

# NZ Endeavour Fund

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## Investment Statement

**28 September 2015**

This is an investment statement for the purposes of the Securities Act 1978. It has been prepared as at 28 September 2015, in accordance with schedule 13 of the Securities Regulations 2009.

## IMPORTANT INFORMATION

*(The information in this section is required under the Securities Act 1978)*

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

### ***Choosing an investment***

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When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

### ***The Financial Markets Authority regulates conduct in financial markets***

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The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets. For more information about investing, go to <http://www.fma.govt.nz>

### ***Financial advisers can help you make investment decisions***

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Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check –

- the type of adviser you are dealing with;
- the services the adviser can provide you with;
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at <http://www.fspr.govt.nz>.

You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

If you are an offshore investor please be aware that financial advisers that are not registered in New Zealand are not governed by New Zealand law. If you are seeking financial advice from offshore financial advisers, please ensure that the financial adviser you choose is regulated in the relevant jurisdiction and is able to offer appropriate advice for this investment.

The Scheme is not offered, and this Investment Statement does not constitute an offer, in any jurisdiction other than New Zealand. This offer document and the Administration Manager, Trustee and Promoter are governed by New Zealand law.

In this Investment Statement, where the words “us”, “we” or “our” are used, they refer to the Trustee, Promoter and/or the Administration Manager of the Scheme, as the context requires.

## KEY INFORMATION SUMMARY

Key terms	Brief Summary	For more information
What sort of investment is this?	<p>This is an investment in a superannuation scheme.</p> <p>The NZ Endeavour Fund (<b>Scheme</b>) is a contributory, cash accumulation superannuation scheme which provides retirement benefits based upon the accumulated value of member contributions plus the investment returns achieved from year to year. You can withdraw a lump sum prior to retirement only in limited circumstances.</p> <p>The Scheme is a qualifying recognised overseas pension scheme (<b>QROPS</b>) which means that members can transfer their UK pension monies to the Scheme.</p>	See pages 8-10
Who looks after the Scheme?	Endeavour Fund Trustees Limited is the Trustee of the Scheme, Endeavour Fund Administration Limited is the Administration Manager and Endeavour Retirement Funds Limited is the Promoter of the Scheme. We are all related parties.	See pages 10-12
What Funds does the Scheme invest in?	<p>The Scheme will invest your contributions in the TAM Premier Discretionary Portfolios (TAM Funds) managed and promoted by the Discretionary Asset Management Division of TAM Asset Management Ltd.</p> <p><b>TAM Funds</b></p> <p>There are a total of five TAM Funds available for you to elect the Scheme to invest your Scheme contributions, including the TAM Liquidity Plus Portfolio, the TAM Cautious Portfolio, the TAM Balanced Portfolio, the TAM Growth Portfolio and the TAM Adventurous Growth Portfolio.</p> <p>If you elect the Scheme invests your Scheme contributions in the TAM Funds, you can do so in two ways:</p> <ul style="list-style-type: none"> <li>• in the TAM Funds directly (in which case you will be a <b>TAM Investor</b>); or</li> <li>• through a RL360° Personal Investment Management Service (which has a capital redemption bond structure) (<b>RL360° Bond</b>) in</li> </ul>	See pages 12-18

	<p>a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio (in which case you will be a <b>RL360° Investor</b>).</p> <p>If you are a TAM Investor, you can choose to have your Scheme contributions invested in one or more of the TAM Funds in any proportion you wish.</p> <p>If you are a RL360° Investor, you can have your Scheme contributions invested by the Scheme through the RL360° Bond in a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio.</p>	
When can I withdraw my money from the Scheme?	<p>Currently, if you have a UK tax-relieved fund, at least 70% of the original amount transferred from a UK pension scheme will be paid to you in the form of an income for life (regular instalments) when you reach the UK normal minimum pension age (currently 55 years old) or if you suffer ill-health. The remainder (if any) and any investment returns will be paid as a lump sum. However, if you have been a UK resident at any time within the current or preceding 5 UK tax years when you become entitled to the benefit, then only up to 25% of the original amount transferred from a UK pension scheme (if any) and any investment returns can be paid out as a lump sum. The remainder (after fees and taxes) will be paid as an income for life (regular instalments).</p> <p>Currently, if you have a non-UK tax-relieved fund, unless you request an annuity or regular payments, you will be entitled to a cash lump sum equal to your balance on retirement (65 years old or between 55 and 65 years old, if you provide evidence to our satisfaction that you have partially or fully retired), if we are satisfied that your circumstances justify early payment (e.g. significant financial hardship), if you are residing outside New Zealand and intend to reside outside New Zealand permanently, or for death or permanent incapacity.</p> <p>We may pay you a benefit before retirement in limited circumstances.</p> <p>The UK Government (<b>HMRC</b>) has expressed an intention to remove the requirement that at least 70% of the original amount transferred from a UK pension scheme be paid in the form of an income for life in the circumstances described above. If these changes occur, we intend to amend the Scheme's Trust Deed so you will be entitled to a cash lump sum equal to your balance when you reach the UK normal minimum pension age (currently 55 years old) or if</p>	See pages 26-30

	<p>you suffer ill-health.</p> <p>When these changes happen, you should contact us to discuss how you can withdraw money from the Scheme.</p>	
How much do I have to pay?	<p>The minimum initial investment amounts are as follows:</p> <ul style="list-style-type: none"> <li>• TAM Investors: £10,000;</li> <li>• RL360° Investors: £50,000 (after the deduction of the initial establishment fees and any adviser fees).</li> </ul> <p>You can make additional lump sum payments to the Scheme as follows:</p> <ul style="list-style-type: none"> <li>• TAM Investors: minimum NZ\$5,000 or equivalent in foreign currency;</li> <li>• RL360 Investors: minimum £5,000.</li> </ul> <p>If you are a TAM Investor, you can make regular contributions of any amount (which can be varied and/or suspended provided a minimum account balance of \$5,000 is maintained). RL360° Investors cannot make regular contributions.</p>	See page 19
What are the risks?	<p>All investments involve a degree of risk. Investment returns are not guaranteed and there is a risk that returns may be negative and you may recover less than you contribute to the Scheme.</p> <p>The potential return on an investment is generally related to the risk of the investment. The key factor that determines your returns is the investment performance of whichever of the TAM Fund(s) you select for your Scheme investments. The performance of a TAM Fund is principally determined by the TAM Fund's asset allocation, the performance of individual investments, market sentiment, interest rates, currency movements, fees and expenses. A lack of diversification of a portfolio can increase the asset class risk.</p>	See pages 30-36
What are the charges?	<p><b>Fees payable by all Scheme members</b></p> <p>All Scheme members are required to pay out of the funds invested, or to be invested, on their account, a range of fees including an establishment fee and administration fee.</p>	See pages 19-24

	<p>You may be required to pay an early withdrawal fee and, if you transfer your balance in the Scheme out to another QROPS or a UK registered pension scheme, you will be required to pay a transfer out fee.</p> <p>When you become entitled to a retirement benefit, you may be required to pay a benefit calculation fee from time to time during the period of payment of your “income for life”.</p> <p>You may also be charged fees on a time cost basis at such rates as agreed between the Settlor and the Trustee from time to time, for administering your death benefit on your death, or for following your instructions.</p> <p>A fee will be charged for administrative work relating to foreign account tax administration and reporting.</p> <p>TAM charges the following fees to the TAM Funds, which will be payable out of the funds invested on account of TAM Investors and RL360° Investors:</p> <ul style="list-style-type: none"><li>• Investment management fees</li><li>• Platform user fee</li><li>• Account closure fee</li></ul> <p><b>Fees payable by TAM Investors only</b></p> <p>The following additional fees are payable to TAM out of the funds invested on account of TAM Investors only:</p> <ul style="list-style-type: none"><li>• Execution fees</li><li>• Nominee/custody fee</li><li>• Clearing House Automated Payment Scheme, SWIFT transfer fees, and foreign exchange fees</li></ul> <p><b>Fees payable by RL360° Investors only</b></p> <p>For RL360° Investors, the following additional fees will be payable out of funds invested on your account:</p> <ul style="list-style-type: none"><li>• Percentage administration fee for the first 8 years</li></ul>	
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	<ul style="list-style-type: none"> <li>• Fixed administration fee</li> <li>• Dealing fee</li> <li>• Early withdrawal fee</li> <li>• Custody fee</li> <li>• SWIFT/ telegraphic transfer fees</li> </ul> <p>If you withdraw your investment from the Scheme within the first 8 years of having your Scheme contributions invested in the RL360° Bond, you will be charged an early withdrawal fee.</p> <p>If you are a RL360° Investor, a trail commission will be payable to your adviser as agreed between you and your adviser, out of the funds invested, or to be invested, on your account.</p> <p>The above fees charged by TAM and RL360 will reduce the value of investments held on your account in the TAM Funds or through the RL360° Bond. We will also seek reimbursement of certain expenses.</p>	
Does anyone guarantee the investment?	None of Endeavour Fund Administration Limited, the Trustee, or any other person or company, guarantees or promises the repayment of, or returns on, investments in the TAM Funds, RL 360° Bond.	See page 27
Who can I contact for further information?	If you have any questions about your investment, you can contact your financial adviser (if you have one), email us at <a href="mailto:admin@nzendeavour.com">admin@nzendeavour.com</a> , call us on + 64 9 909 9490 (or 0800 500 811 toll free within New Zealand) or write to us at our address.	See pages 38-39



## ***What sort of investment is this?***

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The NZ Endeavour Fund (**Scheme**) is a superannuation scheme registered under the Superannuation Schemes Act 1989 (**Act**). The Scheme is a qualifying recognised overseas pension scheme (**QROPS**) under the law of the United Kingdom of Great Britain (**UK**), QROPS number 504044. Because the Scheme has QROPS status, lump sum benefit withdrawals from UK tax-relieved funds are restricted and we are required to provide reports to the UK Government (see below). These QROPS requirements are discussed in detail on page 26.

The Scheme's purpose is to assist you to save for your retirement and to provide you with benefits in retirement based on your savings.

You may contribute into the Scheme such amounts and at the times and in the manner you decide (subject to certain minimum contribution limits). Contributions are invested by us as the trustee of the Scheme in TAM Premier Discretionary Portfolios (**TAM Funds**), managed and promoted by the Discretionary Asset Management Division of TAM Asset Management Ltd.

If you are a New Zealand resident investor, you should be aware that if you transfer amounts to the Scheme from a foreign scheme, they are treated as withdrawals from that scheme and are potentially subject to tax. We recommend you understand the tax implications of your decision and seek tax advice if necessary.

### Investment by the Scheme in the TAM Funds

If you elect the Scheme invests your Scheme contributions in the TAM Funds, there are 2 options, either the Scheme invests:

- in the TAM Funds directly (as a **TAM Investor**); or
- through the RL360° Bond in a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio (as a **RL360° Investor**).

