



NOTICE SAVER FUND

TAHUA PENAPENA PŪMAU

Terms & Conditions

Effective 26 May 2023

As part of our identity, Kiwibank worked with multi-disciplinary Māori artist Tristan Marler (Manawa Tapu) to design a set of tohu (cultural motifs or symbols) that represent attributes of our brand and of a thriving community.

Kia Mārama - Know How and uses the Poutama tohu. Poutama symbolises the pathway to higher states of enlightenment. It represents attaining knowledge that helps communities to thrive. It inspires us to seek new and innovative solutions for the evolving needs of our customers.

Effective 26 May 2023

What is the Kiwibank Notice Saver Fund?

The Kiwibank Notice Saver Fund (**Fund**) is an investment where **You** agree to deposit money into an **Account** and give **Us** the right number of days' notice before making a withdrawal and **We** agree to pay **You** a rate of return. Rates of return can change during **Your** investment (meaning they could go up or down), but **We** agree to pay **You** the rate of return that applies for **Your** notice option.

You need to give **Us** the right number of days' notice before making a withdrawal. Provided **You** do these things, **We** agree to pay **You** the rate of return for the notice period **You** have chosen. Otherwise an interest adjustment will apply.

Unlike a term deposit, **You** can keep adding money into **Your Account** at any time.

The **Fund** is a fund in the Kiwibank PIE Unit Trust (**Trust**). The **Trust** is a Portfolio Investment Entity (**PIE**), for tax purposes. Because the **Fund** is a managed fund that is also a **PIE** other terms apply and these are explained in this document. **You** should read **These Terms before You invest**.

As the **Fund** is part of the **Trust**, **Your** investment and the **Account** into which it's paid is held by a **Supervisor** on **Your** behalf. **Units** in the **Fund** are issued by **Kiwibank Investment Management Limited** (the **Manager**) and distributed by **Kiwibank**. More information about the **Trust** is provided in this document.



These Terms form the basis of **Our** agreement with **You** to invest in the **Fund**. The details of this agreement will be given or sent to **You**.

How do I sign up?

If **You** are not already a **Kiwibank** customer, **You** need to open an **Account** with **Us**, either online via internet or mobile banking, by calling **Us** on 0800 113 355, or at **Your** nearest **Kiwibank** branch.

If **You** choose to have an **Account** with **Us** this means **You** agree to be bound by **Kiwibank's** General Terms and Conditions (**GTC**) and **Privacy Policy**. It's important that **You** read the **GTC** and **Privacy Policy** which are available on the **Kiwibank website**.

By opening a **Fund Account**, **You** also agree to be bound by **These Terms** and the **Trust Deed**. For more information on the **Trust Deed** and the **Trust**, refer to the Sections 'Who's involved in the **Trust**?' and 'What is in the **Trust Deed**?' below. The latest version of the **Trust Deed** is available on the **Kiwibank website**.

How much money can I deposit?

Initial deposits can be made by transferring funds from another bank account.

You can then deposit money into **Your Account** at any time online via internet or mobile banking, or by calling **Us** on 0800 113 355.

There is no minimum balance required for this account.

You can choose to invest up to \$5 million across all **Kiwibank** products.

Can I make withdrawals?

If **You** give the required amount of notice, **You** may withdraw part or all of **Your** money from the **Fund** without charge.

If **You** request an immediate withdrawal without providing the required amount of notice, **You** will need to pay an **Immediate Withdrawal Charge**. Once **You** request an immediate withdrawal, **You** can't change **Your** mind unless **We** agree otherwise. **We** may refuse any immediate withdrawal request at **Our** absolute discretion.

Funds You withdraw will be paid to **Your** Nominated Account.

What is the Notice Period?

When **You** open an **Account**, **You** select a notice period from the range **We** offer. This is then the minimum amount of notice **You** must give **Us** in order to withdraw all or part of **Your** money from the **Fund**.

The notice period is calculated in calendar days and excludes the day that notice is given. As long as **You** give the correct amount of notice before making a withdrawal or redemption, **You** will receive the rate of return allocated to that notice period.

