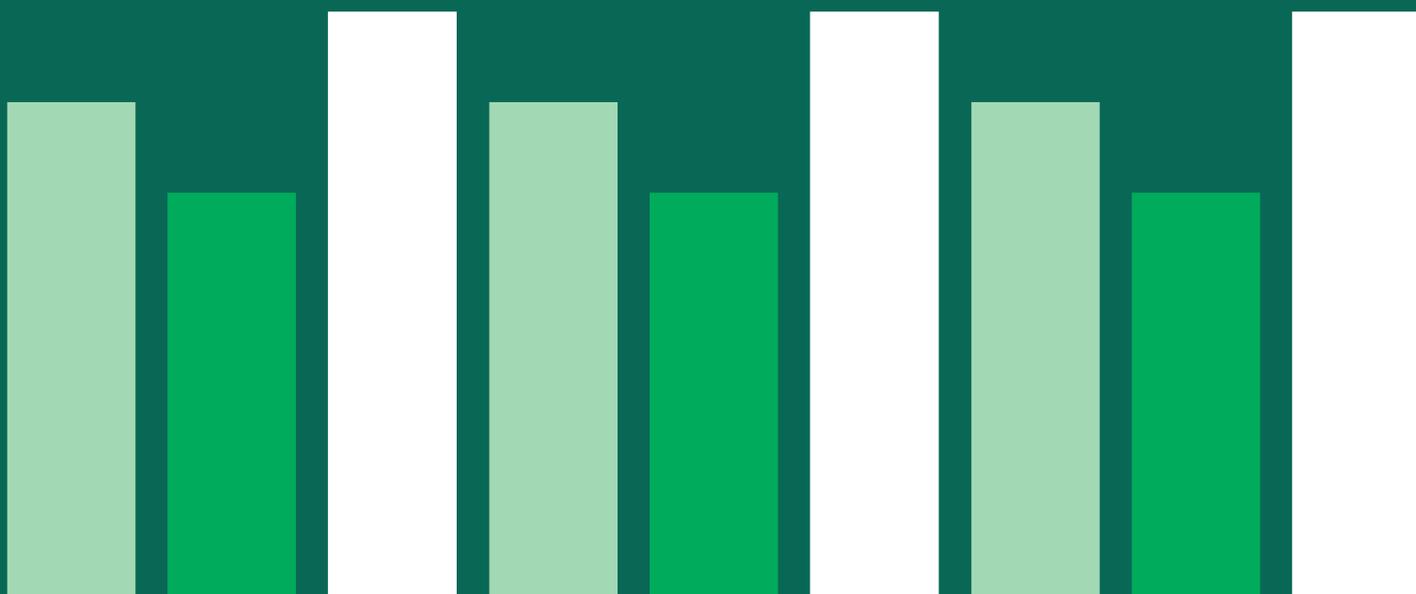


# Other Material Information

Evidential Investment Funds  
Issued by Consilium NZ Limited

26 April 2022



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# 1 Introduction

This Other Material Information Document (Document) has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 (FMC Act) and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014 (FMC Regulations). All legislation referred to in this Document can be viewed at [www.legislation.govt.nz](http://www.legislation.govt.nz).

In this Document, references to “you” or “your” refer to an investor in the Evidential Investment Funds (Scheme). In turn, references to “we”, “our” “Consilium” or “the Manager” refer to Consilium NZ Limited as the manager of the Scheme.

You should read this Document in conjunction with the Product Disclosure Statement (PDS) and Statement of Investment Policy and Objectives (SIPO) for the Evidential Investment Funds. If you are a retail investor under the FMC Act you must be given a copy of the relevant PDS before we can accept your application for units in an Evidential Investment Fund.

# 2 Funds available

The Scheme is registered and currently has one investment fund on offer, the Evidential Sustainable Global Bond Fund (Fund).