The performance of your chosen investment option is attributed to your Scheme account.

The RL360° Bond is structured as a capital redemption bond and is issued by RL360 Insurance Company Limited in the Isle of Man. The RL360° Bond is not suitable for persons currently resident in New Zealand or contemplating taking up residence in New Zealand.

### Switching between funds

If you are a TAM Investor, you can choose which TAM Funds your Scheme contributions are invested in and you are permitted to switch your account balance between the TAM Funds offered. If you are a RL360° Investor, you can have your Scheme contributions invested in a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio.

You can be more than one of a RL360° Investor and a TAM Investor. However, you cannot elect to switch your balance from one Investment Manager to another. You can elect that any contributions going forward are invested in a TAM Fund even if you are a RL360° Investor or that future contributions will be invested in a RL360° Bond, if you are a TAM Investor. In any of these cases, your balance will remain invested as it was before you made a decision about future contributions.

Returns from your investments are accumulated in your account, from which the fees and expenses (described below) are deducted. Benefits are paid from the balance of your account.

Currently, benefits derived from **UK tax-relieved funds** are subject in all cases to compliance with UK pension laws and may be taxed in the UK if the Scheme loses its QROPS status. Generally, at least 70% of retirement benefits paid from UK tax-relieved funds can be paid only as an income for life (to be determined in accordance with the Trust Deed and based on current actuarial mortality tables (that assume how long you will live for) and projected returns for the portfolios you have re-invested in). Since the percentage is based on the original amount transferred from a UK pension scheme it is possible that you may not receive any lump sum payment on your retirement if your balance in the Scheme is not greater than 70% of the original amount transferred from a UK pension scheme.

If, at the time you reach the UK normal minimum pension age (currently 55 years old) or you suffer ill-health (described on pages 26 and 27), you have **not** been a UK resident within the current or preceding 5 UK tax years, the remaining amount and any investment returns can be paid as a lump sum.

If, at the time you reach the UK normal minimum pension age (currently 55 years old) or you suffer ill-health, you have been a UK resident at any time within the current or preceding 5 UK tax years, then only up to 25% of the original amount transferred from a UK pension scheme (if any) and any investment returns can be paid out as a lump sum. The remainder (after fees and taxes) will be paid as an income for life (regular instalments). Generally, the amounts of the regular instalments will be determined by reference to the UK Government Actuarial Department tables and an income calculation carried out as per HMRC guidelines, otherwise UK tax would likely be payable. However, in some cases the amount may be determined by the member, so long as that approach is consistent with the QROPS rules and the UK tax legislation and regulations.

An income for life cannot be guaranteed. However, we are committed to conducting regular reviews of your income for life payment (or regular instalment, as applicable) to assess whether projected investment returns on the Funds selected by you are likely to be met (as these affect the amount of your annual income for life payment). A benefit calculation fee will be payable on each three-yearly anniversary when your income for life payment is recalculated – see “**What are the charges?**” on page 19.

As a consequence of this review we may decide to adjust your income for life payment (or regular instalments, as applicable) to ensure the “income for life” principles by which we are bound under QROPS regulations are being adhered to. Our future reviews may result in the purchase of a contracted annuity to ensure you will receive a guaranteed income for the balance of your natural life (see the description of Longevity Risk under the “**What are my risks?**” section on page 30 for further detail).

You can claim benefits derived from your **non-UK tax-relieved funds** when you reach retirement age (when you reach 65 years old, or reach between 55 and 65 years old, provided you satisfy us that you have partially or fully retired), if we are satisfied that your circumstances justify early payment (e.g. significant financial hardship), if you are residing outside New Zealand and intend to reside outside New Zealand permanently, or earlier in certain other limited circumstances. Your legal personal representatives or your nominated beneficiaries (at the Trustee’s sole and absolute discretion) can claim your benefit if you die. Benefits can also be claimed in other restricted situations, including your serious financial hardship, and when you reside outside New Zealand and intend to reside outside New Zealand permanently.

HMRC has expressed an intention to remove the requirement that at least 70% of the original amount transferred from a UK pension scheme be paid in the form of an income for life in the circumstances described above. If these changes occur, we intend to amend the Scheme’s Trust Deed so you will be entitled to a cash lump sum equal to your balance when you reach the UK normal minimum pension age (currently 55 years old) or if you suffer ill-health.

When these changes happen, you should contact us to discuss how you can withdraw money from the Scheme.

### ***Who is involved in providing it for me?***

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This Investment Statement relates to an offer of interests in the NZ Endeavour Fund. The Scheme was established by trust deed dated 18 May 2011, with effect from 1 July 2011, as amended by a deed dated 27 May 2011. The Scheme is currently governed by a consolidated and amended Trust Deed dated 31 August 2011, as amended by a deed dated 21 March 2012 and a deed dated 17 December 2014 (**Trust Deed**).

As at the date of this Investment Statement, the Trustee of the Scheme is Endeavour Fund Trustees Limited (**Trustee**). The Trustee's address is 4/106 Bush Road, Albany, Auckland 0632 (P.O. Box 302 369, North Harbour, Auckland 0751). The Trustee can be contacted on +64 9 909 9490 (or 0800 500 811 toll free within New Zealand) or email: [trustee@nzendeavour.com](mailto:trustee@nzendeavour.com).

As at the date of this Investment Statement, the Administration Manager of the Scheme is Endeavour Fund Administration Limited (**Administration Manager**) of 4/106 Bush Road, Albany, Auckland 0632 (P.O. Box 302 369, North Harbour, Auckland 0751), and may also be contacted on +64 9 909 9490 (or 0800 500 811 toll free within New Zealand) or email: [admin@nzendeavour.com](mailto:admin@nzendeavour.com).

Endeavour Retirement Funds Limited (**Promoter**) of 4/106 Bush Road, Albany, Auckland 0632 (P.O. Box 302 369, North Harbour, Auckland 0751), is the promoter of the Scheme as at the date of this Investment Statement, and may also be contacted on +64 9 909 9490 (or 0800 500 811 toll free within New Zealand) or email: [info@nzendeavour.com](mailto:info@nzendeavour.com).

The Trustee, Administration Manager and the Promoter are related parties and therefore are not independent of each other.

The following directors and senior managers of the Administration Manager are also directors of the Trustee and Promoter:

David Thomas Milner (CFP, CLU, Grad Dip Bus Stud (Massey), AFA):

David has over 30 years' experience in the financial services industry, over 14 of which have been directly involved in the governance, management and administration of New Zealand-based superannuation schemes. Funds under the control of David and his administration team are in excess of \$500,000,000 representing the retirement savings of some 5,000 members as at the date of this Investment Statement.

David holds the internationally recognised financial planning qualifications Certified Financial Planner (CFP) and Chartered Life Underwriter (CLU), and is a graduate of Massey University completing a Graduate Diploma in Business Studies endorsed Personal Financial Planning. David is an Authorised Financial Adviser (AFA) under the New Zealand Financial Advisers Act 2008 and is a Fellow of the Institute of Financial Advisers (IFA) having served as the Association's inaugural President.

David has been involved in pension planning and pension transfer work since 1984 and has overseen the successful transfer of some 25,000 overseas domiciled pension accounts to qualifying schemes domiciled in New Zealand.

David has been a director of the Endeavour group companies and the related Britannia group companies since they were incorporated (the earliest in 1999).

Alun Peter Rees-Williams (AFA):

Alun joined the financial services sector in 1991. He brings proven experience in staff management to the Scheme and is responsible for the day to day management of the administration function of the Scheme's processes. Alun is also responsible for the efficient maintenance of the Scheme's databases and computer systems and has responsibility for anti-money laundering compliance issues and the Scheme's legal requirements in that regard.

Alun is an Authorised Financial Adviser under the New Zealand Financial Advisers Act 2008, is well versed on matters pertaining to pension transfer requirements, PIE tax reporting and HMRC pension transfer regulations.

Alun is a member of the Institute of Financial Advisers (IFA) and is planning to add to his financial planning qualifications by further study.

Alun has been a director of the Endeavour group companies and the related Britannia group companies since they were incorporated (the earliest in 1999).

***Investment Managers***

TAM

TAM Asset Management Ltd (**TAM**) of 10th Floor, City Tower, 40 Basinghall Street, London EC2V 5DE, United Kingdom is one of three Investment Managers of the Scheme, as at the date of this Investment Statement. TAM is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA registration number 208243). Both regular and lump sum contributions to the Scheme are invested by TAM in investment funds in the TAM Funds that are chosen by you.

TAM was established to provide discretionary investment portfolio management services, with the idea that every investor should have access to professionally managed investment products, full information transparency and quality real-time data that was previously reserved only for large institutional clients. TAM works with private clients, trusts, pension funds and charitable organisations, offering each a tailored service to suit their individual requirements.

Investments are held on TAM's behalf with independent custody agents Pershing Securities Limited (**Pershing Securities**). Pershing Securities are part of The Bank of New York Mellon Group, one of the world's largest financial institutions.

RL360

RL360 Insurance Company Limited (**RL360**) of RL360 House, Cooil Road, Douglas, Isle of Man, IM2 2SP, British Isles, is the provider of the RL360° Bond and an Investment Manager of the Scheme as at the date of this Investment Statement. RL360 is authorised and regulated by the Isle of Man Insurance & Pensions Authority. If you are a RL360° Investor, your lump sum contributions to the Scheme are invested by RL360 as issuer of the RL360° Bond into a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio.

RL360 was established in 2008 as a result of a merger between two Isle of Man-based life insurance companies, namely Scottish Life International Insurance Company Limited and Scottish Provident International Life Assurance Limited. In November 2013, RL360 was bought out by its management team. RL360 is supported financially by Vitruvian Partners, Munch Re Group and the former parent Royal London Group.

RL360 operate in the Far East, Africa, the Middle East, Emerging Europe, Latin America and the UK with offices in the Isle of Man, Hong Kong, Lebanon and Dubai. As at 31 March 2015, RL360 had approximately 220 staff and the company was looking after approximately US\$4 billion worth of assets for clients. RL360 have policyholders residing in 170 countries all over the world.

The names and addresses of the Trustee, Administration Manager, the Promoter, the Investment Managers, and their respective directors, may change at any time. The current names and addresses of each of these entities and their directors may be obtained by contacting the Administration Manager by phone (+64 9 909 9490 or toll free within New Zealand 0800 500 811) or email (admin@nzendeavour.com).

### **TAM Funds**

As at the date of this Investment Statement, the TAM Funds available to a TAM Investor through the Scheme comprise five investment funds of varying risk profiles. You are able to choose (with the assistance of your adviser) that your savings be invested by the Scheme in one or any combination of these investment funds.

If you are a RL360° Investor, the only portfolio available for you through the Scheme is a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio.

Previously there was an additional investment fund available to investors, being the “TAM Defensive Portfolio”. This investment fund is currently closed to new investors but may be re-opened if demand permits. If we re-open this fund, we will amend this Investment Statement to provide for details.

