



UBT Invest NZ Funds

Product Disclosure Statement

Investment Management by Aura Funds Management Pty Ltd

Dated 17 November 2020

This document replaces the Product Disclosure Statement dated 20 April 2020

Issued by Implemented Investment Solutions Limited

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 <https://disclose-register.companiesoffice.govt.nz>. Implemented Investment Solutions Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 ('FMC Act'). You can also seek advice from a financial adviser to help you to make an investment decision.

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. Implemented Investment Solutions Limited will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Implemented Investment Solutions Limited and of its Investment Manager 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?

Fund	Description	Risk Indicator*	Annual Fund Charges (Estimated, % of the Fund's net asset value)							
UBT Invest NZ Retail Fund	<p>The UBT Invest NZ Retail Fund ('Fund') is intended to provide members of the Brethren community ('Community') with an investment product that suitably satisfies the Community's ethical requirements, as an alternative to other fixed income investments in the market. The Fund will make loans to businesses in the Community, and may make investments in other fixed income investments and cash and cash-like investments. The Fund may also invest in other credit funds or collective investment vehicles whose investments include loans made to the Community.</p> <p>The investment objective is to generate returns (after fees but before tax) that are above the median 1 year gross term deposit rate paid by the registered New Zealand banks.</p> <p>We cannot guarantee that the Fund's investment objective can be achieved.</p>	<p>Lower risk/ potentially lower returns</p> <p>Higher risk/ potentially higher returns</p> <table border="1" data-bbox="916 1189 1222 1245"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	1	2	3	4	5	6	7	<p>1.80% (incl. GST)</p> <p>(Early withdrawal fees may apply, see Section 5 for details)</p>
1	2	3	4	5	6	7				

*Note: The UBT Invest NZ Retail Fund has been in existence for less than 5 years. The Fund's actual returns have been used to calculate the risk indicator for the period 31 May 2020 to 30 September 2020. Returns from the Sovereign Capital Trust (a New Zealand wholesale unit trust which invests in a similar way to that proposed by the Fund) have been used to calculate the risk indicator for the period 30 September 2015 to 31 May 2020. The risk indicator may therefore provide a less reliable indicator of the Fund's future volatility.

See section 4 Of the PDS, "What are the risks of investing" on page 9 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.

Who manages the UBT Invest NZ Funds?

The manager of the UBT Invest NZ Funds is Implemented Investment Solutions Limited ('we', 'us', or 'our').

See section 7 of the PDS, "Who is involved?" on page 13 for more information.

What are the returns?

The return on your investment comes from:

- Any increase or decrease in the unit price, and
- Any income distributions made from the Fund.

We expect to make monthly distributions. You can elect for your distribution to be reinvested in the Fund. If you do not make a distribution election the default option is reinvestment.

See section 2 of the PDS, "How does this investment work?" on page 5 for more information.

How can you get your money out?

Investments in the Fund are redeemable. Your withdrawal request can be made by completing an online withdrawal form at <https://ubt.adminis.co.nz/>, or by providing written notice to us. Withdrawals must be received by the second to last business day of the month and will be actioned on the last business day (called a 'Valuation Day') of the second full month following receipt of your request.

We may suspend or defer redemptions if we determine this is in the best interests of investors generally. We may also suspend redemptions from the Fund in certain circumstances set out in the Trust Deed including if we, in good faith, form the opinion that it is not practicable or would be materially prejudicial to the interests of the Fund's investors to realise assets or borrow to permit unit redemptions.

See section 2 of the PDS, "How does this investment work?" on page 5 for more information.

Your investment in the Fund can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

The Fund offered under this PDS is a portfolio investment entity ('PIE').

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate ('PIR'). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate>.

See section 6 of the PDS, "What taxes will you pay?" on page 13 for more information.

Where can you find more key information?

We are required to publish quarterly updates for the Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at <https://iisolutions.co.nz/fund-updates/>. We will also give you copies of those documents on request.

