

Investor Guide

30 September 2026



Principles for
Responsible
Investment

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Generate Managed Funds make investing simple and stress-free

Whether you're investing a lump sum, building wealth outside KiwiSaver, saving for a future goal, or putting surplus cash to work, Generate Managed Funds provide a simple way to invest with the support of professional fund managers.

What is a managed fund?

Generate Managed Funds work in a similar way to our Generate KiwiSaver funds, but you get to control how much and how often you want to invest, and when you want to withdraw your investment.

Once you've decided how much you want to invest, our expert fund managers take care of the investment decisions for you.

Over the long term, managed funds have the potential to generate higher returns than traditional savings accounts and term deposits, helping your money work harder towards your goals. However, it is important to remember that all investments involve risk, and your balance can go up and down from month to month. This is a normal part of investing and is linked to the amount of risk associated with your fund choice. Read more about risk on page 13.

Why people choose Generate Managed Funds

- Flexible investment options to suit different goals and life stages.
- Diversify your investments across a wide range of assets and markets.
- Access to experienced fund managers without having to pick investments yourself.
- A responsible investing approach that considers more than just financial returns.
- Joint and trust accounts available for greater flexibility.
- Simple ways to invest, whether you're starting with a lump sum, regular contributions, or both.
- Regular updates and online access to help you stay informed.
- A trusted New Zealand investment manager focused on helping Kiwis grow their wealth over the long term.



How are managed funds different to KiwiSaver funds?

Your KiwiSaver savings are typically locked away until retirement, or when you are buying a first home. Managed funds have no such restrictions, so you can request a withdrawal at any time.

The other key difference is that managed funds are not eligible for KiwiSaver benefits such as the annual Government contribution or employer contribution. See more detail on page 20.

How are managed funds invested?

When you invest in a managed fund, your money is combined with money from other investors and professionally managed by our investment team.

Your investment value will go up and down as the value of the fund's investments changes.

Diversifying your investment

The Generate Conservative, Balanced and Focused Growth Managed Funds are diversified funds, which means they are invested across different countries, industries and asset classes to reduce risk. While diversification can't eliminate risk entirely, it can help reduce the impact if one investment performs poorly.

Why invest with a fund manager?

Investing successfully takes time, research and discipline. Our investment team does the heavy lifting for you, so you can focus on living your life while your money remains invested.

How much do I need to start investing?

We suggest starting with at least \$1,000. If you have a smaller amount to invest, talk to our team about the options available to you.

You have the flexibility to contribute regularly to your investment with as little as \$100 on a weekly, monthly, quarterly, or annual basis.

Are managed funds locked in?

No, unlike a KiwiSaver account your money isn't locked away. You can top up your investment or request a withdrawal whenever you want to without any cost.

Joint accounts available

You can open a Generate Managed Fund account with more than one person named as the owner. This makes them great for couples saving together for a home, future travel, children's education, or long term wealth building.



Need help getting started?

Our advisers can help you understand your options, choose a fund that matches your goals, and create an investment plan that works for you.

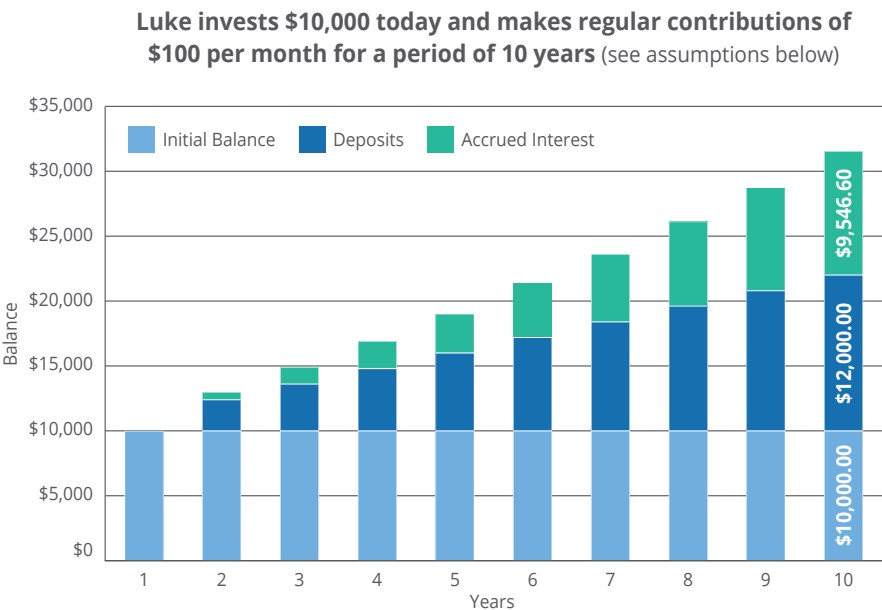
No extra cost.

Growing your wealth with Generate Managed Funds

Regular investing and compounding returns can play a powerful role in growing your long-term wealth.

Each time you invest money into your Generate Managed Funds account, that money has the potential to generate returns for you in the form of interest, dividends, or capital gains. Those returns are paid back into your managed funds account. If you leave your returns in your account (rather than withdrawing them), they will be invested with your original deposit, which means in the next period, you could earn returns on both your initial investment and also on your previously earned returns. As this cycle continues, the compounding effect becomes apparent. The returns your account produces in each period contributes to a larger base for generating returns in the subsequent periods.

This page uses assumptions provided by the Financial Market's Authority (FMA) intended to illustrate difference in potential fund returns. These numbers do not reflect the actual returns of Generate funds.



Assumptions

Scenario:

Luke has a starting investment lump sum of \$10,000. Luke remains invested until the end of the investment period. No withdrawals are made, and contributions are fixed for the life of this example. 5.5% annual returns have been used to represent the Aggressive category returns as set out by the FMA for long term return assumptions.

The illustrations above do not reflect the prospective performance of the Scheme or of any fund. Returns to members of the Scheme are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

Choosing the fund that's right for you

Your fund choice is one of the most important factors of your investment, as it has a significant bearing on your long-term balance.