The Fund is an investment option under the Scheme. The Scheme is governed by a trust deed (Trust Deed), and the Fund is invested in accordance with its SIPO. You can access an electronic copy of the Trust Deed and SIPO from the Disclose website [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) (Disclose).

# 3 Who is involved?

## Manager

Consilium is the manager of the Scheme.

Consilium is a financial services organisation that offers a range of innovative solutions for financial advice providers and financial institutions. Consilium holds a Managed Investment Scheme (MIS) licence under the FMC Act, granted by the Financial Markets Authority.

The names of Consilium's directors can be obtained from the Companies Office website at [www.companiesoffice.govt.nz/companies](http://www.companiesoffice.govt.nz/companies). The information may change from time to time without notice to you.

## Supervisor

The Supervisor of the Fund is Trustees Executors Limited (Supervisor).

The names of the Supervisor's directors may be obtained from the Companies Office website [www.companies-register.companiesoffice.govt.nz](http://www.companies-register.companiesoffice.govt.nz) or by phoning the Supervisor on 0800 878 783. The directors of the Supervisor may change from time to time.

The Supervisor has been granted a full licence under the Financial Markets Supervisors Act 2011 to act as a supervisor of a managed investment scheme.

Further information on the Supervisor's licence is publicly available on the FMA website ([www.fma.govt.nz](http://www.fma.govt.nz)) and also on the Registrar of Financial Service Providers Register website ([www.fsp-register.companiesoffice.govt.nz](http://www.fsp-register.companiesoffice.govt.nz)).

## Custodian

The Supervisor holds the assets of the Scheme or can appoint an independent third party custodian. The Supervisor has appointed Adminis NZ Limited (Custodian) as the custodian for the Scheme. As required by the FMC Act, the Supervisor and the Custodian are independent of Consilium.

## Administrator

Consilium has entered into a service agreement with Adminis NZ Limited (Adminis). Adminis provides a range of administrative services in respect of the Funds, including:

- Unit pricing
- Registry
- Fund accounting

# 4 Material contracts

## Trust Deed

The Trust Deed appoints the Supervisor as supervisor and the Manager as manager of any fund established under the Trust Deed. The Trust Deed provides that each new fund is established by way of Fund Establishment Deed. The Trust Deed sets out how the funds established under the Trust Deed must be administered. The Trust Deed can be amended by us or the Supervisor. The Fund Establishment Deed sets out any specific terms upon which this fund is established.

## Supervisor and Manager indemnity

Subject to the limits on permitted indemnities under the FMC Act, Consilium and the Supervisor are entitled to a general right of indemnity from the fund. This does not indemnify Consilium or the Supervisor against any liability to the extent that doing so would be void under any relevant regulatory and legislative obligations. Subject to the FMC Act, Consilium may indemnify out of the assets of the fund any investment manager, administrator or custodian that we or the Supervisor (as appropriate) appoint in accordance with the Trust Deed.

You can find a copy of the Trust Deed and Fund Establishment Deed on the scheme register by visiting [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)

## Supervisory Agreement

There is a Supervisory Agreement between Consilium and Trustees Executors Limited, the Supervisor. The Supervisory Agreement sets out the arrangements between Consilium and Trustees Executors Limited in relation to certain reporting and other operational matters relating to the Scheme.

## Outsourcing agreements

Consilium has entered into an outsourcing agreement with Adminis under which Consilium has appointed Adminis to undertake certain administrative functions including registry, fund accounting and unit pricing. The contract in place with Adminis sets out the services to be provided, together with the service levels Adminis must comply with in providing those services.

Consilium outsources investment management by investing the Fund into New Zealand dollar hedged class of units in the Dimensional Global Bond Sustainability Trust (an Australian unit trust registered as a managed investment scheme in Australia) (Underlying Fund). Consilium retains the benefit from the negotiated management fee on the Underlying Fund.