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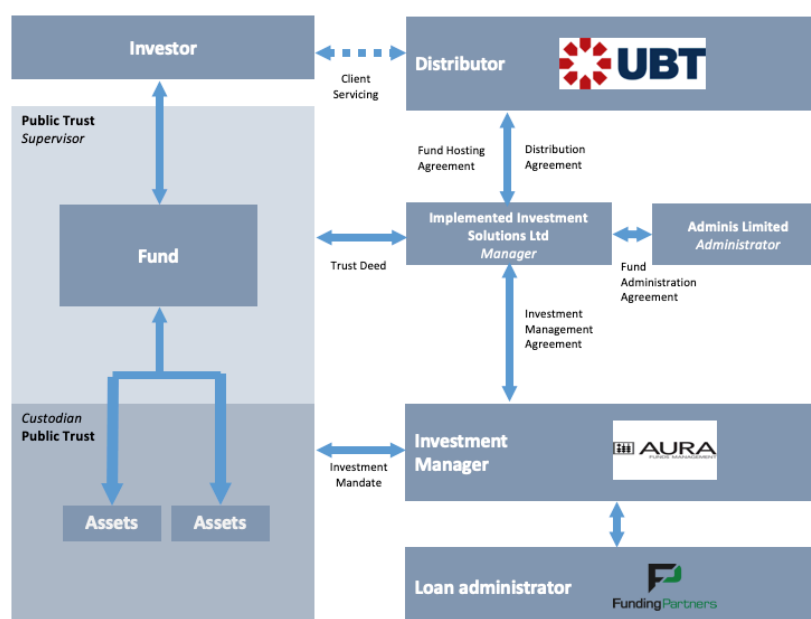
2. How does this investment work?

This document is an offer to purchase units ('Units') in the Fund. The Fund is part of the UBT Invest NZ Funds managed investment scheme, established under a trust deed ('Trust Deed') with Public Trust.

The money you invest buys Units which each represent an equal interest in the Fund. Units do not constitute legal ownership of the Fund's assets but give you rights to the returns of the assets.

UBT Marketing Pty Ltd ('UBTM') is the Investment Advisor and Distributor for the UBT Invest NZ Funds, and on its recommendation we have appointed Aura Funds Management Pty Ltd ('Aura') as Investment Manager. Aura have appointed Funding Partners Administration Limited ('Funding Partners') as Loan Administrator for the Fund.

The diagram below summarises the parties involved with the Fund:



UBTM provides clients with business advisory and group buying services in New Zealand and supports schools operated in New Zealand by the Community. Further details on the activities of UBTM can be found at www.universalbusinessteam.com. All rebates from UBTM's providers and profits from ventures such as this Fund go to various schools and charities including the RRT - the Rapid Relief Team. The Rapid Relief Team provides support to emergency services, youth charities, health and disability charities and homeless missions.

Aura is responsible for making decisions about what the Fund invests in, in accordance with the Statement of Investment Policy and Objectives ('SIPO'). Aura is also responsible for selecting and appointing an appropriate loan administrator.

Funding Partners carry out loan administration functions which include assessing and confirming to Aura that loan applications comply with the Lending and Credit Policy, overseeing documentation of loans made by the Fund, and monitoring and reporting to Aura all money paid by borrowers on those loans.

Key fund administration functions, being registry, fund accounting, and Unit pricing, are currently performed by Adminis Limited.

The Fund invests in secured and unsecured commercial and small to medium enterprise business loans made to Community businesses (supported by personal guarantees and general security agreements), and in order to maintain liquidity will also invest in cash and cash equivalent investments to facilitate investor withdrawals.

The Fund may also invest in other credit funds or collective investment vehicles whose investments include loans made to the Community.

To facilitate the payment of distributions to investors, the aim is to ensure that the credit quality of each loan is effectively managed. The investment philosophy is that if the loans are good quality this can help to minimise the risks to investors of not generating a return on their investment or a reduction in capital.