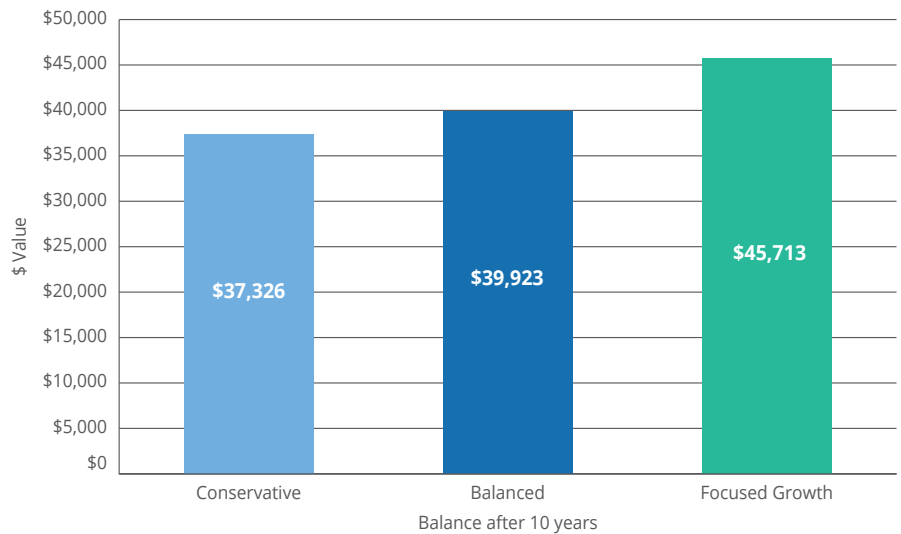
Generate has eight Managed Funds, each designed for different investment goals and levels of risk.

The fund you choose will influence how your money is invested, the potential returns and how much your balance may move up and down.

Generally, funds with greater potential for higher returns over the long term will also experience more ups and downs along the way. The right fund for you will depend on your goals, how long you plan to invest and how comfortable you are with those changes in value.

This page uses assumptions provided by the Financial Market's Authority (FMA) intended to illustrate difference in potential fund returns. These numbers do not reflect the actual returns of Generate funds.

Ben & Lauren have an initial deposit of \$10,000 and make monthly deposits of \$180 (see assumptions below)



Assumptions

Scenario: Ben and Lauren have an initial investment deposit of \$10,000. They are planning to remain invested for 10 years to build a fund to help their 2 children onto the property ladder. They make regular contributions of \$180 per month for the life of the investment. The chart above shows the potential growth of their funds when invested across our 3 diversified funds. These funds are in line with their investment timeframe.

The returns are used for illustrative purposes only and do not reflect the prospective performance of the Generate Managed Fund scheme. The returns used have been set out by the FMA being 2.5%, 3.5% and 5.5% respectively across the 3 fund options. The FMA does not provide any guidance on long term assumptions for single sector funds. These return assumptions include tax of 28% (the highest and most common tax rates for investors) Inflation is assumed to average 2%.

The illustrations above do not reflect the prospective performance of the Scheme or of any fund. Returns to members of the Scheme are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

Why invest with Generate?

We're an award-winning New Zealand owned KiwiSaver and wealth manager, with a track record of strong long-term performance and industry recognition for our community and environmental impact investments.



Awards 2025
Finalist



Consistent long-term performance¹

Performance matters. Our experienced investment team actively researches and selects investments in New Zealand and globally, seeking opportunities we believe will deliver strong results for our investors.

While our Managed Funds have a shorter performance history, they benefit from the same proven investment expertise behind our established KiwiSaver funds. A number of these funds have built strong long-term track records and consistently rank highly in their respective categories.

See our latest fund performance on our website.

Responsible investing

We seek to exclude companies involved in the manufacture of whale meat, cluster munitions, nuclear explosive devices or tobacco. We've also been a signatory to the United Nations Principles for Responsible Investment since 2018.

Our approach has been recognised by the Responsible Investment Association Australasia (RIAA), which named Generate a 2026 Responsible Investor, and by Mindful Money, where our funds are recognised as 'Mindful Funds'.² Generate was also Highly Commended for Best Positive Outcomes Integration at Mindful Money's 2026 Ethical & Impact Investment Awards.



Exceptional & awarded service

We believe investing should feel personal. Our team is here to answer your questions, help you understand your investment options and provide support when you need it.

It's the same commitment to service that has seen Generate recognised with a Consumer NZ People's Choice Award six times, and a Reader's Digest Trusted Brands Award in 2024, 2025 and 2026.

Kiwis taking care of Kiwis

Generate is proudly Kiwi owned and operated and one of New Zealand's most trusted KiwiSaver and wealth providers. We are passionate about educating and empowering Kiwis to make smart financial decisions that will help them be better off in the future.

¹ Consistent long-term performance refers specifically to the performance of the Generate KiwiSaver Scheme. The Generate Unit Trust (Managed Fund) Scheme does not have a long-term performance record with the longest running Managed Fund (Focused Growth Fund) with an inception date of 11 October 2019. Generate KiwiSaver and Managed Funds are different products and may have different returns due to market conditions, underlying investments assets and differences in fees. Past performance may not be indicative of future results and there is no guarantee of future results.

² www.mindfulmoney.nz

How we invest your funds

We invest in leading companies both in New Zealand and internationally, as well as some of the best fund managers in the world*.



Target investment mix

When viewing our Managed Fund options, you'll see that each fund has a long-term target investment mix. This is the intended allocation of 'income' and 'growth' assets that the fund will be invested in. Note that the actual investment mix may vary from the target investment mix as we pursue tactical investment opportunities, or as we seek to protect asset values in periods of market volatility.

For more information about the funds' investment activities see the Statement of Investment Policy and Objectives (SIPO) at generatewealth.co.nz.

Income assets

Cash and fixed interest assets are referred to as 'income assets' because they generate income in the form of interest payments. Income assets are typically less volatile than growth assets, so while the returns can go up and down (and be negative at times) they won't usually move to the same degree as growth assets. Over the long-term, income assets will usually provide lower returns than growth assets.