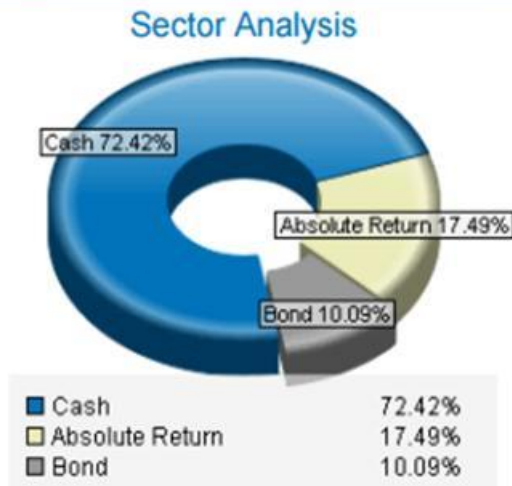
The asset allocations shown for each TAM Fund show the “Premier Allocation” (being the actual allocation made by TAM in that particular TAM Fund as at 31 March 2015) and the “Benchmark Allocation” (being the benchmark allocation that would be made by TAM in that particular TAM Fund).

TAM Funds are denominated in pounds sterling. See “**Currency risk**” on page 33 for additional risks with investing in funds denominated in pounds sterling.

**TAM Liquidity Plus Portfolio:** This low risk portfolio seeks to generate a very modest return higher than cash over the short to medium term. The portfolio will invest in an actively managed and diversified portfolio of cash or cash alternatives, government or high quality corporate bonds and suitable alternative cash investments. Risk will be controlled through fund selection and asset allocation.

#### ASSET ALLOCATION AS AT 31 MARCH 2015

##### Composite Portfolio Exposure



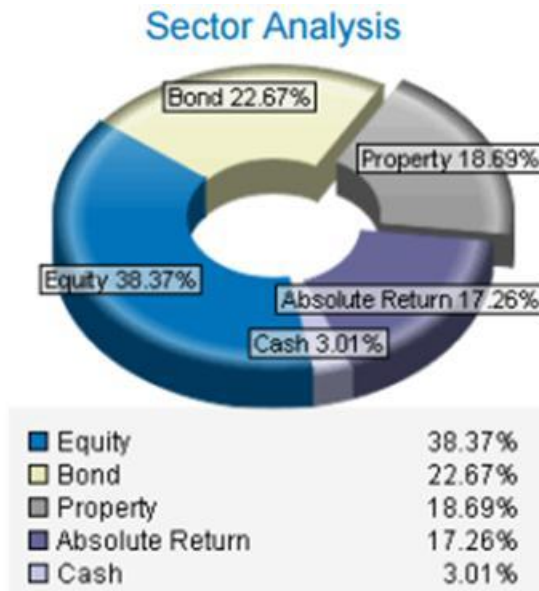
For the most current strategic asset allocation please see the TAM website at [www.tamassetmanagement.com](http://www.tamassetmanagement.com).

#### Liquidity Plus - Strategic Flexibility

	Cash		Non-Equity	
Benchmark	100%		0%	
	Min	Max	Min	Max
Flexibility	25%	100%	0%	75%

**TAM Cautious Portfolio:** This low-medium risk portfolio seeks to generate a modest but more cautious approach to attaining capital growth over the short to medium term. The portfolio will invest in an actively managed and diversified portfolio of fixed income, absolute return, property and commodity investments with a more cautious approach to equity exposure. Risk will be controlled through fund selection and asset allocation.

#### ASSET ALLOCATION AS AT 31 MARCH 2015



For the most current strategic asset allocation please see the TAM website at [www.tamassetmanagement.com](http://www.tamassetmanagement.com).

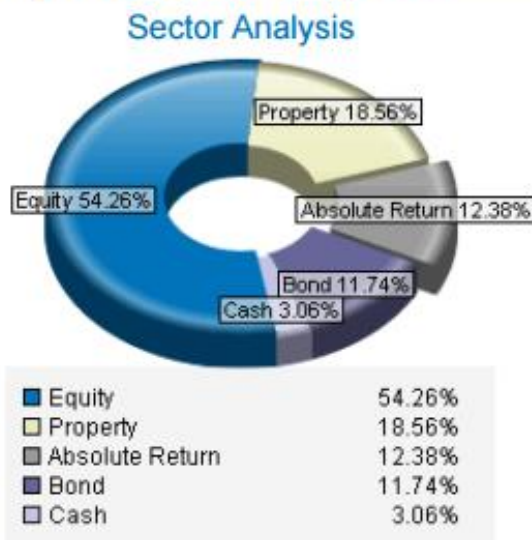
#### Cautious - Strategic Flexibility

	Equity		Non-Equity	
Benchmark	35%		65%	
	Min	Max	Min	Max
Flexibility	10%	50%	50%	90%

**TAM Balanced Portfolio:** This balanced portfolio seeks to generate modest capital growth over the medium to long-term and return above the rate of inflation. The portfolio will be invested in an actively managed and diversified portfolio of equity, fixed income, absolute return, property and commodity investments at various parts of the economic cycle. Risk will be controlled through fund selection and asset allocation.

#### ASSET ALLOCATION AS AT 31 MARCH 2015

##### Composite Portfolio Exposure



For the most current strategic asset allocation please see the TAM website at [www.tamassetmanagement.com](http://www.tamassetmanagement.com).

#### Balanced - Strategic Flexibility

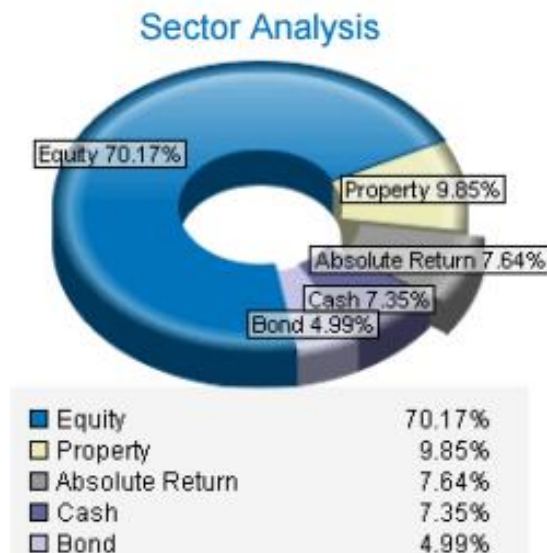
	Equity		Non-Equity	
Benchmark	50%		50%	
	Min	Max	Min	Max
Flexibility	15%	65%	35%	85%



**TAM Growth Portfolio:** This medium-high risk portfolio seeks to generate capital growth over the medium to long-term. The portfolio will invest in an actively managed and diversified portfolio of equity, fixed income, absolute return, property, alternative and commodity investments at various parts of the economic cycle. Risk will be controlled through fund selection and asset allocation.

#### ASSET ALLOCATION AS AT 31 MARCH 2015

### Composite Portfolio Exposure



For the most current strategic asset allocation please see the TAM website at [www.tamassetmanagement.com](http://www.tamassetmanagement.com).

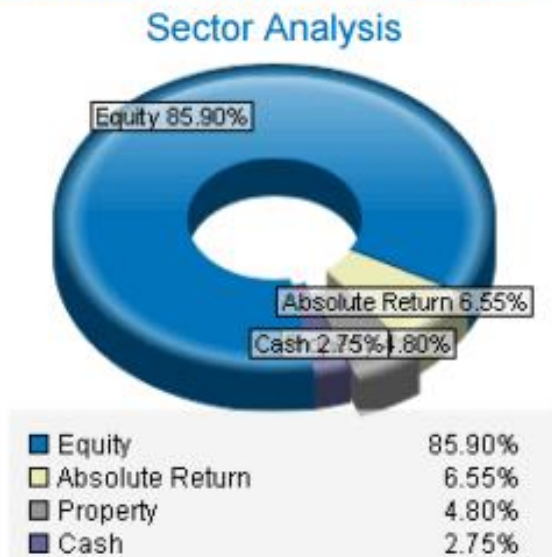
#### Growth - Strategic Flexibility

	Equity		Non-Equity	
Benchmark	70%		30%	
	Min	Max	Min	Max
Flexibility	25%	90%	10%	75%

**TAM Adventurous Growth Portfolio:** This higher risk portfolio seeks to generate strong capital growth over the long-term. The portfolio will invest in an actively managed and diversified portfolio of domestic and international equity, and utilise fixed income, alternative and absolute return, property and commodity related investments at various parts of the economic cycle – but on limited occasions. Risk will be controlled through fund selection and asset allocation.

#### ASSET ALLOCATION AS AT 31 MARCH 2015

### Composite Portfolio Exposure



For the most current strategic asset allocation please see the TAM website at [www.tamassetmanagement.com](http://www.tamassetmanagement.com).

#### Adventurous Growth – Strategic Flexibility

	Equity		Non-Equity	
Benchmark	85%		15%	
	Min	Max	Min	Max
Flexibility	30%	100%	0%	70%

A more detailed explanation of the investment policy and objectives and past performance returns for the TAM Funds is provided in the prospectus.

**Information for RL360° Bond Investors**

As at the date of this Investment Statement, the RL360° Bond through which the Scheme invests in the TAM Funds, is a capital redemption bond. This means that the RL360° Bond is purely a savings vehicle and has no life insurance cover attached to it. The RL360° Bond is a 'wrapper'. Its value will be similar to the TAM Balanced Portfolio because the portfolio of assets underlying the RL360° Bond reflects the asset allocation for the time being applicable to the TAM Balanced Portfolio. Investments in a RL360° Bond are made in the Trustee's name.

## ***How much do I pay?***

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TAM Investors are required to contribute a minimum of £10,000 to open an account. If you are a TAM Investor, you may (but are not required to) make additional lump sum contributions to the Scheme (minimum NZ\$5,000 or equivalent in foreign currency).

The RL360° Bond has a minimum investment of £50,000 (after the deduction of the initial establishment fees and any adviser fees). Any further lump sum contributions which you choose to make must be a minimum of £5,000.

Lump sum contributions may be made by cheque payable to the Trustee (crossed and marked "not transferable" or "account payee only") at 4/106 Bush Road, Albany, Auckland 0632.

If you are a TAM Investor, you may (but are not required to) agree to make regular contributions by way of nomination in your application form. Regular contributions are payable by direct debit to the bank account nominated by us unless other payment arrangements are agreed with us (for example by direct deduction from salary or wages). Regular contributions can be varied and/or suspended with our agreement (provided that the minimum account balance of NZ\$5,000 is maintained at all times). If you fail to make the regular contributions nominated in your application form without our agreement, costs and expenses of the Scheme will continue to be debited to your account until you become entitled to a benefit.

The RL360° Bond cannot accept regular contributions.

