

# **Product Disclosure Statement**

for an offer of membership of the

## **BCF KiwiSaver Scheme**

**Issuer: Arotahi Trust Limited**

**Dated 9 December 2020**

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

This document replaces the Product Disclosure Statement dated 26 July 2019.

## SECTION 1 – KEY INFORMATION SUMMARY

### What is this?

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

### What will your money be invested in?

The Trustee currently invests members' money as summarised below. More information about the current investment objective and strategy for the Scheme is provided at section 3 (*Description of our investment strategy*) on page 12.

Investment policy and objective	Risk indicator*	Estimated fees
<b>Policy</b> The Trustee's current investment strategy is to invest BCF KiwiSaver Scheme assets principally in term deposits with New Zealand-registered banks, but also to have modest exposures (directly or through other managed investment schemes whose investors are all members of or organisations within the Plymouth Brethren Christian Church) to loans made on arm's length terms to organisations within the Plymouth Brethren Christian Church.	<div> <div> <div>⇐ Potentially lower returns</div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>⇒ Potentially higher returns</div> </div> <div> <div>⇐ Lower risk</div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div>⇒ Higher risk</div> </div> </div>	<b>Annual fund charges (estimate): 1.15%</b> of net asset value.  <b>Administration fee: \$52</b> per member per annum.
<b>Objective</b> The Scheme's current investment performance objective is to provide a return (before investment costs and tax) which exceeds the return from the S&P/NZX 90 Day Bank Bills Index over rolling one year periods.		

\* Because as at the date of this document:

- Scheme assets include direct loans to two Plymouth Brethren Christian Church organisations, and
- we intend shortly investing a significant portion of Scheme assets in the UBT Invest NZ Funds (a managed investment scheme which invests principally in secured and unsecured loans to businesses within the Plymouth Brethren Christian Church),

we consider that using actual Scheme returns for the relevant period (1 October 2015 to 30 September 2020) would be likely to mislead with regard to the potential future volatility of the Scheme, as for much of that period materially all Scheme assets were held in term deposits.

The risk indicator has therefore been calculated using a mix of market index returns and (with respect to the direct loans and the intended UBT Invest NZ Funds investment, for each of which there is no appropriate securities index or peer group index available) alternative methods that we consider allow the risk indicator to reflect the potential future volatility of those investments.

The risk indicator may therefore provide a less reliable indicator of the Scheme's future volatility.

For more information, see *BCF KiwiSaver Scheme – Other Material Information* at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

See section 4 (*What are the risks of investing?*) on page 14 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

### **Who manages the BCF KiwiSaver Scheme?**

Arotahi Trust Limited is the manager of the Scheme. See section 7 (*Who is involved?*) on page 17 for further details.

### **How can you get your money out?**

In most cases you cannot access your KiwiSaver savings until you reach NZ Super age (65 as at the date of this document).

In limited circumstances you may be eligible for an early withdrawal from your KiwiSaver savings. These circumstances include buying your first home, significant financial hardship, serious illness or a life-shortening congenital condition, or permanent emigration (other than to Australia).

You can transfer your investment to another KiwiSaver scheme at any time.

If you die, your KiwiSaver savings will generally be paid to the executors or administrators of your estate.

For more information about withdrawals see section 2 (*How does this investment work?*) on page 5.

### **How will your investment be taxed?**

The Scheme is a portfolio investment entity (**PIE**) for tax purposes.

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (**PIR**). This can be 10.5%, 17.5% or 28%. See section 6 (*What taxes will you pay?*) on page 17 for more information.

### **Where can you find more key information?**

Arotahi Trust Limited is required to publish annual fund updates for the Scheme. The updates show the returns, and the total fees, costs and expenses actually charged to investors, during the previous year. The latest fund update is available at [www.bcfkiwisaver.co.nz/scheme-publications](http://www.bcfkiwisaver.co.nz/scheme-publications). The Trustee will also give you copies of those documents on request.

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## SECTION 2 – HOW DOES THIS INVESTMENT WORK?

This Product Disclosure Statement offers you membership of the BCF KiwiSaver Scheme, a trust registered under the Financial Markets Conduct Act 2013 as a restricted KiwiSaver scheme and offered only to members of the Plymouth Brethren Christian Church. Your Scheme membership is governed by a Trust Deed setting out your membership benefits.

The Scheme gives Plymouth Brethren Christian Church members access to a KiwiSaver scheme managed consistently with their beliefs.

When you invest in the Scheme, your investment is pooled with the investments of other Brethren members and invested for your retirement.

Scheme contributions are invested in accordance with our investment policy. This accords with the investment principles taught and generally accepted among Plymouth Brethren Christian Church members.

As at the end of each Scheme year (31 March) we will apply investment earnings (positive or negative) to your Scheme balance based on:

- the Scheme's investment returns less expenses; and
- investment income tax at your PIR.

When you withdraw or transfer any amount from the Scheme, we will apply investment earnings (positive or negative), less expenses and investment income tax, to that amount for the period from the last 31 March as at which investment earnings were applied to Scheme accounts up to the payment date. This will be based on investment returns information.