Growth assets

Equities, property and infrastructure are referred to as 'growth assets' because they have the potential to achieve returns by increasing in value over time. They also involve more risk. Typically the returns of growth assets will fluctuate more than income assets, and are more susceptible to experience periods of negative returns.

Australasian equities are predominantly made up of listed securities on the NZX and ASX.

Exposure to international equities is through both direct investments in listed international equities that typically have capitalisations greater than USD 5 billion and third party underlying funds that invest in international equities. See the SIPO for more information.

Responsible Investment Policy

Investing in a way that incorporates environmental, social and governance (ESG) issues, manages risk, and endeavours to produce attractive long-term returns is an important part of our investment decision-making process. Generate has a Responsible Investing Policy, which all our investments adhere to.

Download a copy of our Responsible Investment Policy at generatewealth.co.nz/responsible-investing

Currency exposure

Foreign currency exposures are typically at least 50% hedged. For more details on our currency strategy, see the SIPO.

Changes to the SIPO

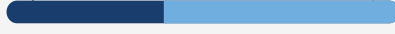
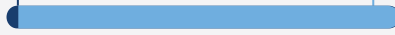
We regularly review our SIPO and may change it at any time with the approval of our Investment Committee. Any changes to the SIPO will be advised to the Supervisor prior to taking effect and then lodged on the Disclose Register within five business days of the change taking effect. Material changes will also be advised in the annual report.

Further information about the assets in the funds can be found in the fund updates at generatewealth.co.nz/fund-updates.

* The logos shown represent some of the companies and fund managers the Generate Unit Trust Scheme was invested in at the date of this document. As we are an active manager, investments are subject to change.

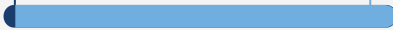
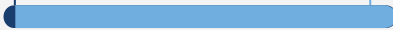
Generate Managed Fund options

We have eight Managed Funds available to invest in. You can choose to invest in one fund or spread your investment across multiple funds.

Managed Fund Options				
	FUND NAME, INVESTMENT OBJECTIVE AND DESCRIPTION	ASSET ALLOCATION AND RISK INDICATOR*	TARGET INVESTMENT MIX	MINIMUM RECOMMENDED INVESTMENT TIMEFRAME
Cash Fund	CashPlus The CashPlus Managed Fund aims to provide a stable return over the short term. It invests in an actively managed portfolio made up entirely of income assets. This Fund is useful if you plan to withdraw your funds within the next 12 months and need certainty of the amount you intend to withdraw. Volatility is likely to be the lowest of the funds, however a negative return is still possible.	Asset allocation 100% Income 0% Growth  Risk Indicator  Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 100% Fixed interest 0% Australasian equities and property 0% International equities 0%	n/a
	Conservative The Conservative Managed Fund aims to provide a modest return over the short term. It invests in an actively managed portfolio made up largely of short dated income assets with a small allocation of growth assets. Volatility is likely to be low to medium. (Returns will vary and may be low or negative at times.)	Asset allocation 80% Income 20% Growth  Risk Indicator  Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 5% Fixed interest 75% Australasian equities and property 7.5% International equities 12.5%	2 years
Diversified Funds	Balanced The Generate Balanced Managed Fund aims to provide a medium return over the medium term. It invests in an actively managed portfolio made up of slightly more growth assets than income assets. Volatility is likely to be medium to high. (Returns will vary and may be low or negative at times.)	Asset allocation 40% Income 60% Growth  Risk Indicator  Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 5% Fixed interest 35% Australasian equities and property 20% International equities 40%	5 years
	Focused Growth The Generate Focused Growth Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio made up predominantly of growth assets with a minor allocation of income assets. Volatility is likely to be high. (Returns will vary and may be low or negative at times.)	Asset allocation 2% Income 98% Growth  Risk Indicator  Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 2% Fixed interest 0% Australasian equities and property 28% International equities 70%	8 years

* A combination of market and Fund returns have been used to calculate risk indicators where Funds have not existed for 5 years or have had a significant change of investment policy. More specifically, market returns have been used for the Conservative and Balanced Funds for the initial period ending 20 May 2022; for the Australasian and Thematic Funds for the period ending 21 July 2023, and; for the CashPlus, Fixed Interest and Global Funds for the period ending 2 May 2025. This means that the risk indicators for all of these Funds (except Focused Growth Fund) do not reflect the actual returns and may provide a less reliable indicator of the potential future volatility of the Fund.
See section 4 of the Product Disclosure Statement for more information.

Managed Fund Options

	FUND NAME, INVESTMENT OBJECTIVE AND DESCRIPTION	ASSET ALLOCATION AND RISK INDICATOR*	TARGET INVESTMENT MIX	MINIMUM RECOMMENDED INVESTMENT TIMEFRAME
Income Fund	Fixed Interest The Generate Fixed Interest Managed Fund aims to provide a stable return over the short to medium term. It invests in an actively managed portfolio made up entirely of income assets. Volatility is likely to be low to medium. (Returns will vary and may be low or negative at times.)	Asset allocation 100% Income 0% Growth  Risk Indicator  1 2 3 4 5 6 7 Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 5% Fixed interest 95% Australasian equities and property 0% International equities 0%	2 years
	Australasian The Generate Australasian Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio of growth assets located predominantly in New Zealand and Australia with a very minor allocation of income assets. Volatility is likely to be high. (Returns will vary and may be low or negative at times.)	Asset allocation 2% Income 98% Growth  Risk Indicator  1 2 3 4 5 6 7 Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 2% Fixed interest 0% Australasian equities and property 98% International equities 0%	10 years
Equity Funds	Thematic The Generate Thematic Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio of growth assets predominantly made up of mid to large cap international equities based on investment themes that are considered to have high growth potential with a very minor allocation of income assets. Volatility is likely to be high. (Returns will vary and may be low or negative at times.)	Asset allocation 2% Income 98% Growth  Risk Indicator  1 2 3 4 5 6 7 Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 2% Fixed interest 0% Australasian equities and property 0% International equities 98%	10 years
	Global The Generate Global Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio of growth assets predominantly made up of mid to large cap international equities with a very minor allocation of income assets. Volatility is likely to be high. (Returns will vary and may be low or negative at times.)	Asset allocation 2% Income 98% Growth  Risk Indicator  1 2 3 4 5 6 7 Low RISK/RETURN High	Target investment mix  Cash and cash equivalents 2% Fixed interest 0% Australasian equities and property 0% International equities 98%	10 years

Investing in your managed funds account

You can make lump-sum investments into your managed funds account at any time. Or you can opt for a regular investment strategy like, dollar-cost averaging.