The price of each Unit you receive in the Fund depends on the value of the Fund at the time you invest. We calculate the Unit price for the Fund by subtracting the total value of the Fund's liabilities from the market value of its assets and dividing that number by the number of Units the Fund has issued. The Unit price is calculated monthly.

A change in the value of the Fund's assets affects the price of your Units. The Unit price for the Fund will change as the market value of the Fund's assets changes.

Public Trust is the supervisor ('Supervisor') of the Fund and, in that role, monitors and supervises our management of the Fund. The assets of the Fund are held in independent custody by Public Trust.

The significant benefits of investing in the Fund are:

- **Diversification and scale.** By pooling the money of all investors in the Fund, we intend to give investors exposure to a more widely diversified portfolio of underlying assets than they may be able to access themselves. If this increased diversification is achieved, then this may reduce risk relative to a more concentrated portfolio of assets. In addition, the scale of the Fund allows us to lower costs by negotiating better prices with service providers.
- **Professional investment management.** Aura is the Investment Manager for the Fund, providing their investment expertise in selecting the assets into which the Fund will invest.

The return on your investment comes from:

- Any increase or decrease in the unit price, and
- Any income distributions made from the Fund.

We expect to make monthly distributions for the Fund. We expect to pay distributions within 10 business days. You can elect for your distributions to be reinvested in the Fund. If you do not make a distribution election the default option is reinvestment.

Making investments

You can make lump sum or regular investments into the Fund. The application process is described in section 10 of the PDS, "How to apply" on page 15.

The minimum initial investment for the Fund is \$1,000. Thereafter, the minimum additional investment is \$250. These minimum amounts may be varied or waived at our discretion.

We may, in our absolute discretion, refuse any application without giving any reason. If we refuse your application, your application payment will be returned to you in full, without interest.

Withdrawing your investments

You may request redemption of some or all of your investment at any time by completing an online withdrawal request at <https://ubt.adminis.co.nz/>, or by providing written notice to us. Your withdrawal request must be received by the second to last business day of the month and will be actioned on the Valuation Day of the second full month following receipt of your request. Early withdrawals may be permitted, but requests for an earlier withdrawal must be received by the 15th day of the month in order to be actioned on the Valuation Day at the end of the month in which the request is received. An early withdrawal fee may be payable to us should you wish for your withdrawal to be processed on an earlier Valuation Day (we retain full discretion as to whether to allow a withdrawal on an earlier Valuation Day, and if so, whether an early

withdrawal fee will be payable). Requests for an early withdrawal must be submitted to us in writing. See Section 5 “What are the fees?” for further information. The payment of the withdrawal proceeds will normally be made within 10 business days of the Valuation Day on which the Units are redeemed. However, we may suspend withdrawals from the Fund if we decide to close the Fund, or in other circumstances where we believe that allowing members to take their money out would not be workable, or would prejudice members generally. A suspension can last up to six months. If withdrawals are suspended and you submit a withdrawal request, we will not process it until the suspension is lifted.

When you redeem all or part of your investment from the Fund, we will redeem your investment at the Unit price for the Fund.

We reserve the right to refuse a redemption request for less than 500 Units or a redemption request that would result in you holding less than 1,000 Units (except where all of your Units are to be redeemed).

Redemption examples:

Standard withdrawal: John holds 10,000 Units in the Fund. On 27 May 2020 John submits a request to redeem 5,000 Units. The Valuation Day of the second full month following receipt of John’s request is 31 July 2020. The proceeds from John’s redemption request will then normally be paid within 10 business days of the Valuation Day on which the Units are redeemed, meaning John should receive his redemption proceeds by Friday 21 August 2020.