For more information on how we determine investment earnings, see the *Other Material Information* document (**OMI**) at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (select *Search Offers* and enter *BCF*).

None of the Trustee, the Crown or any other person guarantees the performance or obligations of the Scheme. There is no Crown guarantee of any KiwiSaver scheme, or of any KiwiSaver fund in which you invest.

Responsible investment, including environmental, social, and governance considerations, is not taken into account in the investment policies and procedures of the Scheme as at the date of this Product Disclosure Statement.

### **Ceasing to break bread with Plymouth Brethren Christian Church members**

The Trust Deed allows the Scheme's investments to be held (if required) in two pools – a Main Pool and a Segregated Pool.

We will establish a Segregated Pool only if any Scheme member ceases to break bread with Plymouth Brethren Christian Church members. In that case the member's Scheme balance will be transferred to the Segregated Pool and held there (along with all on-going contributions and investment earnings) until:

- we decide the member has resumed breaking bread with Plymouth Brethren Christian Church members, or
- the member transfers to another KiwiSaver scheme.

If the member resumes breaking bread with Plymouth Brethren Christian Church members, we can transfer their balances (and redirect all contributions) back to the Main Pool.

We cannot transfer you from the Main Pool to the Segregated Pool (or back to the Main Pool) without first giving you 5 working days' notice of:

- the nature of and the reason for the proposed transfer
- how your balances will be invested post-transfer
- any material implications in terms of future investment returns or fees, and
- the fact that you may transfer to another KiwiSaver scheme at any time.

We intend holding all assets in any Segregated Pool in bank deposits and determining separate earnings rates for the Main Pool and the Segregated Pool.

The assets of the Main Pool cannot be used to meet the liabilities of the Segregated Pool, and the assets of the Segregated Pool cannot be used to meet the liabilities of the Main Pool.

### **Investment options**

We do not currently offer a choice of investment options. If we did then, because each Pool's assets are a single trust fund, if the assets held for an investment option within a Pool were insufficient to meet relevant liabilities then those liabilities could be met from the assets held for other investment options within that Pool.

### **Joining the Scheme**

The BCF KiwiSaver Scheme is offered only to Plymouth Brethren Christian Church members. You can only join the Scheme with our consent.

To be eligible you must also be living or normally living in New Zealand (or a State Services employee serving overseas) and a New Zealand citizen or entitled to permanent residence in New Zealand.

To apply to join, simply complete the Application Form on pages 21 and 22 and verify your identity (see the Application Form).

If you are self-employed or non-waged then you must also complete and return the *Payment Instructions* form on pages 23 and 24 (or contact the Administration Manager directly – see below – to arrange an initial contribution of not less than \$100).

Return the completed form(s) to:

**BCF KiwiSaver Scheme  
PO Box 5206, Terrace End  
Palmerston North 4441**

If you need help completing a form (or have questions) please contact the Administration Manager:

Phone: **0800 BCF INFO (0800 223 463)**

Email: **BCFkiwisaver@mjlw.co.nz**

Minors can join the Scheme. Please note that, generally:

- minors aged below 16 may only be enrolled by all their legal guardians acting jointly (or by one Oranga Tamariki guardian, if any), and
- minors aged 16 or 17 must have one legal guardian (or one Oranga Tamariki guardian, if any) co-sign the Application Form in order to enrol.

Each person signing the Application Form must provide proof of identity (and proof of the applicant's identity if he or she is aged below 16). If a legal guardian is not a parent listed on the minor's birth certificate, he or she must provide a document proving guardianship.

## **Making investments**

### ***Employee contributions***

Currently, you can choose to contribute at the rate of 3%, 4%, 6%, 8% or 10% of your before-tax salary or wages.

If you do not choose a contribution rate your required contribution rate will be 3%.

Your employer will deduct your contributions from your after-tax salary or wages and pay them to Inland Revenue, which then pays them to the Scheme.

Your contributions to the Scheme will be placed in a member account established for you, to which we will also credit and debit other amounts such as contributions from the government, investment earnings, costs and expenses.

If no PAYE deductions need to be made from your salary or wages (and you are not a private domestic worker) then you need not contribute from your salary or wages.

### ***Employer contributions***

Currently, if you are between age 18 and Qualifying Age (see page 9) and contribute from pay then (on top of your salary or wages unless you agree otherwise) your employer must also contribute to the Scheme.

The current compulsory employer contribution rate is 3% of your before-tax salary or wages. Contribution tax is deducted from this amount before it is paid to the Scheme.

Your employer's contributions to the Scheme will be placed in an employer account established for you, to which we will also credit and debit other amounts such as investment earnings, costs and expenses.

### ***Non-employee contributions***

If you are self-employed or non-waged you can contribute to the Scheme as described under *Additional contributions* on page 8.

You must in that case complete the *Payment Instructions* form in this document to contribute at least \$20 per month (unless you are a minor, in which case you need not contribute).