## ***What are the charges?***

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### ***Fees payable by all Scheme Members***

The following fees are payable by all Scheme members:

Type of fee	Fee calculation	Fee amount	Paid to	Other information
<b>Account establishment fee</b>	A fixed amount which will be deducted from the initial contribution transferred to the Scheme on your account, or received from you for investment in the Scheme	\$1,500 (including GST, if any) if you are resident in New Zealand; £750 (including GST, if any) if you are resident outside New Zealand and are contributing to the Scheme from UK tax-relieved funds; £500 (including GST, if any) if you are resident outside New Zealand and are contributing to the Scheme from non-UK tax-relieved funds;	Endeavour Fund Administration Limited	This fee will cover the expense of establishing your member account and investing your initial investment with TAM, RL360
<b>Annual administration fee</b>	A fixed amount payable annually in advance on the date you become a member of the Scheme, and on each subsequent anniversary of the date you became a member of the Scheme	<b>New Zealand residents:</b> \$500 (including GST, if any) for accounts under \$100,000 and \$1,000 (including GST, if any) for accounts exceeding \$100,000; and <b>Non-New Zealand residents</b> (or members holding accounts in pounds sterling): £250 (including GST, if any) for accounts under £50,000 and £500 (including GST, if any) for accounts exceeding £50,000.	Endeavour Fund Administration Limited	
<b>Early withdrawal fee</b>	A percentage of the withdrawn amount or a fixed amount (whichever is higher).	If the UK Government HMRC relieves the requirement that at least 70% of the original amount transferred from a UK pension scheme be paid in the	Endeavour Fund Administration Limited	Applicable only in the circumstance set out.

Type of fee	Fee calculation	Fee amount	Paid to	Other information
		<p>form of an income for life, and you withdraw 50% or more of the balance of your Relevant Transfer Fund from the Scheme within the first 24 months from the date you become a member of the Scheme (subject to reaching the UK normal minimum pension age), you will be charged an early withdrawal fee of:</p> <ul style="list-style-type: none"> <li>a percentage of 1.5% of the withdrawn amount; or</li> <li>a fixed amount of £1,000 (whichever is higher).</li> </ul>		
<b>Account closure fee</b>	A fixed amount payable where members close their account after 24 months	£150 payable per account if you close an account after 24 months.	Endeavour Fund Administration Limited	Only applicable on the introduction of Flexi-access allowing full access to funds after age 55 years.
<b>Transfer out fee</b>	A fixed amount payable if you transfer out of the Scheme to another QROPS or UK registered pension scheme.	£750 (or \$1,500 for New Zealand residents) if you transfer out of the Scheme to another QROPS or UK registered pension scheme.	Endeavour Fund Administration Limited	The Trustee may waive the transfer out fee in certain circumstances
<b>Benefit calculation fee</b>	A fixed amount payable on each three-year anniversary when you are being paid an income for life (or a regular instalment) that is recalculated	£200 (or NZD\$400 for New Zealand residents) will be payable on each three-yearly anniversary when you are being paid an income for life (or a regular instalment) and your income for life payment (or regular instalment) is recalculated in accordance with the "income for life" requirements in the QROPS rules.	Endeavour Fund Administration Limited	
<b>Special benefit calculation fee</b>	A fixed amount payable for those requiring a special benefit calculation	£200 (or NZD\$400 for New Zealand residents) will be payable for investors who require a special benefit calculation outside of the Registered Pension Schemes Manual.	Endeavour Fund Administration Limited	
<b>FATCA fee</b>	A fixed amount charged for the administrative work associated with the US FATCA regime	<p>If you are a US resident, the amount of the FATCA fee is £50 (or \$100 for New Zealand residents) per year.</p> <p>This fee is charged for the additional administrative work that we are required to undertake in relation to the reporting obligations imposed on the Scheme by the Tax Administration Act 1994 that implements the US FATCA requirements.</p>	Endeavour Fund Administration Limited	There may be additional tax foreign reporting requirements in the future.
<b>Other fees</b>	Fees charged on a time cost basis at rates agreed between the investor and the Trustee	Fees may be charged on a time cost basis at such rates as agreed between the Settlor and the Trustee from time to time for other activities, such as administering a death benefit request, and acting on the instructions of a member	Endeavour Fund Administration Limited	

### ***Amounts payable to TAM in relation to the TAM Funds***

TAM charges the following additional fees to the TAM Funds in which your contributions will be invested. These fees are payable out of the funds invested on account of TAM Investors and RL360° Investors. The fees are calculated daily (where relevant) and deducted monthly in arrears (and are GST exempt):

Type of fee	Fee calculation	Fee amount	Paid to	Other information
<b>Investment management fee</b>	A percentage of the gross asset value invested in the relevant TAM Fund(s) calculated daily and deducted monthly in arrears	0.75% per annum; except 0.25% per annum in respect of the TAM Liquidity Plus portfolio.	TAM	
<b>Platform user fee</b>	A percentage of the Gross asset value invested in the relevant TAM Fund(s) calculated daily and deducted monthly in arrears	0.25% per annum.	TAM	
<b>Account closure fee</b>	A fixed amount payable by those closing their account(s)	£50 per account.	TAM	

TAM does not currently, but may do so in the future without notice, pass on any third party charges incurred.

Underlying funds will have their own administration/running costs, which will be reflected in the unit price of the TAM Funds. At the date of this Investment Statement, the weighted average underlying fund administration/running costs are currently estimated to range between 0.35% and 0.85% of the gross asset value invested in the relevant TAM Funds.

The following additional fees are payable to TAM out of the funds invested on account of TAM Investors only:

Type of fee	Fee calculation	Fee amount	Paid to	Other information
<b>Execution fee</b>	A percentage amount charged on the value of each transaction (up to a maximum amount per transaction)	1% for each transaction (up to a maximum of £50 per transaction) which includes switching, all withdrawals (including withdrawals on retirement) and transfers in respect of the TAM Funds.	TAM	
<b>Nominee / custody fee</b>	A fixed amount charged per quarter per account	A nominee/custody fee of £32.50 per quarter per account.	TAM	
<b>CHAPS and SWIFT one-off transfer fee</b>	A fixed amount charged for one-off transfers	A one-off transfer fee of £25 (does not apply to regular withdrawals).	TAM	The Clearing House Automated Payment System (CHAPS) and SWIFT systems enable foreign exchange transfers
<b>Foreign exchange fee</b>	A fixed amount charged per transaction	£20 per transaction.	TAM	

### ***Fees payable to RL360 in relation to the RL360° Bond***

If you are a RL360° Investor, the following additional fees will be payable out of funds invested on your account:

Type of fee	Fee calculation	Fee amount	Paid to	Other information
<b>Annual management</b>	A percentage amount charged on the greater of two amounts,	1.4% of the amount which is the greater of:	RL360	If your adviser agrees to a lesser commission amount,

Type of fee	Fee calculation	Fee amount	Paid to	Other information																				
charge	payable to RL360 and deducted each quarter from the investment on the date your initial contribution was invested by the Scheme in the RL360° Bond and deducted on each subsequent anniversary of the date your initial contribution was invested by the Scheme in the RL360° Bond for an 8 year period.	<div><div><div>(i) the value of the RL360° Bond at the time of calculation of the annual management charge; or</div><div>(ii) the amount of your initial contribution invested in the RL360° Bond.</div></div><div>This fee will cover the upfront commission paid to advisers by RL360. The commission paid to advisers by RL360 will be a maximum of 7% of the amount invested in the RL360° Bond on your account.</div><div>However, if your adviser agrees to a lesser commission amount, instead of a lesser annual management charge being paid to reflect the lower initial commission, the Scheme will invest as a one-off lump sum payment the percentage difference into the RL360° Bond on your account.</div></div>		<div>this means that the allocation rate of your investment in the Scheme will be anywhere between 100% and 107% of the amount invested in the Scheme, depending on the amount of commission your adviser agrees to.</div> <div>For example, if your adviser agrees to a 6% commission, the Scheme will allocate 101% of the amount invested by you in the Scheme into the RL360° Bond.</div> <div>If your initial contribution is (say) £50,000 this means that £50,500 will be invested in the RL360° Bond on your account</div>																				
Quarterly administration fee	A fixed amount charged quarterly in arrears	£90 deducted quarterly in arrears from the balance invested on your account in the RL360° Bond.	RL360	This fee will increase each year with inflation.																				
Investment dealing fee	A fixed amount charged per transaction.	£20 for each sale and purchase of an underlying fund or an underlying asset after the first 10 dealing transactions.	RL360																					
Custody fee	A fixed amount charged for each investment.	£30 for each underlying investment held in the portfolio.	RL360																					
SWIFT / Telegraphic transfer fee	A fixed amount charged per transfer transaction.	£25 - £30 (depending on the currency) which may apply to contributions and withdrawals.	RL360																					
Early withdrawal fee	A percentage charged on the amount invested in the RL360° Bond on your account and will depend on how long the amount has been invested in the RL360° Bond on your account.	<div><div>If you withdraw your investment from the scheme within the first 8 years of being invested in the RL360° Bond, you will be charged a percentage of the amount invested in the RL360° Bond, as set out in the following table:</div><table><tr><th>Beginning of year</th><th>% admin fee for early withdrawal each year</th></tr><tr><td>1</td><td>11.2%</td></tr><tr><td>2</td><td>9.8%</td></tr><tr><td>3</td><td>8.4%</td></tr><tr><td>4</td><td>7.0%</td></tr><tr><td>5</td><td>5.6%</td></tr><tr><td>6</td><td>4.2%</td></tr><tr><td>7</td><td>2.8%</td></tr><tr><td>8</td><td>1.4%</td></tr><tr><td>9</td><td>0%</td></tr></table><div>These fees will apply whether you make the decision to withdraw your investment from the Scheme or whether we require you to switch the</div></div>	Beginning of year	% admin fee for early withdrawal each year	1	11.2%	2	9.8%	3	8.4%	4	7.0%	5	5.6%	6	4.2%	7	2.8%	8	1.4%	9	0%	RL 360	<div>For example, if you withdraw from the Scheme less than 1 year after your initial contribution was invested in the RL360° Bond, you will be charged an early withdrawal fee of up to 11.2% of the amount invested in the Scheme. This fee reduces by 1.4% each year (calculated on a quarterly basis), until it reduces to zero after 8 years of investment.</div>
Beginning of year	% admin fee for early withdrawal each year																							
1	11.2%																							
2	9.8%																							
3	8.4%																							
4	7.0%																							
5	5.6%																							
6	4.2%																							
7	2.8%																							
8	1.4%																							
9	0%																							

Type of fee	Fee calculation	Fee amount	Paid to	Other information
		amount invested in a RL360° Bond to a TAM Fund to avoid a breach of the PIE tax rules (see Taxation risk on page 34 for more information) or if for any other reason we wind up this investment option.  All withdrawals made after 8 years of investment will be free of charge.		
<b>Trail commission fees</b>	An amount as agreed between you and your adviser	An additional amount agreed between you and your adviser to cover the trail commission payable by RL360 to your adviser will be deducted from your account balance.	RL360 Adviser	The first trail commission will be deducted by the Trustee from your initial contribution, while future trail commissions will be payable annually in advance on the anniversary of the date your initial contribution was invested in the RL360° Bond.