You can find the current notice periods and rates of return for the **Fund** on the **Kiwibank website**.

How do I give notice?

You can give notice online via internet or mobile banking, by calling **Us** on 0800 113 355, or at **Your** nearest **Kiwibank** branch.

What is the Immediate Withdrawal Charge?

The **Immediate Withdrawal Charge** is an interest adjustment. The adjustment will depend on the length of the notice period, the amount **You** wish to withdraw, and the current rate of return for **Your** investment.

The **Immediate Withdrawal Charge** is based on the lesser of:

1. The amount withdrawn multiplied by the current rate of return divided by the number of days in the year. This is then multiplied by the notice period.
2. Interest earned and accrued over the previous period equivalent to the notice period.

Examples of how the **Immediate Withdrawal Charge** is applied can be found on the **Kiwibank website**.

What returns will I get from the Fund?

The **Fund** aims to provide **You** with a pre-tax return exceeding that received from a deposit in an online call account with **Kiwibank**.

You can find the current notice periods and rates of return for the **Fund** on the **Kiwibank website**. These may change at any time without notice. This means they can go up or down during the course of **Your** investment.

The **Fund** invests exclusively in a New Zealand dollar, interest bearing deposit with **Kiwibank**. **Kiwibank** pays interest on the deposit at a rate equal to the average return for each **Unit** in the **Fund** (weighted according to the balance of each **Account**) before tax plus any fees and charges.

We will deduct any tax, fees and charges owing from **Your** return.

You can choose to have **Your** net returns for each month:

- paid on the last day of the month back into **Your Account** where the interest and existing balance will compound;
- credited on the last day of the month to another account, held either with **Kiwibank** or another bank (**Your Nominated Account**); or
- if **You** choose to close **Your Account** at the end of **Your** notice period then all of **Your** return will be paid to **You** at the time of closure.

Your net returns will appear on **Your Account** statement at the end of that month or, if **You** withdraw **Your** investment entirely, the next **Account** statement **You** receive after that.

What is it going to cost me?

We don't currently charge **You** any fees for investing in the **Fund** or for **Our** management or administration of the **Fund**. However if **You** want to make a withdrawal from **Your Account** immediately, without giving the required notice, **You** will need to pay an **Immediate Withdrawal Charge** as described above. **We** may in limited cases and at **Our** sole discretion, waive this charge.

Refusal of repayment

While **We** will generally repay **Your** investment and any returns owing, **We** may refuse to repay **Your Fund** investment and any return owing to **You** if:

- **We** know or reasonably suspect something illegal has happened or may happen in relation to **Your** investment; or
- **You** haven't provided all required information, or **We** haven't been able to verify it to **Our** reasonable satisfaction.

How is my investment taxed?

The **Trust** pays tax under the PIE rules. This means that all taxable income on **Your** investment in the **Fund** is taxed at **Your** Prescribed Investor Rate (PIR). PIR rates are 0%, 10.5%, 17.5% and 28%. Information on how to calculate **Your** PIR can be found on the Inland Revenue website at ird.govt.nz.

We need **Your** PIR and IRD number in order to open a **Fund Account**. If **You** do not advise **Us** **Your** PIR, **Your** returns will be taxed at the default PIR of 28%, which may be higher than **Your** correct PIR. If Inland Revenue believes **Your** chosen PIR is incorrect, it may require **Us** to use a particular PIR for **You**, which **We** will apply going forward. If **You** believe a PIR Inland Revenue has provided **Us** is incorrect, **You** can provide **Us** with a different PIR, which **We** will then apply.

If **You** are a New Zealand tax resident individual investor and **Your** chosen PIR (or the default PIR or Inland Revenue provided PIR, if applied) is different to **Your** correct PIR, Inland Revenue will calculate any tax over/under paid and add that to **Your** end of year income tax position as part of its automated end of year assessment process.

For all other investors, if **Your** chosen PIR, or Inland Revenue provided PIR is less than **Your** correct PIR, **You** will need to complete an income tax return and include **Your** Notice Saver PIE income. Note that **You** won't get a refund of any overpaid PIE tax if **Your** chosen PIR or Inland Revenue provided PIR (if applied) is greater than **Your** correct PIR.