If you do not want to, or cannot, commence a regular direct credit you must make an initial contribution of at least \$100 (in that case contact the Administration Manager directly – see page 6). You can then start contributing to the Scheme at a later date (see *Additional contributions*).

If you are self-employed at one workplace but employed at another, you will be an employee for KiwiSaver purposes and must contribute an amount equal to 3%, 4%, 6%, 8% or 10% of your before-tax salary or wages from that employment.

### ***Additional contributions***

You can also contribute other than from pay (or arrange for others to make additional contributions for your benefit).

Additional contributions (other than additional employer contributions, which must be paid via Inland Revenue) can be paid:

- to Inland Revenue by Internet banking (see [www.ird.govt.nz](http://www.ird.govt.nz)) or by depositing a lump sum at any Westpac branch (giving your name, address, IRD number and any other information Inland Revenue may require), or
- direct to us by direct debit (select this option on the Application Form and return the *Payment Instructions* form – see our Administration Manager’s address on page 18) – any direct debit contributions must currently be at least \$20 per month.

Contact the Administration Manager if you need more details about (or another option for) making additional contributions.

### ***Transfer from another scheme***

You may be able to transfer your savings from another KiwiSaver scheme or New Zealand or overseas retirement scheme to the Scheme. Once you are accepted into the Scheme, if you are a member of another KiwiSaver scheme then we will arrange to transfer your membership from that KiwiSaver scheme to this Scheme on your behalf.

### ***Government contributions***

Under current law, each year (while you contribute and are eligible – you must be aged between 18 and Qualifying Age and live mainly in New Zealand) the Government will make contributions to your account (**government contributions**). These are currently 50c for every dollar you contribute, up to a maximum annual government contribution of \$521.43.

Government contributions are calculated annually based on your total contributions during the last year (1 July to 30 June) and the number of days in that year that you were eligible to receive government contributions.

For more information see the OMI at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (select *Search Offers* and enter *BCF*).

### ***Savings suspension***

If you are contributing from pay then you can apply to Inland Revenue to suspend your contributions (take a **savings suspension**) if:

- 12 or more months have passed since Inland Revenue received your first KiwiSaver contribution or you first contributed direct to a KiwiSaver scheme, or
- you are suffering, or likely to suffer, financial hardship (and Inland Revenue has received at least one contribution from you).

If you are given a hardship-based savings suspension it will last 3 months (unless Inland Revenue agrees a longer period). Otherwise your savings suspension will last between 3 months and 1 year. Inland Revenue will notify you before your suspension period ends and (if you want) you can apply for a new savings suspension.



You can revoke your savings suspension (and resume contributing) at any time by notifying your employer requiring it to start making deductions from your pay.

While you are on a savings suspension, your employer need not make employer contributions.

### **Withdrawing your investments**

As this is a KiwiSaver scheme, generally you can only withdraw money on or after reaching Qualifying Age (usually 65). However, earlier withdrawals are permitted in limited circumstances set out in the KiwiSaver Act 2006.

When you make a withdrawal from the Scheme the amount withdrawn will be paid as a lump sum.

The circumstances in which you can make a withdrawal are summarised below. For more information, see the OMI at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (select *Search Offers* and enter *BCF*).

### **Qualifying Age**

If you joined KiwiSaver on or after 1 July 2019, **Qualifying Age** means when you reach NZ Super age (currently 65).

If you joined KiwiSaver before 1 July 2019, **Qualifying Age** means when you reach NZ Super age and have been a KiwiSaver scheme member for at least 5 years. However, you can choose to access your savings at any time after reaching NZ Super age, without the 5 year lock-in. If you do so, then from NZ Super age (or the date of that choice if later) you will be treated as having reached Qualifying Age and as such you will be:

- eligible to withdraw your KiwiSaver savings, but
- no longer eligible for compulsory employer or government contributions.

You need not withdraw your savings after reaching Qualifying Age – you can leave your balance in the Scheme as long as you wish. You can also withdraw it in instalments on such terms and conditions as we determine. Currently, our only requirements are that:

- the minimum for each withdrawal is \$500
- at least \$500 remains in the Scheme after each withdrawal, and
- each withdrawal request is in writing.

We can change those terms and conditions.

Your first application for a post-Qualifying Age withdrawal must include a statutory declaration as to your government contribution entitlements.

You can also withdraw any amount transferred to KiwiSaver from an Australian complying superannuation scheme (**Australian sourced amount**) after reaching age 60 if you satisfy the 'retirement' definition under Australian law.

### **Death**

If you die, generally we will pay your benefit to your personal representatives (the executors or administrators of your estate).

If your balance is less than a set amount (currently \$15,000) and other conditions are met, we may pay it direct to a person such as a surviving spouse or caregiver.

### ***Significant financial hardship***

Subject to restrictions in the KiwiSaver Act 2006, you can make a withdrawal (excluding your Government contributions) if we are reasonably satisfied that you:

- are suffering or are likely to suffer from significant financial hardship as defined for KiwiSaver purposes, and
- have explored and exhausted reasonable alternative sources of funding.