Early withdrawal: Trevor holds 50,000 Units in the Fund. On 10 June 2020 Trevor submits an early withdrawal request to redeem 10,000 Units. The early withdrawal is approved by the Manager, and is processed with an effective Valuation Day of 30 June 2020. The proceeds from Trevor’s redemption request will then normally be paid within 10 business days of the Valuation Day on which the Units are redeemed, meaning Trevor should receive his redemption proceeds by Tuesday 14 July 2020. An early withdrawal fee of 0.8% of the withdrawn amount is deducted from the withdrawal proceeds and retained as an asset of the Fund.

3. Description of your investment options

Fund	Summary of investment objectives and strategy*	Target investment mix	Risk category	Minimum suggested investment timeframe
UBT Invest NZ Retail Fund	<p>Objective: The investment objective is to generate returns (after fees but before tax) that are above the median 1 year gross term deposit rate paid by the registered New Zealand banks.</p> <p>The Fund is intended to provide members of the Brethren community (Community) with an investment product that suitably satisfies the Community's ethical requirements, as an alternative to other fixed income investments in the market. The Fund will make loans to businesses in the Community, and make investments in other fixed income investments and cash and cash-like investments. The Fund may also invest in the UBT Invest Commercial Credit Fund (an Australian Unit Trust).</p> <p>The Fund aims to deliver a monthly income distribution.</p>	100% New Zealand fixed interest*	1	1 year

*Full details of the strategy and permitted investments for the fund are outlined in the SIPO.

We can make changes to the SIPO of the Fund in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, we will consider if the changes are in your best interests and consult with the Supervisor. We will give notice of changes to investors of the Fund prior to effecting any material change and any material changes to the SIPO will be advised in the Fund's annual report. The most current SIPO for the Fund can be found on the scheme register at <https://disclose-register.companiesoffice.govt.nz/>.

Further information about the assets in the Fund can be found in the fund updates at <https://iisolutions.co.nz/fund-updates/>.

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.

Lower risk/ potentially lower returns							Higher risk/ potentially higher returns
1	2	3	4	5	6	7	

See page 2 for the risk indicator for the Fund offered under this PDS.

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.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading "Other specific risks") that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 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 this fund.

General investment risks

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

Credit and default risk: this is the risk that the borrowers may not meet their obligations in full and not pay interest and repay capital or other financial obligations on time, and the value of the investment might become impaired where underlying loans are not repaid in full. Examples of credit risk include where the borrower is:

- an individual and becomes bankrupt, or dies; or
- a company, and becomes insolvent or under external administration.

If this happens you may lose the value of your investment or you may not receive a distribution from the Fund.

We mitigate credit risk by assessing borrowers against our lending criteria and operating within approved loan-to-value ratios.

Market risk: Changes in economic conditions, changes in law, political events, natural disasters and other external factors may result in an increased number of defaults by borrowers, and may affect returns from bank deposits. In general, the stronger the economy the less likelihood of borrower default. A weaker economy may lead to increased borrower default.

Market risk is mitigated, including through limits on exposure to particular parts of the market.

Active management risk: Risk arises from the active management of the Fund, for example if poor lending decisions are made that increase the risk of default. We mitigate against that risk by employing experienced

managers and credit analysts and operating a loan approval process that assesses loans against key criteria including the loan to value ratio standards.

Concentration risk: The risk that the portfolio may lack diversification of assets.

Currency risk: The Fund has the ability to invest offshore and hence is exposed to currency risk. Currency risk stems from the value of foreign currencies moving differently to the New Zealand dollar. For example, a fall in an investor's local currency can result in an increase in the value of their international investments.

Conversely, a rise in that currency can decrease the value of an investor's international investments. The Fund mitigates currency risk by intending to fully hedge all currency exposures back to the New Zealand dollar.

Cybersecurity and operational risk: Cybersecurity breaches may allow an unauthorised party to gain access to the Fund's assets, customer data, or proprietary information, or cause the Fund or its service providers to suffer data corruption or lose operational functionality. Similar incidents affecting issuers of the Fund's securities may negatively impact performance. Operational risk may arise from human error, error by third parties, communication errors, or technology failures, among other causes.