# 5 Market index

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, the benchmark index against which Fund returns will be reported in the quarterly fund updates for the Fund is the Bloomberg Global Aggregate Bond Index hedged to the New Zealand dollar.

The Bloomberg Global Aggregate Bond Index (hedged to the New Zealand dollar) is a measure of global investment grade debt from 28 currency markets. The index includes treasury, government-related, corporate and securitised fixed rate bonds from both developed and emerging markets issuers. The returns of the index are hedged to NZD.

# 6 Conflict of interest

A conflict of interest arises where Consilium or any of its directors or senior managers has a financial interest or other interest or relationship that would, or could reasonably be expected to, materially influence the investment decisions we make in respect of the Scheme. Directors and senior managers have duties as dictated in the FMC Act not to make use of information to gain an advantage for themselves or to disadvantage the investors in the Fund.

Consilium has internal policies and procedures in place to identify, assess and manage potential conflicts of interest and/or related party transactions.

# 7 Annual fund charges

The current annual fund charges are disclosed in the PDS. The fund charges are calculated daily and are deducted from and reflected in the value of the units of the Fund. The fund charges include fees and costs charged by the Manager, Supervisor, Custodian, Adminis as the administrator, and management fees paid within an underlying fund.

We may, at our discretion, waive, reduce or rebate the fund charges currently disclosed in the PDS in relation to a particular investor, category of investors, or particular transaction.

The fund charges may be varied, or new fees imposed, from time to time in accordance with the Trust Deed.

# 8 Risks

All investments carry some level of risk. The PDS for the Fund describes the key risks associated with the investments in the Fund. There may be other risks that are not detailed here or in the PDS. The risks disclosed below are supplemental to the risks disclosed in the PDS. You should seek advice from an appropriately qualified financial advice provider before investing in the Fund to understand what risks are associated with this investment, especially in relation to your circumstances.

Additional other specific risks associated with investing in the Fund include:

**Outsource provider risk:** This is the risk that one of Consilium's outsource providers fail to perform its obligations. This could adversely affect the operation and performance of the Fund. This risk is mitigated by actively monitoring and reviewing the performance

of all outsource providers in performing their agreed contractual arrangements.

**PIE status risk:** This is the risk that the Fund loses its status as a PIE. This may have an adverse effect on the tax position of the Fund and/or the after-tax returns that you receive. To reduce this risk, PIE tax eligibility rules are monitored within the business.

**Risk of suspension or deferral of withdrawals:**

This is the risk that withdrawals out of the Fund are deferred or suspended if the Fund was unable to buy or sell underlying investments, or as a result of markets not being open for trading. We can defer or suspend withdrawals in certain limited circumstances.

# 9 Tax

This section sets out information about the taxes you will pay when investing in the Fund. It is intended as a general guide only to the relevant New Zealand taxation regime as it applies to the Fund, and is based on legislation in effect at the date of this document. Investors may have different taxation positions and should seek professional tax advice before investing in the Fund. This section does not consider the taxation treatment in other jurisdictions.

This section should be read together with the PDS.

## Portfolio Investment Entity

The Fund has elected to be a multi-rate Portfolio Investment Entity (PIE) as defined in the Income Tax Act 2007, and the following comments are based on the Fund remaining a PIE.

Tax concessions apply to entities which qualify as PIEs. In particular, certain types of investors (such as natural persons) will be taxed differently where they invest in a PIE.

The tax regime applicable to a multi-rate PIE provides that all taxable income, losses and tax credits related to a Fund's investments must be attributed to you in proportion to your daily unit holdings in a Fund, with tax payable at your prescribed investor rate (PIR) on your proportionate share.

All investments in the Fund must be made through a custodial platform. As such, the custodial platform will hold your units in the Fund. Taxable income attributed to the custodial platform generally has tax deducted at 0%. The custodial platform is responsible for attributing the income/loss to the investor and calculating, withholding and organising payment of income tax on the attributed income for the relevant period by applying the PIRs of the underlying investors.