These fees are payable by RL360° Investors only.

#### *Transaction costs and other expenses*

Unless otherwise agreed between the Trustee and Britannia Financial Services Limited, the Settlor under the Trust Deed, all costs and expenses of, or incurred by, us in respect of the Scheme, will be paid by us with the exception of:

- any currency conversion fees payable (including any margin we earn by obtaining a better currency conversion rate than the rate that is payable by members from apportioning wholesale currency conversions to members using daily published bank currency conversion rates) on conversion of any money paid by way of a benefit in a currency other than pounds sterling, or, payable by us on money invested by us in a currency other than pounds sterling;
- any incidental bank charges deducted from funds that are paid to you or to TAM or RL360;
- any costs or expenses imposed by law or incurred as a consequence of changes in any applicable laws;
- any levies imposed on us by the Financial Markets Authority or other regulatory body in relation to the Scheme (which the Promoter and the Trustee have agreed should be charged to investors);
- any taxes (including any portfolio investment entity (PIE) tax), payable by, or in respect of, you in connection with the investment of your member account and/or the payment of benefits; and
- any other costs and expenses agreed in writing by you.

We may enter into distribution arrangements with distributors. Unless otherwise stated in this Investment Statement, fees and charges payable to such distributors will be paid by a deduction from arriving funds, or by way of a deduction from the member's pension account (in the latter case all such deductions must be confirmed in writing).

Expenses such as accounting, audit, actuarial and other professional fees (including legal fees) incurred by us in connection with the Scheme may be recovered by us from the Scheme. As at the date of this Investment Statement, the Promoter and the Trustee have agreed that professional fees will be reimbursed from the Scheme by debiting your Member Account up to £100 annually (at the discretion of the Trustee based on actual legal expenses incurred) on the date of each anniversary



that you joined the Scheme. If you leave partway through the year, a proportion of this amount will be deducted from your withdrawal benefit or transfer value based on the portion of the year that you were a member of the Scheme.

Expenses such as audit, registry and legal fees may be charged by TAM to the TAM Funds. RL360 has the ability, but does not currently, charge expenses to the RL360° Bond.

In joining the Scheme, you accept and authorise the deduction of these fees, costs and expenses. These fees, costs and expenses may affect the amount of returns payable to you. The Trustee will determine your portion of these fees, costs and expenses monthly, quarterly or annually (as appropriate). The amount of these charges will vary from year to year and are of an indeterminate amount. You can contact us at any time to find out how much you may be charged for these fees, costs and expenses.

All fees, commission, charges, costs and expenses are subject to change from time to time without notice and without limitation. The Trust Deed for the Scheme does not require us to notify members of any change to the fees, commissions, charges, costs and expenses that members are liable to pay or which will affect returns of the Scheme. We will monitor all fees, commissions, charges, costs and expenses including investment management and investment account administration charges to ensure they remain at appropriate levels.

Your financial adviser may charge you a fee for advice regarding your investment in the Scheme or to facilitate the transfer of your pension funds from a UK pension scheme or other QROPS provider to the Scheme. Any such fee may be a fixed amount or a percentage of your investment or pension transfer and may be paid by way of a deduction from funds transferred from other schemes or from funds being invested from other sources.

If you are a TAM Investor, we will deduct and pay a fee to a financial adviser on your behalf only upon receipt of your written direction/agreement to pay the agreed fee.

This approach does not apply to RL360° Investors whose adviser is remunerated in the manner described under “**Fees payable to RL360 in relation to the RL360° Bond**” on pages 21-22.

Your financial adviser may also charge you a monitoring fee (as agreed between you and your adviser) to monitor and give on-going advice regarding your investment in the Scheme. Again, we will permit such a fee to be paid to a financial adviser on your behalf only with your written direction/agreement to pay the agreed fee (which charge may be indicated in the appropriate box on your membership application form). If you are a TAM Investor, TAM will calculate and pay any such fee to your adviser on your behalf quarterly in arrears and the payment will be based on the net asset value of your member account at the time the calculation is made. This does not apply to RL360° Investors whose adviser is remunerated in the manner described under “**Fees payable to RL360 in relation to the RL360° Bond**” on pages 21-22.

All fees that are tax deductible will be offset against PIE-allocated income and cannot be deducted in your personal tax return, even when they are charged directly to you. Any entry, registration, exit and transfer fees charged will generally not be tax deductible and will not be offset against PIE-allocated income.

### ***What returns will I get?***

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At your election, your contributions will be invested by the Trustee in a RL360° Bond (which in turn invests in a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio), directly in the TAM Funds you select (with our approval) from the range of TAM Funds identified in this Investment Statement. See the description of the investment classes in which the TAM Funds invest under “**Who is involved in providing it for me?**” on page 10 and more detailed information in the prospectus. The returns you will earn will depend on the returns

earned on your balances in the TAM Fund(s) that you have selected, after deduction of all fees and expenses. All net returns will be credited/debited to your account daily or weekly (as applicable), and invested in the TAM Funds (directly or through a RL360° Bond), until they are paid out as benefits.

The amount available to you as benefits will reflect the contributions you make and the returns achieved in the TAM Fund(s) you select and how long you are invested in the Scheme. The returns are not guaranteed (or promised) and may vary from year to year (investment returns can be positive or negative).

The key factors that will determine your returns are:

- the amounts you contribute;
- in relation to TAM Investors, your choice from the TAM Funds we offer;
- whether you invest through a RL360° Bond;
- how your investments perform;
- how long you invest for;
- your prescribed investor rate (**PIR**) (described below on pages 28-29);
- whether you are subject to UK taxation on withdrawals; and
- the fees and expenses payable.

Investment performance of the TAM Funds is affected by the performance of the class of assets selected and changes in the investment markets the TAM Funds are invested in. Markets are affected by a range of factors, including interest rates, exchange rates, political, regulatory, economic and market sentiment changes.

We will adjust your returns for any tax payable on income allocated to you as described later in this section.

Taxes paid by the Scheme on your PIE income will be deducted by adjusting your beneficial interest in the Scheme. You also will personally indemnify us for any tax payable on your PIE income which cannot be deducted in this way. However, this indemnity would apply only if your allocated PIE tax liability is more than the value of your investment.

### ***Member sub-accounts***

If you become a member, you will have an account or accounts within the Scheme into which contributions and net investment returns are credited and charges debited. Your account or accounts will be divided into the following sub accounts:

- **Relevant Transfer Fund:** Where tax-relieved funds received from a UK registered pension scheme or QROPS will be credited; and
- **Non-Relevant Transfer Fund:** Where funds other than tax-relieved funds received from a UK registered pension scheme (including all investment returns from your account) will be credited.

Certain restrictions apply to, and we have certain discretionary powers with respect of, the payment of benefits from your Relevant Transfer Fund. Relevant Transfer Funds can be paid to you, or on your account, only to the extent the payment of benefits would not be unauthorised member payments under UK pension laws or as permitted under the QROPS rules.

Additionally, if necessary to preserve the status of the Scheme as a QROPS under UK pension law, we may refuse to make certain payments to you from your Relevant Transfer Fund. These are payments which would not have been authorised from a UK registered pension scheme. We may also make such payments subject to such terms as we think fit. We will not however deduct

amounts payable by you to the UK Government without your written consent. If the UK law changes and requires us to make such deductions without your consent, we will notify you as soon as is reasonably practicable after the UK law change takes effect.

### ***Entitlement to benefits from your Relevant Transfer Fund***

Currently, we are required to apply at least 70% of your Relevant Transfer Fund in the form of an income for your life (regular instalment), which is generally determined in accordance with the Trust Deed and based on current actuarial mortality tables (that assume how long you will live for) and projected returns for the portfolios you have re-invested in. In some cases the amount may be determined by the member, so long as that approach is consistent with the QROPS rules and the UK tax legislation and regulations.

We cannot make any payment from your Relevant Transfer Fund to you before you reach the UK normal minimum pension age (currently 55 years old) unless you meet the ill-health condition (described below). Since the percentage is based on the original amount transferred from a UK pension scheme, it is possible that you may not receive any lump sum payment on your retirement if your balance in the Scheme is not greater than 70% of the original amount transferred from a UK pension scheme.

If, at the time you reach the UK normal minimum pension age or you suffer ill-health, you have not been a UK resident within the current or preceding 5 UK tax years, the remaining amount and any investment returns can be paid as a lump sum.

If, at the time you reach the UK normal minimum pension age or you suffer ill-health, you have been a UK resident at any time within the current or preceding 5 UK tax years, then only up to 25% of the original amount transferred from a UK pension scheme (if any) and any investment returns can be paid out as a lump sum. The remainder (after fees and taxes) will be paid as an income for life (regular instalments). Generally, the amounts of the regular instalments will be determined by reference to the UK Government Actuarial Department tables and an income calculation carried out as per HMRC guidelines), otherwise UK tax would likely be payable. However, in some cases the amount may be determined by the member, so long as that approach is consistent with the QROPS rules and the UK tax legislation and regulations.

An income for life cannot be guaranteed. However, we are committed to conducting regular reviews of your income for life payment (or regular instalments, as applicable) to assess whether projected investment returns on the Funds selected by you are likely to be met (as these affect the amount of your annual income for life payment). A benefit calculation fee will be payable on each three-yearly anniversary when your income for life payment is recalculated – see “***What are the charges?***” on page 19.

As a consequence of this review we may decide to adjust your income for life payment (or regular instalments, as applicable) to ensure the “income for life” principles by which we are bound under QROPS regulations are being adhered to. Our future reviews may result in the purchase of a contracted annuity to ensure you will receive a guaranteed income for the balance of your natural life (see the description of Longevity Risk under the “***What are my risks?***” section on page 30 for further detail).

The ill-health condition is met if:

- we have received evidence from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical and mental impairment; and
- you have in fact ceased to carry on your occupation.

At any time you can apply to transfer the balance in your Relevant Transfer Fund account to another scheme that has QROPS status. A transfer out fee will be payable on the transfer to another scheme in New Zealand or overseas – see “**What are the charges?**” on page 19.

HMRC has expressed an intention to remove the requirement that at least 70% of the original amount transferred from a UK pension scheme be paid in the form of an income for life in the circumstances described above. If these changes occur, we intend to amend the Scheme’s Trust Deed so you will be entitled to a cash lump sum equal to your balance when you reach the UK normal minimum pension age (currently 55 years old) or if you suffer ill-health.

When these changes happen, you should contact us to discuss how you can withdraw money from the Scheme.