What is dollar-cost averaging?

Dollar-cost averaging is an investment strategy where you regularly invest a fixed amount of money into the same investment at regular intervals, regardless of the asset's price or market conditions. This approach is designed to reduce the impact of market volatility and smooth out the average purchase price of the investment.

How does dollar-cost averaging work with Managed Funds?

When you put money into your managed funds account you buy units in the fund. The price of each unit can go up and down from day to day as the equities the fund is invested in respond to market conditions. For example, if the market is down, the unit cost may also decrease. This means your regular investment could buy more units at a cheaper price. When the market bounces back, those units you bought at a cheaper price would benefit from an increase in value.

Pros:

You benefit from time in the market – rather than trying to time the market

Making regular contributions versus investing your entire contribution in one transaction reduces market timing risk. Market timing is challenging to do consistently and successfully, and so the goal of dollar-cost averaging is to avoid making a large investment at a poor time, such as just before a market decline.

By investing regularly, investors enter the market immediately and benefit from added time in the market, rather than trying to wait for a less expensive entry point.

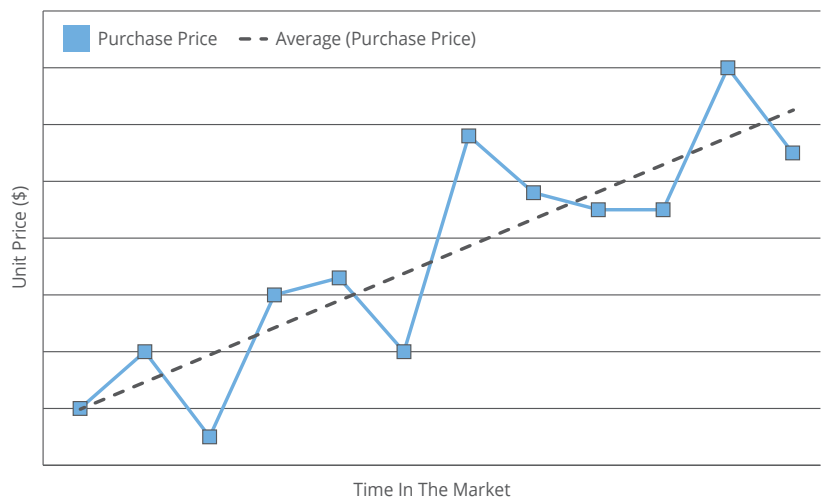
Peace of mind

Investors benefit from peace of mind knowing that if there was a sudden drop in market value, dollar-cost averaging will allow them to take advantage of purchasing units at a lower price.

A systematic approach

Dollar cost averaging eliminates the need for constant decisions, and can help organise your budget and personal finances around a fixed investment commitment, for example, investing \$250 per month.

Dollar-Cost Averaging in a Rising Market



Source: This graph has been created internally to illustrate Dollar Cost Averaging. This diagram is not linked to any specific data.

Cons:

Investing becomes more expensive over time

If markets rise while you are gradually investing, the average price you pay for your investments may increase over time.

Potential to lower overall returns

Markets tend to rise over the long term. If they rise while you are gradually investing, some of your money may miss out on that growth, meaning your returns could be lower than if you had invested the full amount upfront.

Your investment approach is your choice.

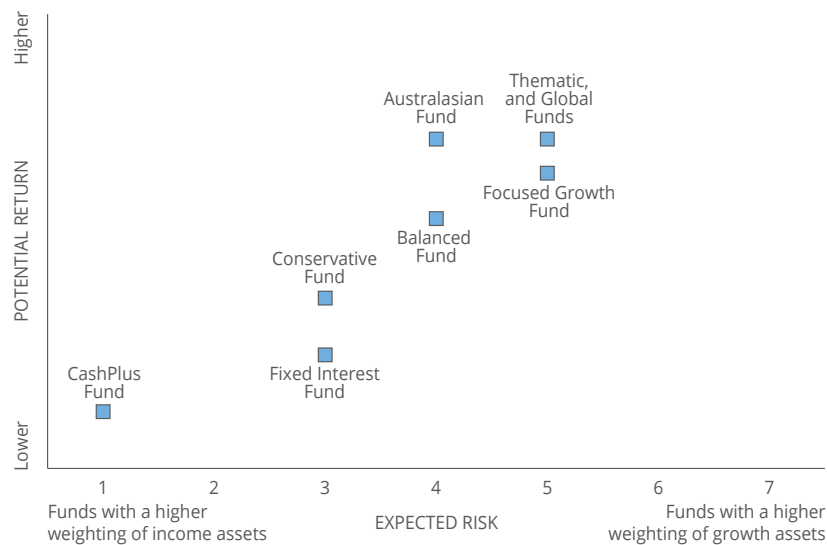
Dollar-cost averaging is optional and may not be suitable for everyone.

Talk to an adviser to find out if dollar-cost averaging is right for you.

Risk vs Return

It is important to understand the trade-off between risk and return when investing. All investments involve risk, and the level of risk and potential returns can differ based on where and how funds are invested.

Generate Managed Funds Risk vs Return



Understanding risk

In the context of investments, 'risk' refers to the uncertainty or variability of returns. It's the possibility that the actual returns on an investment may be different from the expected returns.

How you make returns

Your returns are the gain or loss made on your investment relative to the amount invested. Managed funds can earn two types of returns:

1. **Income Returns:** From dividends or interest generated by the investment.
2. **Capital Gains:** The profit or loss made from selling an investment for more or less than its purchase price.