Interest rate risk: The risk that interest rates are subject to market conditions. As such, investments in the Fund are subject to a variable interest and the Fund or Manager do not guarantee a certain distribution rate or return on your investment.

Other specific risks

Liquidity risk: There is a risk that the Fund will not have sufficient liquid assets to meet withdrawal requests, as a significant proportion of the Fund's investments are in relatively illiquid loans. We may need to delay or suspend withdrawals if there are insufficient liquid assets to meet requests. To mitigate against that risk we maintain at least 10% of the assets in liquid investments (in on call and short term bank deposits).

Fund size: There is a risk that there may be insufficient subscriptions made for Units in the Fund and that will impact on the nature of the investments which the Fund will be able to make. Whenever the Fund is sub-scale, then it is likely that its investments will comprise a higher proportion of cash and cash-like investments than loans, term deposits and other fixed term investments.

Inflation risk: Inflation reduces the real value of all investments. If you invest long-term in a fund like the Fund offered under this PDS, with a high proportion of cash or other relatively conservative investments, you take a risk that the value of the investments will not keep up with inflation.

Lack of suitable loans: It is intended that the Fund will make loans to businesses within the Community. The ability to make those investments and generate sufficient income to pay reasonable distribution rates will depend on the availability of suitable quality borrowers within the Community who are prepared to borrow on a commercially satisfactory basis. A shortage of such loans will mean that the Fund will be unlikely to generate the returns required to pay reasonable distribution rates.

Further general information on risks is contained in the document "Other Material information" which can be found on the offer register at <https://disclose-register.companiesoffice.govt.nz>.

5. What are the fees?

You will be charged fees for investing in the Fund. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. 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; and
- one-off fees (for example, early withdrawal fees).

Annual Fund Charges (% of net asset value)

Fund	Total Annual Fund Charges	GST	Total Annual Fund Charges
	(Excluding GST) (Estimated)	(Estimated)	(Including GST) (Estimated)
UBT Invest NZ Retail Fund	1.70%	0.10%	1.80%

The charges outlined above include all normal day-to-day fund costs and expenses including the following fixed and estimated charges:

Fixed charges

- the management fee paid to us;
- the investment management fee paid to Aura;
- the loan administration fee paid to Funding Partners;
- fees and expenses charged within any underlying funds in to which the Fund may invest;
- the Supervisor's fee;
- other costs incurred by us, the Supervisor and the Investment Manager in carrying out each of our respective duties (including the fees charged by auditors, solicitors, valuers and other advisers);
- bank account charges applicable to the Fund;
- costs for administration services, including Unit registry, asset registry, Unit pricing and investment accounting costs and costs associated with the provision of financial information related to each Fund; and
- custody costs.

Estimated charges

- the investment advisory fee paid to UBTM of 0.35%.

The Total Annual Fund Charges do not include any extraordinary expenses such as costs of any litigation or unitholder meetings.

The annual fund charges are calculated and accrued monthly and reflected in the Unit price. They are payable out of the total returns made by the Fund before distributions are made to investors. The investment management charges and other fund charges are paid monthly.

The estimated fee paid to UBTM is calculated by estimating the Fund's returns less distributions paid to investors, which means that UBTM's fee will fluctuate depending on the Fund's returns and the distributions made to investors. The remuneration that UBTM receive for their role as Investment Advisor and Distributor of

6. What taxes will you pay?

The Fund is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate ('PIR'). To determine your PIR, go to <https://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 us your PIR when you invest or if your PIR changes. We will apply the PIR you tell us, unless we are directed by the Inland Revenue Department to apply a different rate. If you do not tell us, a default rate may be applied. If the advised PIR is lower than the correct PIR, you may need 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.

7. Who is involved?

About Implemented Investment Solutions Limited

Implemented Investment Solutions Limited is the manager of the Fund. Our contact details are below.

