department, and agree to notify Salt Investment Funds Limited in writing immediately if there is any change which I/we become aware of which would render any of the above information incorrect, and to re-submit information to Salt Investment Funds Limited upon request;
- where applicable, confirm that those signing this application form are persons with authority to sign this form on behalf of the entity named above;
- agree to update the information I have provided if my circumstances change;
- if I/we have provided my/our email address, or provide it in the future, consent to receiving electronic communications (including email) from Salt Investment Funds Limited, Salt Funds Management Limited, The New Zealand Guardian Trust Company Limited, or MMC Limited relating to my/our investment in the Salt Investment Funds and as otherwise set out in the terms above in relation to the Privacy Act 1993;
- authorise Salt Investment Funds Limited and Salt Funds Management to disclose information relating to me to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law;
- certify that all information given in this form is true and correct;
- understand that the Salt Investment Funds are a vehicle for long-term investment and as the Funds invest in equities, the value of my/our investment is liable to fluctuations and may rise and fall from time to time;
- understand that none of Salt Investment Funds Limited, Salt Funds Management Limited, The New Zealand Guardian Trust Company Limited, or MMC Limited or any other person guarantees my/our investment in the Salt Investment Funds; and
- understand the manner in which the fees will be deducted from my/our investment.

If you would like to have your identification verified online using Cloudcheck, please confirm and tick the box below. There is no cost for using Cloudcheck.

I/We confirm that I/we consent, for the purpose of verifying my/our identity, to the personal information that I/we have provided being used with (and, where necessary, disclosed to) third parties, including the following sources: (1) the NZTA for the purpose of checking the Driver Licence and MOTO databases; (2) the Department of Internal Affairs for the purpose of checking the Passport, Birth Certificate and Citizenship Certificate databases; (3) Land Information New Zealand; (4) the Companies Office; (5) Centrix Group Limited (and I/we authorise Centrix to use any information that they hold in their credit reporting bureau about me/us to compare the information that I/we have provided); and (6) the White Pages.

<b>Signature of applicant 1, director or trustee</b>	<b>Date signed</b>
	D D M M Y Y
<b>Signature of applicant 2, director or trustee</b>	<b>Date signed</b>
	D D M M Y Y
<b>Signature of applicant 3, director or trustee</b>	<b>Date signed</b>
	D D M M Y Y

## NOTES

**1. Identification details – please provide details and a certified copy of the documents set out below, depending on the option that you choose:**

Option 1	Option 2	Option 3
<b>ONE</b> of the following	<b>ONE</b> of the following	• A New Zealand driver license
<ul style="list-style-type: none"> <li>• Personal details page of your passport</li> <li>• New Zealand Firearms license</li> </ul>	<ul style="list-style-type: none"> <li>• New Zealand or foreign full birth certificate</li> <li>• Certificate of New Zealand citizenship or a certificate issued by a foreign government</li> </ul>	And <b>ONE</b> of the following
	And <b>ONE</b> of the following <ul style="list-style-type: none"> <li>• New Zealand driver license or 18+ card</li> <li>• Valid and current international driving permit and a license from another country with a translation</li> </ul>	
		<ul style="list-style-type: none"> <li>• A document issued by a registered bank that contains your name and signature, for example a credit card, debit card or eftpos card</li> <li>• A statement issued by a government agency to you in the 12 months immediately preceding the date of the application, for example a statement from Inland Revenue.</li> </ul>

**2. Proof of address details – investors must provide proof (either original or certified copy) of the residential address addressed to them that is not more than 3 months old.**

**ONE** of the following

- Bank statement
- Utility bill (e.g. electricity bill, gas bill or landline and internet bill)
- Inland Revenue statement

## CERTIFICATION OF DOCUMENTS

**We will accept photocopied documents certified by someone who is over 16 years of age and is ONE of the following**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Commonwealth Representative (as defined in the Oaths and Declarations Act 1957)</li> <li>• Member of the Police</li> <li>• Justice of the Peace</li> <li>• Registered medical doctor</li> <li>• Kaumātua</li> <li>• Registered teacher</li> <li>• Minister of religion</li> </ul> | <ul style="list-style-type: none"> <li>• Lawyer (as defined in the Lawyers and Conveyancers Act 2006)</li> <li>• Notary public</li> <li>• New Zealand Honorary consul</li> <li>• Member of Parliament</li> <li>• Chartered accountant (within the meaning of section 19 of the New Zealand Institute of Chartered Accountants Act 1996)</li> <li>• A person who has the legal authority to take statutory declarations or the equivalent in New Zealand</li> </ul> |
|--|--|

When certification occurs overseas, copies of international identification provided by a customer resident overseas must be certified by a person authorised by law in that country to take statutory declarations or the equivalent in the customer's country.

The person certifying your document must NOT be any of the following:

- related to you; for example, your parent, child, brother, sister, aunt, uncle or cousin
- your spouse or partner
- a person who lives at the same address as you
- a person involved in the transaction or business requiring the certification

If insufficient identification and address verification is provided, your application will be rejected and your payment returned. Payments returned to investors will not be eligible to accrue any interest.

**The person certifying your documents MUST sight the originals and make a statement to the effect that the documents are a true copy and represent the identity of the named person. The certification MUST include the following with the certification not more than three months old.**

- Name and signature of the person certifying the documents
- Date of certification
- The capacity in which the person is certifying the documents (from the list of individuals above)

SALT

Funds Management

Salt Investment Funds Product Disclosure Statement