Returns can be influenced by many factors. For example world news and events, employment rates, inflation, interest rates, central banks monetary policy, natural disasters, trade relations and regulatory changes, currency exchange rates, and the corporate earnings of companies can all influence investment returns, along with many other factors.

While we can't control these factors, our active management team can work to mitigate the impact they may have on your investment.

Risk-Return trade-off

The general risk-return trade-off suggests that to potentially earn higher returns, investors must be willing to accept a higher level of risk. The level of expected risk for each of our managed funds can be identified by the 'risk indicator score'.

Each risk indicator score is based on the fund's target investment mix and weighting of income and growth assets. Growth assets, such as equities are generally considered riskier but have higher potential returns compared to income assets, like bonds, which are typically considered safer but offer lower returns.

The key to making an informed investment decision, is to find a balance that aligns with your financial goals and risk tolerance.

Risk Tolerance

Your 'risk tolerance' describes your ability and willingness to withstand fluctuations in the value of your investments. It is determined by factors such as your financial goals, investment timeframe, and personal comfort with risk.

Talk to one of our Generate advisers for help working out your risk tolerance.

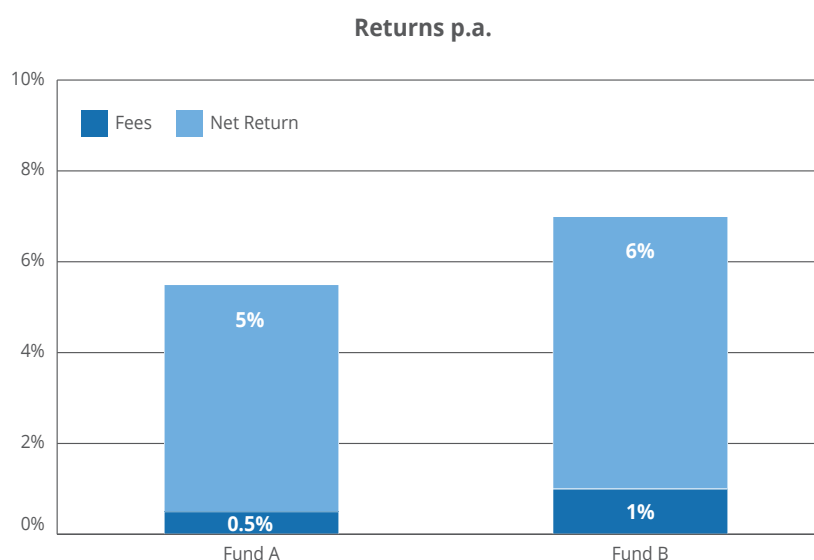
Managed Funds fees and taxes

'Price is what you pay, value is what you get.' – Warren Buffet

Fees can be a hot topic for investors as they are generally paid out of your investment, which has an impact on your balance.

However, fees only tell part of the story. As an investor it is important to look at your **net return** as this is what you will receive, regardless of the fees.

Example: Fund A has a 0.5% fee while Fund B has a 1% fee. A comparison of just fees would select Fund A. However, Fund A has total return of 5.5% less the 0.5% fee which gives a net return of 5%. Fund B has a total return of 7% less the 1% fee which gives a net return of 6%. A comparison of net returns after fees would select Fund B. This is a simple example as there are many other things to consider when selecting a fund, but it demonstrates the value in looking at returns after fees.



What taxes will you pay?

Generate's Managed Funds are portfolio investment entities (PIE) funds, and returns are taxed at a maximum of 28%.

You'll be taxed at your prescribed investor rate (PIR) instead of your personal income tax rate, which is either 0%, 10.5%, 17.5% or 28%.

A guide to calculating your PIR is included on page 22.

We recommend seeking independent tax advice for your financial situation.

If you are paying too little tax you are liable to pay additional tax to the IRD (together with any interest and penalties).

Generate Managed Fund fees

A full breakdown of the fees is provided in Section 5 of the Product Disclosure Statement (PDS).

Estimated total annual fund charges

FUND NAME	BASE FUND MANAGEMENT FEE*	THIRD PARTY UNDERLYING FUND BASE FEES*	THIRD PARTY PERFORMANCE FEES*	ANNUAL FUND CHARGES AS A % OF NET ASSET VALUE (NAV)*^
CashPlus Managed Fund	0.456%	0.000%	0.000%	0.46%
Fixed Interest Managed Fund	0.819%	0.000%	0.000%	0.82%
Conservative Managed Fund	1.129%	0.000%	0.000%	1.13%
Balanced Managed Fund	1.227%	0.029%	0.007%	1.26%
Focused Growth Managed Fund	1.227%	0.050%	0.013%	1.29%
Australasian Managed Fund	1.227%	0.005%	0.000%	1.23%
Thematic Managed Fund	1.227%	0.000%	0.000%	1.23%
Global Managed Fund	1.227%	0.000%	0.000%	1.23%

*Estimates ^ Rounded to 2 decimals

Example of how fees apply to an investor

Hannah invests \$10,000 in the Balanced Managed Fund. She is not charged an establishment fee or a contribution fee. This means the starting value of her investment is \$10,000. She is charged management and administration fees, which work out to about \$126 (1.26% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year

Fund charges: \$126
See the latest fund update for an example of the actual returns and fees investors were charged over the past year.
This example applies only to the Balanced Fund. If you are considering investing in other funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

Ready to invest in Generate Managed Funds?

Follow these easy steps...

1. Complete the application form at the back of the Product Disclosure Statement (PDS) or the online Managed Fund application form at **generatewealth.co.nz/managed-funds/join**.
2. Remember to include the required identification and proof of address.

Tip:

Please make sure the email address is correct on your application so we can send you relevant information about your investment.