### ***Entitlement to benefits from your Non-Relevant Transfer Fund***

If you do not request an annuity or regular payments, you will be entitled to a cash lump sum equal to the balance in your Non-Relevant Transfer Fund within the Scheme on retirement (when you reach 65 years, or between 55 and 65 years if you provide evidence to our satisfaction that you have partially or fully retired), death or permanent incapacity. If we consent, benefits may be transferred to another superannuation scheme. Charges may be payable for transfers to another superannuation scheme – see “**What are the charges?**” on page 19 for further detail.

We may pay you a benefit before retirement, if:

- We are satisfied that your circumstances justify early payment (e.g. serious illness or significant financial hardship or other grave circumstances); or
- You are residing outside New Zealand and intend to reside outside New Zealand permanently.

If any assets transferred to the Scheme from another superannuation scheme are required by the trustee of the transferring scheme to be subject to specific withdrawal restrictions and we accept such assets on that basis, then the amount representing such assets, irrespective of any other provisions of the Trust Deed, can be paid to you only in accordance with the specific withdrawal restrictions required by the trustee of the transferring scheme.

If any assets transferred to the Scheme from another superannuation scheme are required by the trustee of the transferring scheme to be applied to purchase an annuity, or to be paid by regular instalments, then that part of the benefit becoming payable to you will be applied to the purchase of an annuity or be paid by regular instalments.

### ***Nature of benefit***

In addition to the current requirement (set out above) to pay at least 70% of your retirement benefit (as it relates to your Relevant Transfer Fund) as an income for your life (regular instalments), we may, at your request, utilise all or part of any cash lump sum to which you become entitled, in respect of any other benefit, to purchase an annuity for you or to make regular payments to you.

In the event that you die before the balance in your account (your income for life) is exhausted, the Trustee has discretion to pay the balance of your account as a lump sum to either your legal personal representatives or to any beneficiaries nominated in writing by you (at the Trustee’s sole and absolute discretion).

If we purchase an annuity for you, the annuity will be payable by the relevant insurance company or annuity provider from whom the annuity is purchased and our liability will cease.

Benefits are payable in any tradable currency you choose. If you choose a currency other than pounds sterling or New Zealand dollars, charges may be payable – see **“What are the charges?”** on page 19 for further details.

The Trustee (except in respect of annuities purchased from a life insurance company or other annuity provider) is legally liable to pay your benefits.

If we consent, non-tax relieved funds may be transferred to another superannuation scheme or UK tax-relieved funds may be transferred to a QROPS or UK registered pension scheme, at any time. Charges may be payable for transfers to another superannuation scheme – see **“What are the charges?”** on page 19 for further details.

### **PIE Taxation**

As a PIE, the Scheme allocates all its taxable income (or loss) between its members based on the size of their beneficial interest in the relevant investment fund. The tax payable on such income allocated to you will be calculated on the basis of your PIR (explained below).

The Scheme qualifies as a special type of PIE known as a "foreign investment zero-rate PIE" and has been registered as a foreign investment zero-rate PIE since 1 April 2012. This is a type of PIE that derives substantially only non-New Zealand sourced income. Income allocated to you by the Scheme will be taxed at your PIR. If you are not a New Zealand tax resident, you will have a 0% PIR.

If you are a New Zealand tax resident, you must notify us of your IRD number and applicable PIR when you join the Scheme and when these details change. If you do not notify both your IRD number and PIR, you will be taxed on PIE income allocated to you by the Scheme at the default rate of 28%. Inland Revenue may also require the Scheme to apply the default rate. We will seek reconfirmation of these details annually.

If you are not a New Zealand tax resident, you must provide us with written confirmation that you are not a New Zealand tax resident to qualify for the 0% PIR. You must also notify us of the following when you join the Scheme:

- your full name;
- your date of birth;
- your residential address in the country where you reside and the country code for that country as prescribed by the IRD;
- your tax number in the country where you reside or a statement explaining why a tax number cannot be supplied; and
- your New Zealand IRD number (if you have one).

PIE income allocated to non-New Zealand resident members who do not provide the above information will be taxed at the default rate of 28%. We require all non-New Zealand-resident members to confirm the above details annually.

While the Scheme is a foreign investment zero-rate PIE, members who are transitional residents for tax purposes may elect that income allocated to them is taxed at the 0% PIR. You should advise us if you are a transitional resident for tax purposes and wish to have a 0% PIR.

Your PIR will be one of the following:

- **0%:** if you are not a New Zealand tax resident (or you are a transitional resident member) and you provide us with all required information.
- **10.5%:** if you are a New Zealand resident, you have a 10.5% PIR if both of the following conditions can be met in one or both of the two immediately preceding income years:
  - your taxable income (excluding PIE income) did not exceed \$14,000; and
  - your combined taxable and PIE income did not exceed \$48,000.

'Income year' means the period commencing 1 April of a given year and ending on 31 March of the following year.

- **17.5%:** if you are a New Zealand resident (and do not have a 10.5% PIR) you have a 17.5% PIR if both of the following conditions can be met in one or both of the two immediately preceding income years:
  - your taxable income (excluding PIE income) did not exceed \$48,000; and
  - your combined taxable and PIE income did not exceed \$70,000.
- **28%:** if you do not meet the criteria for any of the other PIRs.

When you determine your PIR, you must include non-New Zealand sourced income when calculating your taxable income for a particular income year, even if you were not a New Zealand tax resident when that income was earned. This is especially important for new residents to consider. New residents will be able to elect out of this treatment in some cases (see [www.ird.govt.nz](http://www.ird.govt.nz)).

We are required to provide you with an annual statement containing information regarding your interest in the Scheme, including the PIE income allocated to you and the amount of tax paid at your PIR. This information will be necessary when determining your PIR in the future.

The Scheme's tax liability on income allocated to you will be met by reducing your account balance by an amount equal to the value of the tax liability, at the earliest of the following three times in respect of each income year:

- i) at the end of the income year (following 31 March);
- ii) upon a full withdrawal or switch; or
- iii) if at any time, and especially upon a partial withdrawal, partial switch, or reallocation, the balance of your account is, or could potentially become, insufficient to cover the Scheme's accrued tax liability on income allocated to you. In these circumstances an amount will be deducted on account of PIE tax. We will consider potential market movements when determining whether your account balance is of sufficient value to cover the tax liability.

A refund of tax will be provided to the Scheme to compensate for PIE tax losses or excess tax credits relating to you, which is then allocated to you by increasing your account balance.

If the correct PIR (or a rate that is higher than the correct PIR) has been used, the tax paid on PIE income allocated to you will be a final tax, and no obligation to file a tax return or pay any tax (in respect of this investment) will arise as a consequence. Nor will the PIE income impact on family assistance eligibility, student loan repayment obligations or child support payment obligations.

You must advise us if your PIR changes. Failure to advise us of a change in your PIR, or advising a PIR that is lower than the correct PIR, will mean you are personally liable to pay any resulting tax shortfall including penalties or interest and may be required to file a tax return. If you advise a PIR that is higher than the correct PIR, the excess tax paid cannot be paid back to you, as PIE tax is a final tax in this circumstance.

Withdrawals from the Scheme will generally be tax-free.

Transfers to a New Zealand superannuation scheme from a foreign scheme (other than an Australian complying superannuation scheme) are treated as withdrawals and are potentially subject to tax for New Zealand resident members. Before making such a transfer into the Scheme, you should consult your tax adviser. **Non-New Zealand-resident investors will not be affected by this new legislation.**

### ***Taxation of the RL360° Bond***

The Scheme intends to calculate income with respect to the RL360° Bond using the market valuation method in the financial arrangement rules. Realised and unrealised foreign exchange gains and losses derived and incurred under the RL360° Bond are included in the calculation of taxable income.

### ***Taxation of the TAM Funds***

The TAM Funds will generally be taxed using the fair dividend rate (FDR) method under the foreign investment fund (FIF) rules. Under this method, the Scheme will be deemed to derive, and pay tax on behalf of tax-paying members on taxable income equal to 5% of the average opening market value of the these interests during the relevant income year. Dividends and gains from holdings subject to tax under the FDR method are not taxed. Any losses will not be deductible.

The above comments in relation to taxation are general comments only, based on current New Zealand tax law and policy announcements as at the date of this Investment Statement. We do not accept any responsibility for the impact of taxation liabilities on you.

As indicated above, tax legislation and rates of tax may be subject to change from time to time. The impact of taxation may vary depending on your individual circumstances. You should consult your own independent tax adviser if you are uncertain of your taxation position in relation to the Scheme and the tax consequences of holding and withdrawing your account balance in the Scheme.

### ***What are my risks?***

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Almost every investment carries some level of risk. In the event of poor investment performance, returns may be negative, reducing your account balances. In such cases, you may recover, in total, benefits less than your contributions into the Scheme. In the event of a financial catastrophe in world financial markets your account balances may reduce significantly. If your account balances reduce your benefits payable will also reduce (i.e. the benefit payable in any year may be less than that payable in the preceding year because of poor investment performance). You carry the investment risk on your investments. Investment returns are not guaranteed. You should understand the UK tax implications of any withdrawal from the Scheme before making it. If the Scheme were to be wound up, you may be liable for UK tax on the part of your wind-up benefit relating to UK tax-relieved funds.

### ***QROPS rules***

Under the QROPS rules, we are required to ensure that at least 70% of retirement benefits paid from UK tax-relieved funds are paid as an income for life (regular instalments). Since the

percentage is based on the original amount transferred from a UK pension scheme, if investment returns in the TAM Fund you are invested in have been poor, or currency movements have been adverse, it is possible you may not be entitled to any lump sum payment on retirement. In this case all of your retirement benefit will be paid as an income for life (regular instalments).

### ***UK tax liability***

We are expected to adhere to certain requirements in order to retain QROPS status. When we make a payment to you from your Relevant Transfer Fund, or we allow you to transfer your Relevant Transfer Fund to another QROPS or a UK registered pension scheme, we are required to report the payment or transfer to the UK Government within certain time periods (reporting to the UK Government is required for 10 years after you have transferred your money from a UK pension scheme). This may result in you being liable to pay UK tax (although potentially only if, when you withdraw your money, you have been a UK resident within the current or preceding 5 UK tax years) and you may have to file a UK income tax return. The Scheme's Trust Deed matches the proposed UK restrictions, so in the ordinary course of the Scheme you should not be liable to pay UK tax on your benefit payments from the Scheme.

We have processes in place to ensure that all payments and transfers are reported within the required timeframes to the UK Government.

If the Scheme were to lose QROPS status, however, you may be subject to UK tax liability on UK tax-relieved funds transferred to the Scheme. We have discretion under the Trust Deed to restrict payments, if required, from your Relevant Transfer Fund in order to preserve the status of the Scheme as a QROPS.