You will need to give us a statutory declaration as to your assets and liabilities. We can limit the withdrawal to an amount we think you need to alleviate the hardship you are suffering.

If you make a significant financial hardship withdrawal, the amount withdrawn can include any Australian sourced amount, but only to the extent that the New Zealand sourced contributions able to be withdrawn (which will be paid to you first) are insufficient.

### ***Serious illness or life-shortening medical condition***

You can withdraw your total account balances if we are reasonably satisfied that you:

- are suffering from a **serious illness**, or
- have a **life-shortening congenital condition**

as each term is defined for KiwiSaver purposes.

We will need medical evidence to support your request.

You must also give us a statutory declaration as to your government contribution entitlements.

### ***First home purchase***

You may be able to make a withdrawal from the Scheme to help you buy your first home or land. The requirements are that:

- you are buying a home or land in New Zealand
- 3 or more years have passed since you first joined a KiwiSaver scheme
- you have never made a home purchase withdrawal from any KiwiSaver scheme before
- you intend the property to be your principal place of residence, and
- you have never owned property before, alone or jointly (limited exceptions apply).

Alternatively, you may be eligible to make a withdrawal if (despite having already owned a property) you meet the first four of the above requirements and provide confirmation from Kāinga Ora that it is satisfied your financial position is what would be expected of someone who has never owned a home. See [www.kiwi.govt.nz/home-ownership/kiwisaver-first-home-withdrawal/](http://www.kiwi.govt.nz/home-ownership/kiwisaver-first-home-withdrawal/) for more details.

You can withdraw all your savings except for \$1,000 and any Australian sourced amount.

We will require the necessary documents and evidence (contact the Administration Manager for details – see page 18) at least 10 business days before your deposit or settlement payment is due. You cannot make a first home buyer's withdrawal after your property purchase settles.

If we approve the withdrawal we will pay the money directly to your solicitor, conveyancing practitioner or any other permitted person.

We will debit your own and your employer's contributions first, and then any government contributions you have received.

***Permanent emigration***

To Australia – If you permanently emigrate to Australia you cannot make a permanent emigration-based withdrawal. However, you can transfer your total account balances (including Government contributions) to an Australian complying superannuation scheme which accepts such transfers, as long as your balance is below any maximum transfer amount required by Australian law.

To another country – One year after you have permanently emigrated to anywhere other than Australia you can withdraw your entitlement (excluding your government contributions and any Australian sourced amount) from the Scheme. We must repay your government contributions amount to the Government. Any Australian sourced amount must remain in KiwiSaver until you are able to withdraw it on another basis.

General – In each case, you must give us a statutory declaration and prove your permanent emigration.

After emigrating, you can leave your balance in the Scheme and make a withdrawal on or after reaching Qualifying Age (or earlier if you qualify for another permitted withdrawal).

***Other withdrawals***

Withdrawals may also be required by law (for example, if a court orders the release of funds from your account).

## SECTION 3 – DESCRIPTION OF OUR INVESTMENT STRATEGY

<b>Investment objective</b>
The current investment performance objective for the Scheme is to provide a return (before investment costs and tax) which exceeds the return of the S&P/NZX 90 Day Bank Bills Index over rolling one year periods.
<b>Investment strategy</b>
Our current investment strategy is to invest principally in term deposits with banks registered under the Reserve Bank of New Zealand Act 1989, but also have a modest exposures (directly or through other managed investment schemes whose investors are all members of the Plymouth Brethren Christian Church) to loans made on arm’s length terms to organisations within the Plymouth Brethren Christian Church.
Our current target asset allocation is:
<ul style="list-style-type: none"><li>• <b>cash and cash equivalents</b> (e.g. bank term deposits) – 70% of Scheme assets</li><li>• <b>fixed interest</b> investments – 30% of Scheme assets.</li></ul>
Additional asset allocation limits include the following:
<ul style="list-style-type: none"><li>• assets held in term deposits must be invested in deposits with at least four New Zealand registered banks</li><li>• no more than 30% of Scheme assets can be deposited with any one bank</li><li>• no more than 10% of Scheme assets can be invested directly or indirectly in fixed interest securities (excluding cash and cash equivalents) issued by any single entity other than the New Zealand government, and</li><li>• no more than 30% of Scheme assets can be invested in other managed investment schemes.</li></ul>
Once Scheme assets reach a sufficient size (as we determine) we may diversify into other investment types consistent with Plymouth Brethren Christian Church investment principles. Those may include, without limitation, any of the following:
<ul style="list-style-type: none"><li>• New Zealand government securities, including Treasury Bills</li><li>• debt securities issued by New Zealand local authorities</li><li>• shares in businesses owned by members of the Plymouth Brethren Christian Church, and</li><li>• investments in commercially tenanted or other real property owned by organisations within the Plymouth Brethren Christian Church.</li></ul>
<b>Suggested investment timeframe</b>
The minimum suggested timeframe for investing in the Scheme is 3 to 5 years.
<b>Risk indicator*</b>
<div><div>⇐ Potentially lower returns</div><div>Potentially higher returns ⇒</div><div>1234567</div><div>⇐ Lower riskHigher risk ⇒</div></div>

\* Because as at the date of this document:

- Scheme assets include direct loans to two Plymouth Brethren Christian Church organisations, and
- we intend shortly investing a significant portion of Scheme assets in the UBT Invest NZ Funds (a managed investment scheme which invests principally in secured and unsecured loans to businesses within the Plymouth Brethren Christian Church),

we consider that using actual Scheme returns for the relevant period (1 October 2015 to 30 September 2020) would be likely to mislead with regard to the potential future volatility of the Scheme, as for much of that period materially all Scheme assets were held in term deposits.