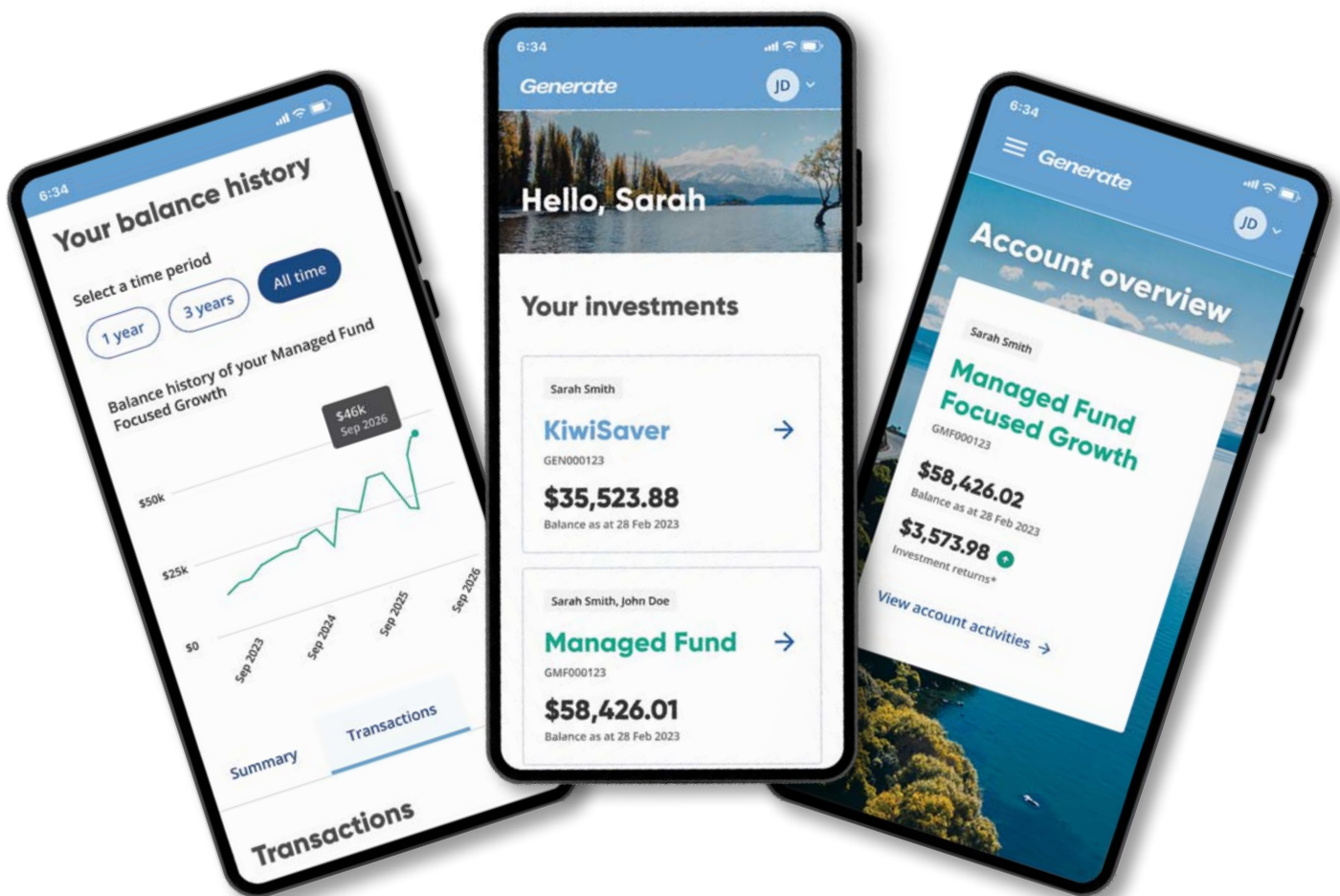
Many people change jobs regularly so please use a personal email address rather than a work one.

What next?

1. Check your email for confirmation of your membership of the Generate Unit Trust Scheme (Managed Funds).
2. If you're a new Generate member, set up a Generate online account and download the Generate app. (If you are already a Generate KiwiSaver Scheme member, we'll add your managed funds investment to your existing account).
3. Check out our monthly investment updates and newsletters for updates on Generate's funds and our view on the markets.
4. If you want to contribute on a regular basis, please complete a direct debit form as part of your application or you can set this up later in your Generate online account or in the Generate app.

Easily manage your investments with the Generate app

Our innovative app provides an easy way to keep track of your investments and see exactly where your money is invested. The app is available on iOS and Android, and also available on desktop from a web browser.



App features:

- Monitor your Generate investments
- See your full breakdown of where your money is invested
- Download your tax certificate and Annual Statements
- Manage your direct debits
- Switch between funds¹
- Refer your friends and be in to win²

¹ We recommend talking with an adviser before switching funds.

² Terms and conditions apply for the refer a friend prize draw.
See generatewealth.co.nz/prizedraw

Each account requires its own email address to log in. We recommend using a personal email address rather than a work email.

Once we've processed your application, we'll email you with your login details.

FAQs

How do I make a withdrawal?

Our Managed Funds are a fantastic way to get started investing, diversify your portfolio, and add to any current assets you might already have.

To make a withdrawal simply complete a withdrawal form from our website. You should also keep the following in mind:

- Each transaction involving a partial withdrawal (non-regular) **must be for \$500 or more.**
- Regular withdrawals must be **at least \$100 each transaction** and can be set up weekly, fortnightly, or monthly.
- We suggest your Managed Funds investment maintain a minimum of **\$1,000** for individuals and **\$5,000** for entities.

We also recommend speaking to an adviser before making any significant/ large withdrawals to understand how current market conditions could affect your investment.

Can I switch between funds?

Yes, you can switch your fund choice in your Generate account either via desktop or using the Generate app. Alternatively you can fill in the 'Managed Funds: Changing Investment Strategy' form on our website and email it through to us.

You can choose to invest in one managed fund, or spread your investment across multiple managed funds.

If you switch funds, it will be considered a **withdrawal** from one managed fund and an **application** for units in another managed fund. All the conditions and restrictions on applications and withdrawals will therefore apply. We recommend talking to an adviser before switching your fund choice to ensure you understand the impact this may have on your investment – particularly if the markets are down.

Can I have a joint account?

Yes, you can open a managed fund account with more than one person named as the owner.

This is a great option for couples, siblings or families.

How do I view my balance?