If you transfer funds to the Scheme from a UK registered pension scheme or another superannuation scheme (including an overseas scheme) that has QROPS status, we may provide the UK Government with such information with respect to payments to you, whether from your Relevant Transfer Fund or otherwise, as the UK Government may require from time to time in order to maintain the status of the Scheme as a QROPS.

The implications (for you) of our reporting obligations to the UK Government are important. If a payment to you results in you becoming subject to a UK tax liability because it is made when you have been a UK resident within the current or preceding 5 UK tax years, you will be liable to pay UK tax.

### ***Investment risk***

Each investment sector has risks typical of that sector. The TAM Funds invest (or will normally invest) across the range of investment sectors.

#### ***Asset class risk***

The TAM Funds invest in a range of asset classes. Different classes of investments have different levels of risk, with short term Government guaranteed debt typically having the lowest risk and speculative investments having the highest. Typically, the higher the level of risk, the higher the potential return.

The investment strategies of the TAM Funds allow for different asset class weightings among the respective TAM Funds (see the “***Who is involved in providing it for me?***” section on page 10 and the “***What sort of investment is this?***” section on pages 8-10 for details), resulting in the TAM Funds having different risk exposures. The TAM Liquidity Plus Portfolio has the least investment risk attached to it. The TAM Cautious, TAM Balanced and TAM Growth Portfolios have increasing levels of investment risk exposure, and the TAM Adventurous Growth Portfolio has the most investment risk.



Detailed below are examples of how risks relate to the different asset classes offered through the Scheme's investments in the TAM Funds (directly or indirectly):

- Cash is generally considered to be the lowest risk investment because of its limited potential to rise and fall in value over the short term. However, cash investments typically may not earn enough in the long term to meet your financial goals. Cash may also be subject to currency risk, see below.
- Bonds are seen as a moderate risk investment. Bond investments are generally less volatile over the short term than property or equities. Fixed interest may also be subject to currency risk, see below.
- Equities are exposed to general economic factors such as inflation, interest rates and changes in market conditions and sentiment. These factors will all have an effect on the value of equities as does the performance of the companies invested in. There are also additional risks for global equities relating to exchange rates, currencies and political risks associated with investing in other countries. The TAM Funds invest primarily in UK equities but may also invest in US and other global equities.

Please see the “***What sort of investment is this?***” section of this Investment Statement on pages 8-10 for the investment policy and objectives of the TAM Funds.

#### *Capital risk*

Investments can decline in value as well as appreciate. The measure of this change in value is referred to as volatility (i.e. the more the value varies over time, the more volatile the investment is and, therefore, the more risk involved in investing in it). Equities are more volatile than cash. There is more risk in investing in equities but greater opportunity for gain; in the case of cash there is less likelihood of any significant loss or gain. The TAM Funds available endeavour to balance risk and return, however those TAM Funds with equity exposure (all of the TAM Funds except the TAM Liquidity Plus Portfolio) will experience some volatility. Increasing levels of exposure to equities within the funds will increase the volatility in the particular TAM Fund.

Events that can affect the return or value and unit prices of the underlying TAM Funds include the following:

- economic, political, regulatory or market conditions that affect share prices, currency or interest rates;
- the performance of individual companies or securities in the relevant fund;
- changes in foreign exchange rates that affect the value of an overseas investment;
- the risk a bond issuer or mortgagor may default on either interest or debt repayments (credit risk);
- if interest rates rise, bond investments or funds can decrease in value (and vice versa);
- decisions made by investment or fund managers (including the risk of market timing and poor diversification);
- obtaining unmanageable exposure to markets compared to the net value of an underlying asset (gearing risk);
- failure by counterparties to honour their contractual obligations; and
- changes in tax or other legislation that affects returns or any change to the tax status of the Scheme.

### *Inflation risk*

There is the risk that an investment will lose real value because the rate of inflation is above the rate of return on the investment. The risk is greater in long term investments due to the difficulty in predicting inflation rates over long periods of time.

### *Interest rate risk*

Exposure to investments in cash or bonds will be subject to interest rate risk where an interest rate change directly affects returns. Interest rate changes also have an effect on the value of bonds, equity and property markets. The effect may take some time to be seen and in these markets the expectation of a change is often built into prices. It is the difference between the expectation and the actual change in the interest rate that will affect the return on your investment.

### *Currency risk*

As all of the assets of the Scheme are invested offshore, returns in New Zealand are affected by movements between the New Zealand dollar on one hand, and the pound sterling and Australian dollar on the other, which are the currencies in which the TAM Funds are priced, and movements between the New Zealand dollar and the currency the TAM Funds' assets are invested in, where the offshore investment is not in or fully hedged to the pound sterling or the Australian dollar. Currency risk is particularly relevant to the TAM Funds holding non-New Zealand dollar denominated assets (most of the TAM Funds' assets). Futures, options and forward-rate contracts may be used to endeavour to manage the risk associated with equity market, bond and currency movements where the assets are invested in currencies other than the currency in which the TAM Funds are priced. While these are not currently employed by TAM in managing the TAM Funds, they might be used by the fund managers of the underlying funds into which the TAM Funds invest.

### *Country risk*

Investing internationally brings with it a range of specific risks. Each country's market is regulated by different authorities, resulting in different levels of consumer protection. Economic and political conditions may be more volatile in other countries, creating uncertainty and an increase in unforeseen factors. This is particularly important to note in relation to the Scheme, given that the TAM Funds are based in the United Kingdom and governed by English law. The TAM Funds may invest in other underlying funds or assets that are based outside of the United Kingdom and therefore are subject to different laws and political climates.

### *Emerging markets risk*

Investments in emerging markets include risks additional to those normally associated with an investment in securities in more developed markets. These risks may include restrictions on investment and repatriation of investment capital, the ability to exchange currencies for New Zealand dollars, currency and security price volatility, and markets that may be less liquid and less regulated. Political and social unrest together with government involvement in the economy can also increase risk. It is possible that from time to time some of the higher risk TAM Funds will invest in emerging markets funds.

### *Single trust fund risk*

Despite the Scheme investing contributions on account of its members in separate investment funds (i.e. the TAM Funds) which are designed to enable members to have their savings invested by reference to particular asset classes or mixes of asset classes, the assets of the Scheme comprise a single trust fund as at the date of this Investment Statement.

This means that although liabilities incurred in relation to a Fund must be met in the first instance from the assets held for that Fund, in the unlikely event that the assets attributable to a particular

Fund are insufficient to meet the liabilities attributable to that Fund, the assets of any other Fund may be called on to meet those liabilities on an equitable basis.

Except to the extent necessary to meet liabilities incurred in relation to another Fund, all investments made with the moneys of a Fund must be held by the Trustee exclusively for that Fund, and for the exclusive benefit of the members who have interests in that Fund. However, subject to the tax rules for PIEs, the Trustee may transfer value between Funds to accommodate the Scheme being a single taxpayer.

#### *Longevity risk*

While we are currently required to apply at least 70% of your Relevant Transfer Fund (the amount originally transferred from a UK pension scheme) in the form of an income for your life (regular instalments), it is possible that you will not receive income from the Scheme for the rest of your life. This is because an “income for your life” is determined either:

- in accordance with the Trust Deed and based on current actuarial mortality tables (that assume how long you will live for) and projected returns for the portfolios you have re-invested in (where you have not been a UK resident within the current or preceding 5 UK tax years); or
- by reference to the UK Government Actuarial Department tables and an income calculation carried out as per HMRC guidelines (if you have been a UK resident at any time within the current or preceding 5 UK tax years); or
- by the member, provided the amount of the regular instalment is less than that calculated above.

Accordingly, if you live beyond your assumed life expectancy contained in the actuarial mortality tables or UK Government Actuarial Department Tables, the returns for the portfolios you have re-invested in or your income (as the case may be) do not match those projected, it is possible that you will not receive an income for your life, and payments will cease prior to the end of your life.

However, we are committed to conducting regular reviews of your income for life payment (or regular instalments) to assess whether projected investment returns on the TAM Funds selected by you (as applicable) are likely to be met (as these affect the amount of your annual income for life payment or regular instalment). As a consequence of this review we may decide to adjust your income for life payment (or regular payment, as applicable) to ensure the “income for life” principles by which we are bound under QROPS regulations are being adhered to. Our future reviews may result in the purchase of a contracted annuity to ensure you will receive a guaranteed income for the balance of your natural life.

HMRC has expressed an intention to remove the requirement that at least 70% of the original amount transferred from a UK pension scheme be paid in the form of an income for life in the circumstances described above. If these changes occur, we intend to amend the Scheme’s Trust Deed so you will be entitled to a cash lump sum equal to your balance when you reach the UK normal minimum pension age (currently 55 years old) or if you suffer ill-health

When these changes happen, you should contact us to discuss how you can withdraw money from the Scheme.

#### ***Legislative risk***

Changes to existing law or the introduction of new law in New Zealand or (while some of the Scheme’s assets are invested in the TAM Funds) the United Kingdom or other countries in which the TAM Funds invest could have a significant impact on an investment. Legislative risk generally

entails an amendment, introduction or abolition of one or more laws that may directly impact a given investment.

### ***Taxation risk***

If the Scheme were to lose its PIE status due to an event - for example, not meeting any applicable requirement relating to member numbers, member return adjustments, or the size of member interests - then the Scheme should be taxed as a widely held superannuation scheme at a rate of 28% rather than at each member's PIR.

In relation to the size of member interests, a member's beneficial interest in a particular investment fund in which the Scheme invests on account of members, i.e. currently the TAM Funds or the RL360° Bond/TAM Balanced Portfolio combination (combined with beneficial interests of any associated parties in the same investment fund), cannot exceed 20% of the total beneficial interests of members in that investment fund. In relation to member numbers, generally there must be at least 20 members with beneficial interests in each investment fund in which the Scheme invests on account of members. TAM Investors in the TAM Balanced Portfolio are treated as having a different beneficial interest to RL360° Investors. In other words there must be 20 TAM Investors in the TAM Balanced Portfolio and 20 RL360° Investors in order to satisfy the PIE requirements.

If the PIE eligibility requirements are not met or are not likely to be met during a particular period, after notifying you, we may close a TAM Fund and reallocate all or part of your investment to a different TAM Fund. If we do this, we will try to transfer you to a TAM Fund with similar risk and return characteristics to the one from which you are transferring, but sometimes the risk and return characteristics may differ. You have the ability to request a transfer of your investment to another TAM Fund at any time, if you are a TAM Investor.

If you are a RL360° Investor, we may (after notifying you) cease allowing RL360° Bond investments in the TAM Fund in which your balance is invested, because of the PIE tax eligibility requirements. In this case, we may allow you to continue to be a RL360° Investor but your balance will be invested in a different TAM Fund, or if we cease offering the RL360° Bond altogether your balance may continue to be invested in the same TAM Fund but you will become a TAM Investor. If we cease offering the RL360° Bond altogether, you may be liable for early redemption charges (see page 22 for further details).