The risk indicator has therefore been calculated using a mix of market index returns and (with respect to the direct loans and the intended UBT Invest NZ Funds investment, for each of which there is no appropriate securities index or peer group index available) alternative methods that we consider allow the risk indicator to reflect the potential future volatility of those investments.

The risk indicator may therefore provide a less reliable indicator of the Scheme's future volatility.

For more information, see *BCF KiwiSaver Scheme – Other Material Information* at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

For more information about the Scheme's investment activities and the assets we invest in, see the Statement of Investment Policy and Objectives (**SIPO**) at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (go to *Search Schemes* and enter *BCF*) or visit [www.bcfkiwisaver.co.nz/scheme-investments/](http://www.bcfkiwisaver.co.nz/scheme-investments/).

We may change the SIPO from time to time at our discretion, without notifying you. Any material changes to the SIPO will be described in the next annual report for the Scheme.

Further information about the assets in the Scheme can be found in the fund updates at [www.bcfkiwisaver.co.nz/scheme-publications/](http://www.bcfkiwisaver.co.nz/scheme-publications/).

## SECTION 4 – WHAT ARE THE RISKS OF INVESTING?

### Understanding the risk indicator

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

← Potentially lower returns			Potentially higher returns ⇒			
1	2	3	4	5	6	7
← Lower risk			Higher risk ⇒			

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

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

Note that even the lowest category does not mean a risk-free investment, and there may be other risks that are not captured by this rating.

This risk indicator is not a guarantee of the Scheme's future performance. The risk indicator is based on the returns data for the 5 years ended 30 September 2020. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for the Scheme.

For the risk indicator rating for the Scheme, see the table on page 12.

### General investment risks

Some of the things that may cause the Scheme's value to move up and down, which affect the risk indicator, are:

- **Interest rate risk** – the risk that changes in interest rates may directly or indirectly affect investment returns (the value of fixed interest investments in particular is affected by changes to market interest rates – if these rise then the investment becomes less valuable)
- **Credit risk** – the risk of investments being exposed to borrowers defaulting on their loans or otherwise becoming unable to pay interest or repay the investment (reducing returns or meaning not all the amount invested is recovered)
- **Liquidity risk** – the risk that particular investments cannot be traded or accurately valued
- **Market risk** – the risk of being affected by economic and regulatory events (including market sentiment, inflation, interest rates and employment), political events, environmental and technological issues or natural disasters
- **Investment risk** – the risk associated with how we choose to allocate Scheme investments from time to time
- **Inflation risk** – the risk that inflation will erode value due to returns being less than inflation.

**Specific risks** – We are not aware of any circumstances that exist or are likely to arise that significantly increase the risk to returns for investors other than circumstances already reflected in the risk indicator.

See the OMI at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (select *Search Offers* and enter *BCF*) for more information on the risks in investing in the Scheme, including the risks involved in investing in a specific asset class.

## SECTION 5 – WHAT ARE THE FEES?

You will be charged fees for investing in the BCF KiwiSaver Scheme. Fees are deducted from your investment and will reduce your returns. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term:
- one-off fees (currently none).

The fees currently payable by Scheme members are as follows:

<b>Annual fund charges</b>
The estimated annual fund charges for the Scheme are 1.15% of net asset value.
<b>Other charges</b>
Administration fee: currently \$52 per year per member.

### Annual fund charges

The Trustee recovers all of its expenses from Scheme assets. These include investment costs (including for investing into any other managed investment scheme), our Licensed Independent Trustee director's fees, audit, legal and filing fees and printing and postage costs.

We have estimated all of those amounts in calculating the estimated annual fund charges (which are additional to the administration fee described below under *Other charges*).

We recover those expenses from members' accounts in proportion to their account balances in the Scheme. The above annual fund charges figure is our current estimate, as the relevant costs are not fixed (and will change from year to year).

### Other charges

Our Administration Manager deducts the annual administration fee from members' account balances in monthly instalments. It may also charge other fees and recover expenses.

The annual administration fee charged by the Administration Manager on a per member basis will begin to reduce if and when the number of Scheme members exceeds 1000, currently according to the scale shown in the table below:

Number of Scheme members	Approximate monthly fee per member	Annual fee per member
0–1000	\$4.33	\$52.00
1001–1500	\$3.90	\$46.80
1501–2000	\$3.46	\$41.50
2001–3000	\$3.02	\$36.25
3001 +	\$2.58	\$31.00

We may in future introduce other fees that will be charged to you on an individual basis for investor-specific decision or actions.