Taxable income is attributed annually to 31 March, or at any time an investor withdraws all or part of their investment from the Fund. The Fund will cancel units (or may adjust a distribution) to account for a tax liability paid in relation to a unit holder and may issue additional units or provide investors with a rebate to account for any tax credit the Fund receives from Inland Revenue in relation to a unit holder.

## Non-residents

If an investor is not a New Zealand resident, the investor's PIR will be 28%. It will not be possible for non-resident investors to elect for a lower PIR to be applied. Dividends or distributions from the Fund will not need to be included in a New Zealand income tax return.

You can find out more about PIE funds and how they are taxed on the Inland Revenue website at [www.ird.govt.nz/roles/portfolio-investment-entities](http://www.ird.govt.nz/roles/portfolio-investment-entities).

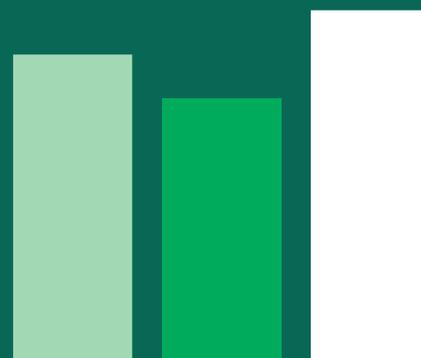
# 10 Investing through a custodial platform

The Fund is only available via certain custodial platforms approved by Consilium, and not directly with Consilium. When you invest through a custodial platform it is the custodial entity, not you, that Consilium recognises as the investor, and you will not hold units in the Fund directly. Instead, your units are held in the name of the custodial entity for the custodial platform, on your behalf. This means many of the legal rights attaching to those units are held by that custodial entity rather than by you, and so your ability to exercise those rights may be subject to any terms and conditions agreed between you and the provider of the custodial platform. You are encouraged to familiarise yourself with any terms and conditions provided by your custodial platform. The custodial platform may specify a different minimum investment amount or minimum holding. To make a withdrawal from the Fund you will need to transact through your financial advice provider or custodial platform.

You can seek financial advice for further information.

Your custodial platform may also charge fees in respect of your investment in the Fund.

Pursuant to the Trust Deed, we have the power to look through custodial platform providers to underlying investors with their consent for the purpose of effecting fee rebates. This means that your eligibility for a fee rebate may be assessed based solely on your units in the Funds, rather than based on the custodial platform's total unit holdings.



# 11 Other key terms

## Deferral of redemptions

From time to time, we may receive a redemption request, or a series of redemption requests within a period of 60 business days, that, in aggregate, relate to more than 10% of the number of units on issue in the Fund. In such a case, Consilium may determine that it is in the general interests of all investors in the Fund to defer immediate redemption or repurchase of the total units requested. If we determine this, then those units may be repurchased or redeemed by instalments for a period determined by Consilium.

## Suspension of redemptions

In certain circumstances set out in the Trust Deed, Consilium may suspend redemptions where we form the opinion that it is not practicable, or would be materially prejudicial to the interests of investors of the Fund, for the Supervisor to realise investments or borrow or to otherwise redeem or repurchase units. If redemptions are suspended then we must give notice to the Supervisor and to all investors of the relevant Fund who have made a redemption request (Suspension Notice). If the Suspension Notice is for a period in excess of 10 business days, notice must be given by Consilium to all investors.

A Suspension Notice shall have the effect of suspending the right of investors in the Fund to make redemption requests relating to the Fund until:

- Consilium gives notice to the relevant investors that the Suspension Notice is cancelled; or
- six months after the date of the notice or such other period as is approved by the Supervisor, acting reasonably;

whichever is the earlier.

Where redemption requests are suspended, the redemption price payable to investors shall be calculated on the last business day of the period of suspension.

## Insolvency/winding up

You will not be liable to pay money to any person as a result of the insolvency or winding up of the Fund (except as described below).