The best way to keep track of your managed funds investments is via your Generate account. You can log in online from the Generate website or download the Generate app, and get your fund performance at your fingertips.

What taxes do I pay?

Generate Managed Funds are registered as Portfolio Investment Entities (**PIEs**). Please note all PIE tax will be paid on your behalf.

Also, PIE investors benefit from:

- Investors are taxed up to a maximum PIR of 28%. This is the highest rate.
- No Tax on disposal of New Zealand equities and even some Australian equities.

Unless they are listed on the Australian ASX All Ordinaries Index, investments in non-New Zealand companies are taxed under the modified Foreign Investment Fund regulation (FIF) and are treated as though they had earned 5% of their total income. The income is computed by 5% of the total portfolio of assets subject to the FIF regime's daily market value multiplied by the number of days in the year. Companies governed by the FIF framework are not taxed on their dividends.

Instead of all Fund income and expenses being passed through to investors at the Fund's tax rate of 33%, they are taxed at the investor's PIR, up to a maximum of 28%, under the PIE regime. Investors who pay a 33% marginal tax rate profit from a 5% discount.

We recommend seeking independent tax advice for your financial situation.

How secure are my funds?

Your Generate investments are held by a licensed supervisor and not by Generate. This means your investments are held independently from the scheme provider.

Like all investments, however, their value can go up and down depending on market conditions. All investing involves risk, and there is no guarantee you will get back the full amount you invest.

FAQs

How are Managed Funds and KiwiSaver different?

	KiwiSaver	Managed Funds
Investment purpose	KiwiSaver is a voluntary savings scheme set by the Government designed to help Kiwis save for their first home or retirement.	Generate Managed Funds are designed to help you grow your wealth for a range of goals. Your money is professionally invested on your behalf, with the flexibility to invest and withdraw when it suits you.
Withdrawals	You can only withdraw your KiwiSaver savings to buy your first home, or when you reach the NZ retirement age (65 years). (Unless you qualify for a permitted withdrawal, such as financial hardship.)	Managed funds are not locked in, you can request a withdrawal when you need to. There are no fees for making withdrawals, although there is a minimum withdrawal amount of \$500, or \$100 per transaction for regular withdrawals, and we suggest your account should have a minimum balance of at least \$1,000 should you wish to keep it open.
Returns	KiwiSaver returns are not fixed or guaranteed and will vary depending on investment performance. Your returns will be influenced by the fund you choose, with higher risk funds generally having greater potential for higher returns over the long term, but also greater ups and downs along the way. Past performance can show how a fund has performed previously, but does not guarantee future returns.	Managed Fund returns are not fixed or guaranteed and will vary depending on investment performance. They have the potential to deliver higher returns over the long term, but also involve greater risk and returns can be positive or negative. You can look at a fund's past performance to understand how it has performed previously, but this does not guarantee future returns.
Contributions	Employees who have opted into a KiwiSaver scheme must contribute at least 3.5% of their pay or wages to their KiwiSaver account. Employers must also contribute a minimum of 3.5% of an employees salary or wages on top of this. KiwiSaver members who are self-employed or unemployed can choose how much money they want to contribute to their account. KiwiSaver members can also choose to make voluntary contributions whenever they like.	You decide how much and how often you want to invest in your managed funds account. Although there is a suggested minimum investment of \$1,000 to open a managed funds account, and a minimum of \$5,000 for entities, trusts and other non-individual (or joint) accounts. There are no employer contributions.
Government contributions	If you're eligible, receive up to \$260.72 annually. See eligibility criteria at generatekiwisaver.co.nz/gc	There are no Government contributions.
Diversification	Generate offers diversified and single sector KiwiSaver fund options. Diversified funds invest across a mix of countries, industries, and asset classes to help manage risk, so you're not putting all your eggs in one basket. Single sector funds, such as the Generate Thematic, Global, and Australasian KiwiSaver funds, focus on a specific industry or economic sector. This targeted approach can deliver higher returns if that sector performs well, however it can also carry greater risk and volatility.	Generate Managed Funds are also available as diversified and single sector funds. You can choose to split your investment across multiple Generate funds. Speak to a Generate adviser if you're unsure which fund is right for your investment goals and timeframe.
Investment time frame	KiwiSaver is designed as a long term investment. Your money is generally locked in until you're eligible to withdraw it for your first home or retirement.	Managed Funds give you more flexibility, as your money is not locked in and you can generally make a withdrawal when you need to. However, each fund has a recommended minimum investment timeframe based on its level of risk.

FAQs

How are Managed Funds and Term Deposits different?