Level 2, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON 6140

Telephone: (04) 499 9654
Email: contact@iisolutions.co.nz

Who else is involved?

Title	Name	Role
Supervisor	Public Trust	Supervisor of the Fund under the FMC Act, responsible for supervising Implemented Investment Solutions Limited as manager of the Fund.
Custodian	Public Trust	Appointed by Public Trust, as Supervisor, to hold the assets of the Fund on behalf of investors.
Investment Advisor and Distributor	UBT Marketing Pty Ltd	Defines the Fund's investment mandate and selects an appropriate investment manager(s) for that mandate. Reviews the mandate and the investment manager(s) performance and provides promotion and distribution support to the Fund.
Investment Manager	Aura Funds Management Pty Ltd	Makes decisions about what the Fund invests in. Selects an appropriate loan administrator.
Loan Administrator	Funding Partners Administration Limited	Assesses and confirms to Aura that loan applications comply with the Lending and Credit Policy. Oversees documentation of loans made by the Fund. Monitors and reports to Aura all money paid by borrowers on those loans.
Administrator	Adminis Limited	Appointed by Implemented Investment Solutions Limited to manage core administration functions including: Unit pricing, fund accounting and fund registry.

8. How to complain

Any complaints or problems with the investment should be directed to us for resolution through our internal dispute resolution process:

Implemented Investment Solutions Limited
Level 2, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON 6140

Telephone: (04) 499 9654
Email: contact@iisolutions.co.nz

If you are not satisfied with the outcome of your complaint to us, you may refer the matter to the Supervisor for resolution through its internal dispute resolution process:

Public Trust
PO Box 5067
WELLINGTON 6140

Telephone: 0800 371 471
Email: cts.enquiry@trustee.co.nz

The Supervisor is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited ('FSCL'). If your complaint to the Supervisor has not been resolved, you can refer it to FSCL by phoning 0800 347 257 or writing to:

Financial Services Complaints Limited
PO Box 5967
Wellington 6145

The FSCL scheme will not charge a fee to any complainant to investigate or resolve a complaint.

If your complaint is not able to be resolved through our internal dispute resolution process or that of the Supervisor, you may refer your complaint to the dispute resolution scheme operated by the Insurance and Financial Services Ombudsman, an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We are a registered financial service provider and member of this scheme. The Insurance and Financial Services Ombudsman's service is provided at no cost to you. The contact details for the scheme are:

Insurance and Financial Services Ombudsman
Level 8, Shamrock House
79-81 Molesworth Street
PO Box 10-845
WELLINGTON 6143

Telephone: 0800 888 202
Email: info@ifso.nz

9. Where you can find more information

Further information relating to the UBT Invest NZ Funds is available on the offer register and the scheme register at <https://disclose-register.companiesoffice.govt.nz> and a copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Other information we will provide

You can also obtain the following information free of charge:

Information	How to obtain
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	Once available, the fund updates for the Fund will be publicly available from our website and can be requested from us.

Via the UBT Invest NZ online portal, <https://ubt.adminis.co.nz/>, you will also receive:

- confirmation information – provided on a continuous basis when you make applications or withdrawals from the Fund;
- a copy of the Scheme’s annual report (or a statement letting you know where you can access it online); and
- an annual PIE Tax Statement which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You will also be asked to confirm your IRD number and PIR.

You can obtain details of your investment at <https://ubt.adminis.co.nz/> or request it by contacting us. This information is available free of charge by emailing contact@iisolutions.co.nz.

You can find general information about the Fund, our management team, and us on our website www.iisolutions.co.nz/fund-hosting.

10. How to apply

To make an investment, visit <https://ubt.adminis.co.nz/> to complete the online application form.

If you have any questions, or would like an application form sent to you, please contact:

Implemented Investment Solutions Limited
PO Box 25003
Wellington 6140

Email: contact@iisolutions.co.nz
Telephone: (04) 499 9654