**Example of how fees apply to investors**

Derek invests \$10,000 in the Scheme. The starting value of his investment is \$10,000.

He is charged annual fund charges which work out to about \$115 (1.15% of \$10,000). The fees might be more or less if his account balance has increased or decreased over the year.

Over the next year, Derek pays other charges of \$52.

**Estimated total fees for the first year**

Fund charges: \$115

Other charges: \$52

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

**The fees can be changed**

The fees or charges payable by Scheme members may change. For example as the number of members increases, the Administration Manager's annual fee per member may decrease.

The Trust Deed allows us to deduct Trustee fees from Scheme assets for our services. We do not currently charge (or propose charging) any Trustee fees, though a fee is paid to our Licensed Independent Trustee director for his services. If we did impose Trustee fees, they would be subject to the KiwiSaver Act 2006 requirement that KiwiSaver scheme fees not be unreasonable. Subject to that requirement we could alter or vary them from time to time.

The fees and expenses charged by the manager of any other managed investment scheme in which we invest are paid from Scheme assets. Additionally, if we ever appointed an investment manager its fees and expenses would be paid from Scheme assets. In each case those fees are (or would be) as agreed from time to time with the relevant manager, subject to the reasonable fees restrictions.

The Trustee must publish a fund update for the Scheme showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at [www.bcfkiwisaver.co.nz/scheme-publications](http://www.bcfkiwisaver.co.nz/scheme-publications).



## SECTION 6 – WHAT TAXES WILL YOU PAY?

The BCF KiwiSaver Scheme is a portfolio investment entity (**PIE**). The amount of tax you pay is based on your prescribed investor rate (**PIR**). To determine your PIR, go to [www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate](http://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate). If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department.

It is your responsibility to tell the Trustee your PIR when you invest or if your PIR changes. If you do not tell the Trustee, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

For more information on tax, see the OMI on the Scheme at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (select *Search Offers* and enter *BCF*). The OMI is also available at [www.bcfkiwisaver.co.nz/scheme-details/](http://www.bcfkiwisaver.co.nz/scheme-details/).

## SECTION 7 – WHO IS INVOLVED?

### About Arotahi Trust Limited

The trustee and manager of the Scheme is Arotahi Trust Limited. We were incorporated to enable members of the Plymouth Brethren Christian Church to access a KiwiSaver scheme managed consistently with their beliefs. We oversee and are legally responsible for managing and administering the Scheme. Our contact address is:

Telephone: 0800 BCF INFO (0800 223 463)

Address: The Directors  
Arotahi Trust Limited  
5 Noel Rogers Place  
Milson  
Palmerston North 4414

### Who else is involved?

Party	Name	Role
Administration Manager	Melville Jessup Weaver Limited	Administers the Scheme on our behalf.

We may change our Administration Manager at any time.

The Scheme is a restricted KiwiSaver scheme and therefore does not have a supervisor or external custodian.

For more information on the parties involved in the Scheme (including the Trustee's directors) see the OMI at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (select *Search Offers* and enter *BCF*).

## SECTION 8 – HOW TO COMPLAIN

We have an internal complaints process. We will investigate any complaint about the Scheme promptly, thoroughly and fairly.

You can make complaints to:

The Administration Manager  
BCF KiwiSaver Scheme  
c/- Melville Jessup Weaver  
Level 7, 20 Ballance Street  
PO Box 1096  
Wellington 6140

Phone: 0800 BCF INFO (0800 223 463)

Email: [BCFkiwisaver@mjlw.co.nz](mailto:BCFkiwisaver@mjlw.co.nz)

You may also make complaints to the Trustee at:

The Directors  
Arotahi Trust Limited  
5 Noel Rogers Place  
Milton  
Palmerston North 4414

We also belong to an independent dispute resolution scheme operated by Financial Services Complaints Limited (**FSCL**). If you are not satisfied by our response to your complaint, or if the complaint has not been resolved within 40 working days from the date when you made it, then you may refer the matter to FSCL by emailing [info@fscl.org.nz](mailto:info@fscl.org.nz), calling FSCL on 0800 347 257 or writing to:

Financial Services Complaints Limited  
4<sup>th</sup> Floor, 101 Lambton Quay  
P O Box 5967, Lambton Quay  
Wellington 6145

Full details of how to access the FSCL scheme can be obtained on their website [www.fscl.org.nz](http://www.fscl.org.nz). FSCL will not charge you a fee to you to investigate or resolve a complaint.

## SECTION 9 – WHERE YOU CAN FIND MORE INFORMATION

Further information about the Scheme and Scheme membership (including financial statements and annual reports, the Trust Deed and the SIPO) is available on Disclose ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)) which contains both an offers register and a schemes register (search *BCF* on each register).

Copies of the information on each register are available on request to the Registrar of Financial Service Providers.

Fund updates and other information about the Scheme are also available on Disclose or on request from us (contact the Administration Manager) at no charge. For contact details see section 7.