We will generally deduct any tax liability from **Your Account**, on **Your** returns up to the date of **Your** withdrawal. However, **We** may also deduct the tax paid or owing to **Us** or the **Supervisor** from any amount that **We** pay to **You**.

It's important that **You** understand the tax consequences for **You** if **You** invest in the **Fund**, and **You** should seek professional tax advice before **You** invest in the **Trust**. Tax advice cannot be provided by the **Manager**, **Kiwibank**, related entities of the **Manager** or **Kiwibank**, or the **Supervisor**.

What changes can the Manager make to the Fund?

We may change **Our** policy on paying the **Supervisor's** fees, and the **Fund** costs and expenses incurred by **Us** and the **Supervisor**. **We** will give **You** at least three months' written notice if **We** intend to do this.

We may also change:

- the minimum and maximum initial amount **You** may invest, minimum and maximum balance, and minimum withdrawal requirements;
- the **Trust's** distribution policy for its returns;
- the investment objectives and policies for the **Fund**; and
- the **Trust Deed**, in certain circumstances, and only by agreement with the **Supervisor**.

We will give **You** at least one months' written notice if **We** intend to make any of these changes.

We may also terminate the **Fund** if **We** give **You** three months' written notice. If the **Trust** is terminated **You** will receive **Your** investment and returns as set out in the **Trust Deed** and at law.

When can the Manager cancel an investment?

We can cancel and refund **Your** investment if **Your** investment threatens or causes the **Trust** to become ineligible as a **PIE**. For example if **You** (together with any person associated with **You**) hold more than 20% (or such other percentage as **We** determine) of the total value of the **Fund**.

Am I guaranteed to get my investment back?

Investments in the **Fund** are investments in a managed fund and don't directly represent deposits or liabilities of **Kiwibank**. However, the **Fund** invests with **Kiwibank**, and **Kiwibank** guarantees the **Manager's** obligation to pay **You** under the **Trust Deed**.

The **Crown** also guarantees Kiwibank's payment obligations under this guarantee that were guaranteed prior to 28 February 2017. This guarantee was previously provided by New Zealand Post Limited.

There could be situations in which **You** may not get back the money **You** invested in the **Fund**. That includes if the **Trust** and **Our** parent or ultimate holding companies become insolvent or are wound up, or if **We** are required by Inland Revenue or otherwise by law to deduct or withhold money from **Your** investment.

Who's involved in the Trust?

Kiwibank Investment Management Limited is the **Manager** and Issuer of the **Trust**. The **Manager** is a wholly-owned subsidiary of **Kiwibank**.

Public Trust is the trustee and **Supervisor** of the **Trust** and supervises the **Manager's** performance of its legal obligations and duties, including those set out in the **Trust Deed**.

What is in the Trust Deed?

When **You** deposit money in the **Fund**, **You** are issued with **Units** under the **Trust Deed** and **You** are bound by its provisions.

The **Trust Deed**:

- sets out the terms on which the **Supervisor** holds the assets of the **Trust** for **You** and other **Unit** holders;
- sets out the powers and responsibilities of the **Manager** and the **Supervisor**;
- governs **Your** investment in a **Unit** in the **Trust**;
- provides that the **Supervisor** and the **Manager** are indemnified out of the **Trust's** assets for any costs incurred in performing their duties;
- allows **Us**, in certain circumstances and with the **Supervisor's** agreement, to amend the **Trust Deed** without consulting **You**.



Termination of the Trust

The **Trust** can be terminated:

- if **We** give **You** three months' written notice;
- if **investors** pass an extraordinary resolution to terminate it; or
- under the **Trust Deed** or by law.

If the **Trust** is terminated **You** will receive **Your** investment and returns as set out in the **Trust Deed** and at law.

Privacy and supply of Information

We treat protection of all customer **Information** seriously. **We** comply with the Privacy Act 2020 and any other legal obligations **We** have relating to the protection of **Information**. **We** may share **Your Information** between the **Manager** and **Kiwibank** for the purpose of administering **Your** investment in the **Fund**.