You will be liable to meet any tax liability attributable to you which exceeds the value of your investment in the Fund (in which case you indemnify the Supervisor for the difference between the value of the units and the tax liability).

On insolvency or winding up of the Fund, the assets of the Fund are first applied to meet the claims of any creditors of the Fund (whether preferred, secured or unsecured), which includes the Supervisor's and Manager's claims for fees and expenses. Following this, the remainder of the assets of the Fund will be distributed to investors in proportion to the number of units held.

At the date of this Document there are no other claims on the assets of the Fund that rank ahead of or equally with the claims of investors. In certain circumstances, you may receive assets other than cash (e.g. securities in another investment held by the Fund) as part of a wind up.

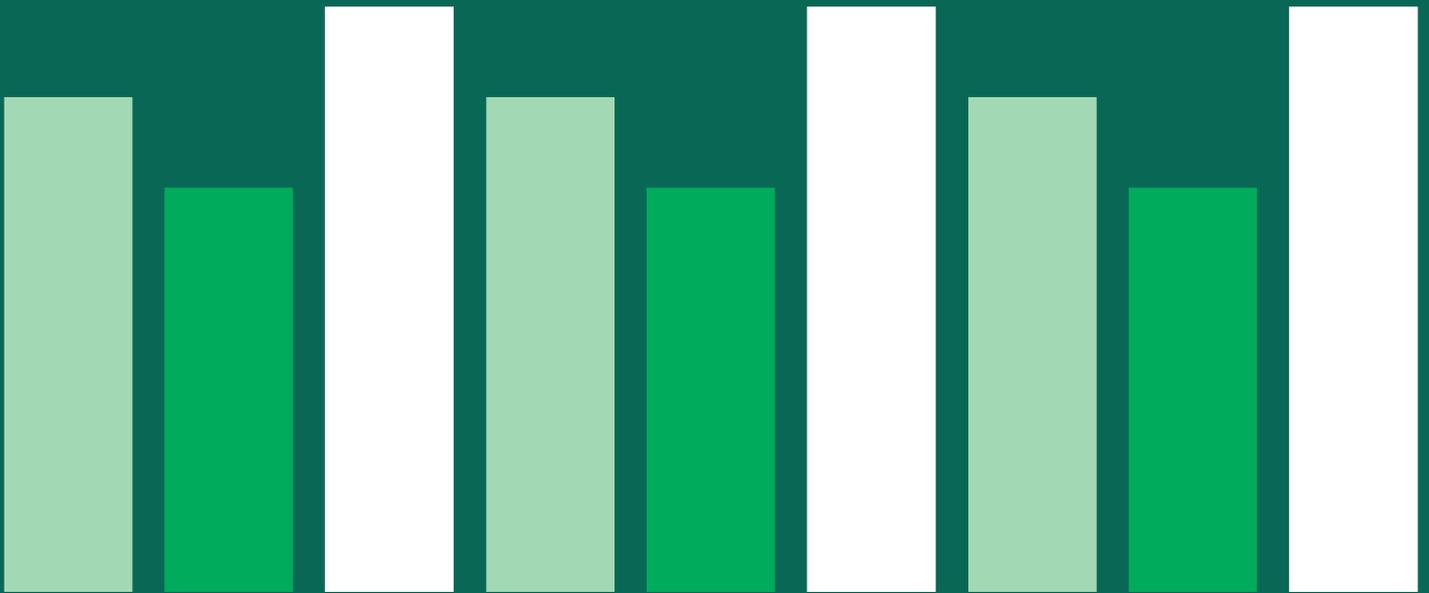
# 12 Disclaimers

“Bloomberg®” and Bloomberg Global Aggregate Bond Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (BISL), the administrator of the index (collectively, Bloomberg), and have been licensed for use for certain purposes by Consilium.

The Fund is not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly. The only relationship of Bloomberg to Consilium is the licensing of

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