## **SECTION 10 – HOW TO APPLY**

The application form to join the Scheme is included in this document. In order to join the Scheme, complete the form and return it to:

**BCF KiwiSaver Scheme**  
**PO Box 5206, Terrace End**  
**Palmerston North 4441**

If you need help completing the Application Form (or have any questions) please contact the Administration Manager:

Phone: **0800 BCF INFO (0800 223 463)**  
Email: **BCFkiwisaver@mjlw.co.nz**

## Application Checklist

- ☐ Print this page 20 (Checklist), pages 21 and 22 (Application Form) and, if applicable, pages 23 and 24 (Payment Instructions)
- ☐ To apply to join the BCF KiwiSaver Scheme, complete, sign and date the printed form(s)
- ☐ Verification of Identity:
  - ☐ Provide a certified (see page 22) copy of your valid passport (showing photo, signature and identity details), or
  - ☐ Provide certified (see page 22) copies of your current driver's licence (both sides) and birth certificate  
plus
  - ☐ Provide a recent bank statement or bill with your name and home address dated within the last 3 months
- ☐ Post or courier the paperwork (Application Form, Payment Instructions if relevant, and certified identity documents) for approval to join to:

### Post:

**BCF KiwiSaver Scheme  
PO Box 5206  
Terrace End  
Palmerston North 4441**

### Courier:

**BCF KiwiSaver Scheme  
c/- Arotahi Trust Limited  
5 Noel Rogers Place  
Milson  
Palmerston North 4414**

### Notes for children:

If the applicant is aged under 16 then we will require:

- a certified copy of the applicant's passport or full birth certificate, plus
- Verification of Identity for both parents and/or all legal guardians *or* (if applicable) one Oranga Tamariki guardian).

If the applicant is aged 16 or 17, the applicant plus one parent/legal guardian (or one Oranga Tamariki guardian) must provide Verification of Identity (a copy of a passport or full birth certificate in the case of the applicant).

# Application Form – BCF KiwiSaver Scheme

Please mail this Application Form, together with proof of identity and (if applicable) your *Payment Instructions* form, to:  
BCF KiwiSaver Scheme c/o PO Box 5206, Terrace End, Palmerston North 4441.

## Investor details

Title*	Surname*	First names*
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of birth	Age	IRD No.*
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/>
Your PIE tax rate* <input type="checkbox"/> 10.5% <input type="checkbox"/> 17.5% <input type="checkbox"/> 28% (Please tick one)		
<small>It is <b>your responsibility</b> to provide the Trustee with the correct PIE tax rate. See page 17 to determine your applicable rate. If a PIE tax rate is not selected or you do not provide your IRD number, 28% will apply.</small>		
Postal address*		Postcode
<input type="text"/>		<input type="text"/>
Home phone	Business phone	Mobile
<input type="text"/>	<input type="text"/>	<input type="text"/>
Email Address* (to set up website access and receive communications) *Required fields		<input type="text"/>

## Contribution details

### If you are employed

If you are employed, your regular contributions will be made by your employer (whom you authorise to deduct those amounts from your pay). If you wish to invest an additional amount directly, email [BCFkiwisaver@mjlw.co.nz](mailto:BCFkiwisaver@mjlw.co.nz).

**Contribution rate** (as a percentage of gross wages or salary – tick one) ☐ 3% ☐ 4% ☐ 6% ☐ 8% ☐ 10%

### If you are not employed

If you are not employed (e.g. you are self-employed, non-waged, under 18 and not working or retired) you will invest directly with the BCF KiwiSaver Scheme. To do so, complete the *Payment Instructions* form on pages 23 and 24 for a contribution of at least \$20 per month (unless you are a minor, in which case you need not contribute).

**Alternatively** (or in addition) please complete the amount of your initial investment and email [BCFkiwisaver@mjlw.co.nz](mailto:BCFkiwisaver@mjlw.co.nz) to arrange this initial contribution:

Initial investment \$  (minimum \$100)

## Reporting and communication

By providing your email address and signing this Application Form you agree to receive all forms of communication from the Administration Manager or the Trustee via email. This will include annual PIE tax statements, personalised statements and annual reports. You also consent to receiving access to annual reports via an email hyperlink.

## Verification of identity

We are required by law to obtain information about your identity and verify that information. If you are signing as the applicant's guardian, both your own and the applicant's identity must be verified. The following methods are acceptable to the Trustee (for the meaning of **certified** see the next section):

- a certified copy of your **passport** (personal details page); or
- a certified copy of your full **birth certificate**, together with a certified copy of your **New Zealand driver's licence** or **current international driving permit**; or
- a certified copy of your **New Zealand driver's licence**, together with a certified copy of a **bank statement** addressed to you (dated within the last 3 months), any **New Zealand Government Department statement** addressed to you (dated within the last 3 months) or your **New Zealand SuperGold Card**.

We also require proof of your residential address if you have not already done so with the above documents (this document does not need to be certified). Any one of the following documents is acceptable to the Trustee for this purpose:

- **bank statement** (dated within the last 3 months); or
- any **New Zealand Government Department statement** (dated within the last 3 months); or
- **New Zealand utility statement** (dated within the last 3 months).