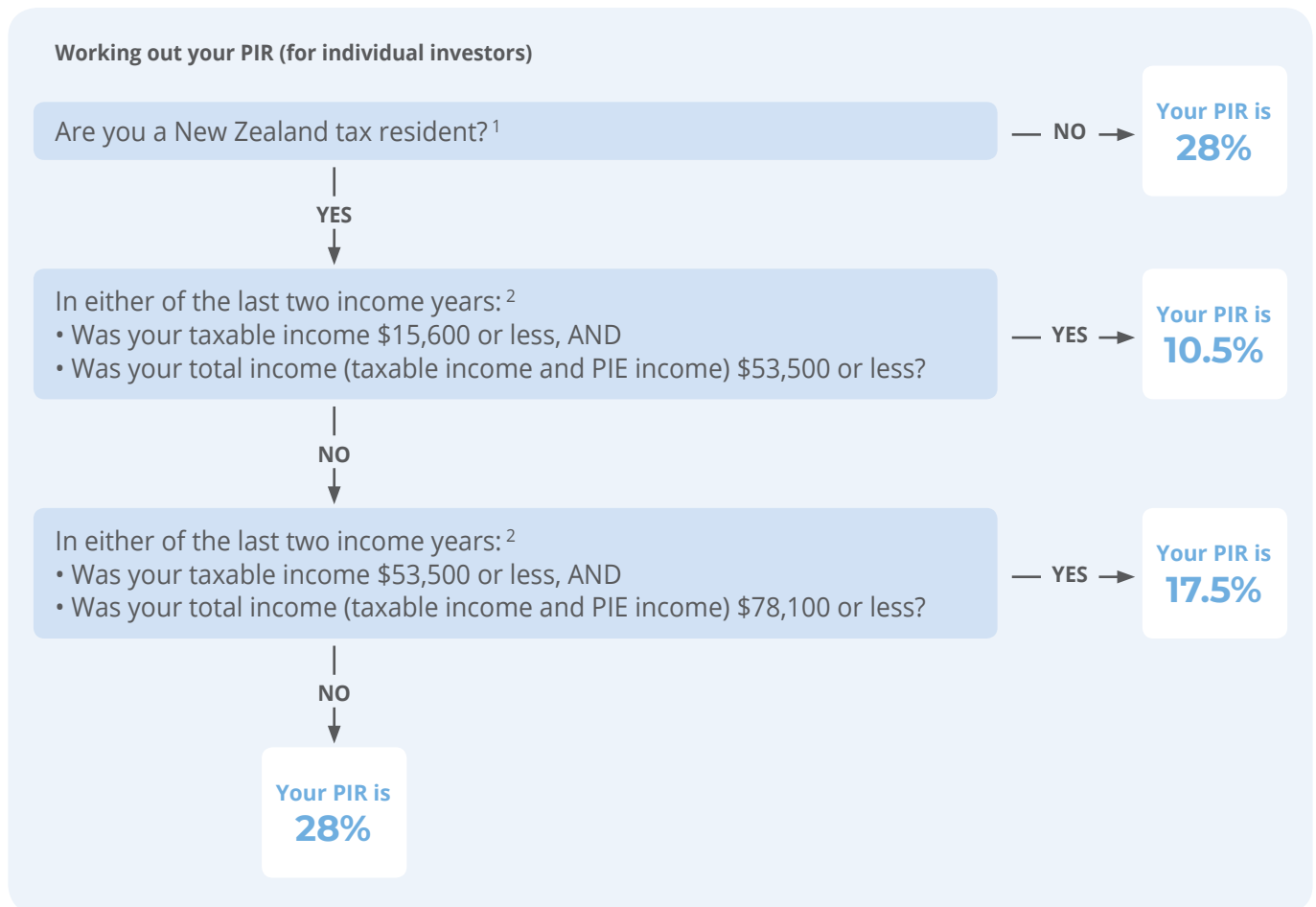
	Term Deposits	Managed Funds
Investment purpose	A term deposit is a low-risk investment that provides a fixed interest rate for a specific term. Term deposits are favoured for capital preservation and a guaranteed return, making them suitable for conservative investors.	Generate Managed Funds are designed to help you grow your wealth for a range of goals. Your money is professionally invested on your behalf, with the flexibility to invest and withdraw when it suits you.
Withdrawals	Term deposits are locked in for an agreed amount of time. They can sometimes be broken early, but will usually come with penalties, such as extra fees or a reduction in the interest you receive.	Managed funds are not locked in, you can request a withdrawal when you need to. There are no fees for making withdrawals, although there is a minimum withdrawal amount of \$500, or \$100 per transaction for regular withdrawals, and we suggest your account should have a minimum of \$1,000 should you wish to keep it open.
Returns	Term deposits pay a fixed rate of interest agreed at the start of the term, so you know the return you will receive if you hold the deposit until maturity. Returns are generally lower in exchange for greater certainty.	Managed fund returns are not fixed or guaranteed and will vary depending on investment performance. They have the potential to deliver higher returns over the long term, but also involve greater risk and returns can be positive or negative. You can look at a fund's past performance to understand how it has performed previously, but this does not guarantee future returns.
Volatility	Term deposits are not considered as diversified investments. Your return is predetermined and will remain the same despite market activity (either positive or negative).	The value of your managed funds investment can be affected by market volatility. If the financial markets are down, the fund's unit price may also go down, causing your balance to fluctuate. The good news is that when the markets are performing well, this can also affect your balance, but in a much more positive way!
Diversification	Does not invest in multiple types of investments. You are lending money to the bank, and the bank is paying you an interest rate for the privilege of borrowing your money.	With the exception of the single-sector funds (Fixed Interest, Australasian, Thematic and Global) Generate Managed Funds are diversified; invested across different countries, industries and asset classes to reduce risk.
Investment time frame	Term deposits are invested for a fixed period, which can range from a few months to several years.	Managed Funds do not have a fixed term, but each fund has a recommended minimum investment timeframe. Generally, funds with higher levels of risk are better suited to longer investment timeframes, giving you more time to ride out market ups and downs.

FAQs

Working out your Prescribed Investor Rate (PIR)

You pay tax on the money you earn from your investment. If you're not on the right rate, you could be paying more tax than you have to. However, if you are paying too little tax you are liable to pay additional tax to the IRD.

Before you invest in a portfolio investment entity (PIE) such as a Generate's Managed Fund scheme, you will need to provide your IRD number and PIR. If you do not provide your IRD number and PIR, the income derived on your managed fund account will be taxed at the default rate of 28%. Your PIR is used to calculate the tax on income derived on your account. To find out your PIR go to ird.govt.nz/PIR or answer the following questions.



Note: Generate advisers cannot provide tax advice. We recommend seeking independent tax advice for your individual circumstances.

¹ Generally you are a New Zealand tax resident if;
 – You are in New Zealand for more than 183 days in any 12 month period, or
 – You have a “permanent place of abode” in New Zealand, or
 – You are away from New Zealand working for the New Zealand Government.

² Previous two income years refers to the two tax years prior to the tax year that the PIR is being applied to. (For example, use your income for the 2020-2021 tax years to work out your 2022 PIR). Your attributed PIE income or attributed PIE loss for an income year is the amount of income or loss attributed to you by PIEs in that income year, which will be recorded in the tax certificates issued to you at the end of the income year by each PIE you invest in. Refer to the OMI tax section for more information on how to determine your PIR.

Contact us

If you have any questions regarding your investment in the Generate Managed Funds Scheme please contact us on **0800 855 322** or email us at **info@generatewealth.co.nz**

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Notes

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