We may also treat contributions as void from when they were made so as to ensure that any applicable requirement relating to the size of members' beneficial interests or member numbers is met and PIE status is maintained. If some or all of your contributions are treated as void from when they were made, you will receive a refund of those contributions, but any other compensation will be at our discretion.

It is possible that the Scheme may lose its status as a foreign investment zero-rate PIE as a result of, for example, the allowable New Zealand-sourced income thresholds being exceeded, legislation change resulting in a change in the foreign investment zero-rate PIE regime.

If the Scheme loses foreign investment zero-rate PIE status, we intend that the Scheme will be an ordinary multi-rate PIE. In this case, PIE income allocated to New Zealand-resident members will not be affected but PIE income allocated to non-New Zealand-resident members will be taxed at a PIR of 28%.

### ***Liquidity risk***

Low liquidity is a risk, as it can reflect the lack of demand for an investment, and make that investment harder to sell in a timely manner. This may affect returns if there is insufficient time to wait for demand to increase and a sale is required to be made at a lower price. It is a characteristic of markets throughout the world that some assets trade infrequently. Generally, the property market has a greater liquidity risk in comparison to the equities market. Within the equities market, smaller

companies will be less liquid than larger companies that are traded more frequently. The TAM Funds invest in the equities market and/or property market (except the TAM Liquidity Plus Portfolio).

Some assets are more difficult to realise than others, particularly if market conditions deteriorate. If these assets need to be sold (for instance to pay benefits) they may need to be sold at a lower price. If one of the TAM Funds, or an underlying fund into which one or more of the TAM Funds invest, were to experience liquidity problems, redemptions from the relevant TAM Fund or underlying fund (as the case may be) may be suspended which may affect the Scheme's liquidity.

### ***Counterparty risk***

Counterparty risk is a risk that a party to a contract (including an investment contract) defaults or a third party fails to properly provide services for the Scheme, or fails to complete transactions with us, or there is a dispute in relation to a contract, or that such a person becomes insolvent and is placed into receivership, liquidation or statutory management. If this occurs, you may not recover the full amount of your investment in the Scheme.

### ***Operational risk***

Risks may arise from a failure of processes and procedures, fraud, litigation, disruption to business by industrial disputes, systems failures, pandemics, natural disasters and other unforeseen external events which might affect our business or the Scheme and its assets.

### ***Consequences of insolvency/winding up of the Scheme***

You will not be liable to pay money to any person as a result of the insolvency of the Scheme, except for any outstanding contributions you have agreed to make or any PIE tax you owe to us.

If the Scheme is ever wound up, your member account balance will be paid by us to you after deducting all liabilities (including the costs of winding up the Scheme).

In the event that the Scheme is wound up, claims for fees and expenses payable in the normal course of business, and other claims preferred at law, will rank ahead of claims by Scheme members. However, you will otherwise have no liability to contribute to any shortfall in the assets of the Scheme.

If the Scheme is wound up, your claim on the Scheme's assets will rank equally with the claims of other Scheme members.

### ***Consequences of insolvency/winding up of the TAM Funds, RL360, or one or more funds comprised within the TAM Funds***

You will not be liable to pay money to any person as a result of the insolvency of one of the TAM Funds or RL360.

In the event that the TAM Funds are wound up, claims for fees and expenses payable in the normal course of business, and other claims preferred at law, will rank ahead of claims by the Scheme. However, you will have no liability to contribute to any shortfall in the assets of the TAM Funds. The Scheme's claim on the TAM Fund's assets will rank equally with the claims of other investors in the relevant TAM Fund.

If RL360 is wound up, the Scheme's claim on an RL360° Bond's assets will rank equally with the claims of other investors in the RL360° Bond.

If one of the underlying funds in which the TAM Funds invests is wound up, the impact on the overall TAM Fund (as applicable) will depend on the portion of the TAM Fund's assets that are invested in that underlying fund.

### ***Can the investment be altered?***

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If you are a TAM Investor, you are permitted to switch your account balance investment selection between the TAM Funds, but you cannot decide to become a RL360° Investor (switching fees may be payable – see the “***What are the charges?***” section on page 19).

If you are a TAM Investor, switching between the TAM Funds may be deemed to be a withdrawal, and adjustments to your account balance as a result of a PIE tax liability may occur on switching.

If you are a RL360° Investor, currently you are permitted to invest indirectly through the RL360° Bond in a portfolio that reflects the asset allocation from time to time applicable to the TAM Balanced Portfolio. It is possible in the future that we may offer other portfolios reflecting the asset allocation in other TAM Funds for you to invest indirectly through the RL360° Bond (by obtaining another bond), and we will update this Investment Statement to provide details.

We may change the provisions of the Scheme's Trust Deed subject to the constraints of the Act. However, if any change is contemplated that may adversely affect the benefits of some or all members of the Scheme, the change cannot be made without those members' consent in writing.

The Trustee has the power to remove and appoint the Scheme's Investment Managers and will review both the investment strategy and the performance of the TAM Funds and the administration performance of RL360 from time to time, and may change the Investment Managers, as well as change the collective investment scheme structure through which the Scheme's investment strategy is delivered.

You may elect to make additional lump sum contributions at any time (minimum \$5,000 or equivalent in foreign currency for TAM Investors and a minimum of £5,000 for RL360° Investors).

TAM Investors can make regular contributions and these can be varied or suspended with our agreement provided the minimum account balance of NZ\$5,000 is maintained at all times. A charge may be payable in relation to lump sum contributions made to the Scheme and for amending your regular contribution amount. See “***What are the charges?***” on page 19 for more detail.

The RL360° Bond does not accept regular contributions.

All fees, commission, charges, costs and expenses are subject to change from time to time without notice and without limitation. However, we will monitor all fees, commissions, charges, costs and expenses including investment management and investment account administration charges.

### ***How do I cash in my investment?***

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There is no right to terminate, cancel, surrender or otherwise end participation in the Scheme at will. You are not permitted to sell, assign or charge your interest in the Scheme. However you can apply to transfer the balance in your account to another scheme that has QROPS status or is a UK registered pension scheme. A transfer out fee may be payable on the transfer – see “***What are the charges?***” on page 19.

For information on access to benefits and transfer of benefits, please see “**Entitlement to benefits from your Non-Relevant Transfer Fund**” section on pages 26-27 and “**What are the charges?**” section beginning on page 19 for charges payable in some instances when you access a benefit from the Scheme or transfer your benefit in the Scheme to another scheme.

### ***Who do I contact with enquiries about my investment?***

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Any enquiries should be made to either the Trustee or the Administration Manager at the following address and telephone number:

NZ Endeavour Fund  
4/106 Bush Road, Albany, Auckland 0632  
(P.O. Box 302 369, North Harbour, Auckland 0751)

Phone: +64 9 909 9490 (or 0800 500 811 toll free within New Zealand)  
Email: [admin@nzendeavour.com](mailto:admin@nzendeavour.com)

### ***Is there anyone to whom I can complain if I have problems with the investment?***

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If you have a complaint, you should contact either the Trustee or the Administration Manager at:

4/106 Bush Road, Albany, Auckland 0632  
(P.O. Box 302 369, North Harbour, Auckland 0751)

Phone: +64 9 909 9490 (or 0800 500 811 toll free within New Zealand)  
Email: [trustee@nzendeavour.com](mailto:trustee@nzendeavour.com) or  
[admin@nzendeavour.com](mailto:admin@nzendeavour.com)

The Trustee, the Administration Manager and the Promoter are all registered as financial service providers under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (FSP numbers 161264, 161104 and 174984 respectively); and are all members of the ISO External Disputes Resolution Scheme, an approved dispute resolution scheme (c/- Insurance & Savings Ombudsman\*, PO Box 10-845, Wellington 6143 – Phone: (04) 499 7612 (ISO participant numbers 2000874, 2000875 and 2000906 respectively). Complaints may also be lodged with that dispute resolution scheme.

\*From 1 November 2015, the Insurance and Savings Ombudsman will be known as the 'Insurance & Financial Services Ombudsman Scheme'

You may also complain to the Financial Markets Authority. The Financial Markets Authority's address and telephone number is as follows:

Financial Markets Authority  
Level 5  
Ernst & Young Building  
2 Takutai Square  
Britomart  
Auckland 1010

(DX Box CX10033, PO Box 106 672, Auckland 1143)

Phone: +64 9 300 0400  
Fax: +64 9 300 0499

### ***What other information can I obtain about this investment?***

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Other information about the investment and the Scheme is contained, or referred to, in the current registered prospectus and the Scheme's financial statements. A copy of the current registered prospectus and the most recent financial statements can be obtained free of charge by contacting the Trustee or Administration Manager at 4/106 Bush Road, Albany, Auckland 0632; phone: +64 9 909 9490 (or 0800 500 811 toll free within New Zealand); email: [admin@nzendeavour.com](mailto:admin@nzendeavour.com).

The prospectus, financial statements and the Trust Deed (including all amendments), have been filed with the Registrar of Financial Service Providers, ASB Building, Level 18, 135 Albert Street, Auckland, and may be viewed on the Companies Office website at [www.business.govt.nz/companies](http://www.business.govt.nz/companies) (select Search Other Registers – "Superannuation Scheme"). The Scheme's number for this purpose is 2554797. The financial statements of the Scheme have been filed with the Registrar of Financial Service Providers.

Further information about TAM and the TAM Funds is available at [www.tamassetmanagement.com](http://www.tamassetmanagement.com) (or [admin@tamassetmanagement.com](mailto:admin@tamassetmanagement.com), phone: +44 (0) 20 7549 7650 or facsimile: +44 (0) 20 7549 7786).

Further information about RL360 and the RL360° Bond is available at [www.rl360.com](http://www.rl360.com) or phone: +44 (0) 1624 681 681.

This Investment Statement explains the benefits payable to you only in general terms. Complete details of the Scheme are contained in the Scheme's Trust Deed. You may examine a copy of the Scheme's Trust Deed (including any amendments) free of charge at 4/106 Bush Road, Albany, Auckland 0632. A copy of the Scheme's Trust Deed (including any amendments) is available from us by phoning +64 9 909 9490 (or 0800 500 811 toll free within New Zealand). A fee of 20 cents per page may be charged.

You will receive free of charge an annual benefit statement showing contributions made since the last statement, current account balances and interest earned. You have a right upon request to receive an estimate of your benefits at any time by contacting the Trustee or Administration Manager at 4/106 Bush Road, Albany, Auckland 0632; phone: +64 9 909 9490 (or 0800 500 811 toll free within New Zealand); email: [trustee@nzendeavour.com](mailto:trustee@nzendeavour.com) or [admin@nzendeavour.com](mailto:admin@nzendeavour.com).

The Act requires us to provide you, within six months after the end of each financial period of the Scheme (currently 31 March), with a copy of our Trustee annual report in respect of that period. The annual report contains certain statutory information as well as audited financial statements.