If the applicant is a minor who has no photo identification, we will need a certified copy of their full birth certificate.

## Certifying your identity documents

All copies of identity documents must be completely legible with clear photos (where applicable). Each of them must also be **certified** as a true copy of the original by one of the following approved persons: Justice of the Peace, lawyer, chartered accountant, registered teacher or medical doctor, police officer, Notary Public or Member of Parliament. The certifier must not be your spouse or partner (or related to you) and must not live at the same address.

He or she must write "I certify this to be a true copy of the original document and that it represents the identity of (full name)" then write their name and occupation, then date and sign the declaration.

A certified document is valid for 3 months.

## Employer details *(to be completed by your employer, if any)*

Employer name

Business phone

IRD No. *(for Employer)*

Postal address

Postcode

## Transfer from another KiwiSaver scheme *(if applicable)*

☐

I am a member of another KiwiSaver scheme *(tick if applicable)*

I apply to transfer my benefit from

*(name of scheme, if known)*

to the BCF KiwiSaver Scheme. I authorise the manager of the other scheme to provide to the Administration Manager of the BCF KiwiSaver Scheme all such personal information held about you by MJW, the Trustee or other service providers to the Scheme. If any of the information is incorrect, you have the right to have it corrected.

## The Privacy Act

This statement relates to the personal information that you are providing to the Scheme's Administration Manager Melville Jessup Weaver (MJW), the Trustee or any agent of any of them by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by MJW, the Trustee and other service providers to the Scheme for the purposes of enabling MJW, the Trustee and those service providers to consider your eligibility to join the Scheme, arrange and manage your investment and contact you in relation to your investment. MJW will provide you (on request) with the name and address of any entity to which information has been disclosed. You have the right to access all personal information held about you by MJW, the Trustee or other service providers to the Scheme. If any of the information is incorrect, you have the right to have it corrected.

If you are applying on another's behalf, you acknowledge that you are authorised to provide personal information on behalf of the applicant and that evidence of this authority will be provided upon request. You agree that your/each of your names and addresses may be used by MJW to provide you with newsletters and other information about the Scheme.

## Declaration

I have received, read and retained a copy of the Product Disclosure Statement for the Scheme and I agree to be bound by the terms and conditions of the Trust Deed. I understand that the Scheme is a vehicle for long term investment and that the value of my investment is liable to fluctuations and may rise and fall from time to time. I understand the manner in which fees and expenses will be deducted from my investment. The offer of membership in the Scheme has been made to me in New Zealand. I meet the eligibility criteria for joining the Scheme as set out on page 6 of the Product Disclosure Statement.

Signature of applicant *(if aged 16 or older)*

Date

If signing as a parent/guardian\*, I confirm that I am a legal guardian or Oranga Tamariki guardian of the applicant, that I have read and accept the *Declaration* above and that I am authorised to sign this Application Form for and on behalf of the applicant.

### Where applicant is aged 16 or 17, or has an Oranga Tamariki guardian

Full name of parent/guardian/Oranga Tamariki guardian

Signature

Date

### Where applicant is aged under 16

Full name of *second* parent/guardian, if any

Signature

Date

\* Please note that as indicated above, you must verify your own as well as the applicant's identity. If the applicant is aged under 16 then *all* legal guardians (or one Oranga Tamariki guardian, if any) must sign and verify their identity. If the applicant is aged 16 or 17 then only one legal guardian (or one Oranga Tamariki guardian) needs to co-sign and verify their own identity.

The Administration Manager may contact the legal guardian(s) or Oranga Tamariki guardian whose signature(s) appear on this Application Form if any additional information is required to process a membership application made for a minor.



## Customer authorisation

I/We authorise you until further notice in writing to debit my/our account with the amounts of direct debits which the registered initiator of the above authorisation code (**Initiator**) may initiate by direct debit in accordance with this authority.

I/We agree that this authority is subject to:

- The bank's terms and conditions that relate to my/our account, and
- The specific terms and conditions listed below.

Authorised signature(s)

Date

## Specific conditions relating to notices and disputes

I/We may ask my/our bank to reverse a direct debit up to 120 calendar days after the debit if:

- I/We don't receive a written notice of the amount and date of each direct debit from the Initiator, or
- I/We receive a written notice but the amount or the date of debiting is different from the amount or the date specified on the notice.

The Initiator is required to give a written notice of the amount and date of each direct debit in a series of direct debits no less than 10 calendar days before the date of the first direct debit in the series. The notice is to include:

- the dates of the debits, and
- the amount of each direct debit.

If the bank dishonours a direct debit but the Initiator sends the direct debit again within 5 business days of the dishonour, the Initiator is not required to give you a second notice of the amount and date of the direct debit.

If the Initiator proposes to change an amount or date of a direct debit specified in the notice, the Initiator is required to give you notice:

- no less than 30 calendar days before the change, or
- if the Initiator's bank agrees, no less than 10 calendar days before the change.