For details about how **We** collect and handle **Your Information**, please see the **GTC** and **Privacy Policy** on the **Kiwibank** website.

We may ask **You** to provide information to **Us** to determine whether the **Trust** continues to meet the **PIE** eligibility requirements. **You** must supply the information **We** request within 30 days of **Our** request.

Other information you can obtain

You can obtain a copy of **Kiwibank's** Disclosure Statement and the Financial Statements of the **Trust** on the **Kiwibank** website.

We will provide **You** with any additional information, for example a copy of any changes to the **Trust Deed** or the investment policy for the **Fund** as required.

Who do I contact if I have a question or a problem?

You can find out **Your** balance, notice period, current rate of return and other **Account** information online via internet or mobile banking, by calling 0800 113 355, or at **Your** nearest **Kiwibank** branch.

For other enquiries, including any complaints or problems **You** have with **Your** investments in the **Trust**, contact **Us** at:

Kiwibank Investment Management Limited
Level 9
20 Customhouse Quay
Wellington 6011

Postal address:

Private Bag 39888
Wellington Mail Centre
Lower Hutt 5045

Telephone: 0800 523 523
Fax: (04) 462 7922
Email: service@kiwibank.co.nz

You can contact the **Supervisor** at:

Public Trust

Physical Address:

Public Trust
Level 16, Sap Tower,
151 Queen Street
Auckland 1010

Telephone: 0800 371 471

Postal Address:

Public Trust
Private Bag 5902
Wellington 6140
publictrust.co.nz

Meaning of words

What do the words in bold mean?

Account	means, in relation to a Unit , the account maintained by the Supervisor in relation to that Unit and to which amounts are credited and debited in accordance with the Trust Deed .
The Crown	The Sovereign in the right of New Zealand acting by and through the Minister of Finance.
Fund	means Kiwibank Notice Saver Fund.
GTC	means the Kiwibank General Terms and Conditions.
Immediate Withdrawal Charge	means the interest adjustment that will apply if We allow You to make an immediate withdrawal from Your Account , without giving the required amount of notice.
Information	means but is not limited to “personal information” as defined in the Privacy Act 2020.
Kiwibank	means Kiwibank Limited.
Kiwibank website	means Kiwibank.co.nz.
Manager	means Kiwibank Investment Management Limited.
Nominated Account	means the New Zealand bank account nominated by You in Your application and to which any amount owing to You on a withdrawal or redemption from the Fund , will be paid (credited) by Us .
PIE	means “Portfolio Investment Entity” as defined in the Income Tax Act 2007.

Privacy Policy	means the Kiwibank Privacy Policy available at Kiwibank.co.nz/privacy-policy .
Proxy	means a Proxy that holds Units , or applies to hold Units , on behalf of another person or entity (as referred to in section HM 33 of the Income Tax Act 2007).
Supervisor	means Public Trust, as the trustee and supervisor of the Trust .
These Terms	means the terms and conditions set out in this document (as changed, updated or replaced).
Trust Deed	means the trust deed for the Trust and the Establishment Deed for the Fund (as amended from time to time).
Trust	means the Kiwibank PIE Unit Trust established pursuant to the Trust Deed.
Unit	means an undivided proportionate share in the beneficial interest in the assets of the Fund to which the Unit belongs.
We, Our and Us	mean Kiwibank Investment Management Limited and Kiwibank .
You, Your and Investor	mean the person or entity who invests in the Fund , and where investments are made through a Proxy , the Proxy is the Investor. If more than one of You are investing together, " You " and " Investor " mean each of You jointly and individually, unless the context requires otherwise.

In addition, all terms defined in the **Trust Deed** (which aren't separately defined in **These Terms**) have the same meanings where used in **These Terms**, unless the context otherwise requires.

All you need

Kiwibank offers a full range of accounts and services to suit your needs.

To find out more call us:

- If **you** are calling from within New Zealand, freephone on 0800 523 523.

Visit us

At your nearest Kiwibank.

Go online

Kiwibank.co.nz



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