

# DAINTREE FUNDS SCHEME

## PRODUCT DISCLOSURE STATEMENT

ISSUED BY CLARITY FUNDS MANAGEMENT LIMITED 9 AUGUST 2024

OFFER OF UNITS IN THE  
Daintree Core Income PIE

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This product disclosure statement replaces the product disclosure statement dated 11 July 2024. This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). Clarity Funds Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 (**FMC Act**). You can also seek advice from a financial advice provider to help you 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. Clarity Funds Management Limited (**Clarity, we, us, our**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Clarity, our investment managers and the performance of the investments. The value of those investments may go up or down. The types of the investment and the fees you will be charged are described in this Product Disclosure Statement (PDS).

## What will your money be invested in?

One fund is offered under this PDS, being the Daintree Core Income PIE (the 'Fund').

| Fund Name                       | Description   | Risk Indicator  | Estimated Annual Fund Charge ^ |
|---------------------------------|---|---|--------------------------------|
| <b>Daintree Core Income PIE</b> | <p>The aim of the Fund is to provide an absolute return (greater than cash) over time and a steady stream of income and capital stability over the medium term.</p> <p>Benchmark: Bloomberg AusBond Composite 0-5 Yr, 100% hedged to NZD.</p> | <p>Lower expected returns Higher expected returns</p> <p>1 2 3 4 5 6 7</p> <p>Lower risk Higher risk</p> <p>* Refer below for further information</p> | 0.70%                          |

\* As the Fund has not been in existence for five (5) years, we have used market index returns for the five (5) year period to 31 March 2024 to calculate the risk indicators. Therefore, the risk indicators may provide a less reliable indicator of potential future volatility of the Fund. See Section 3 'Description of your investment option' for more information on risk indicators.

^ Estimated as a % of the Fund's net asset value per annum. See Section 5 'What are the fees?' for more information on fund charges.

See Section 4 'What are the risks of investing?' 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-profiler](http://www.sorted.org.nz/tools/investor-profiler).

## Who manages the Daintree Funds Scheme?

Clarity is the manager of the Daintree Funds Scheme (Scheme). See section 7 'Who is involved?' for more information.

## What are the returns?

The return on your investment is represented by any increase or decrease in the unit price of the Fund, and any distributions to you. We intend for the Fund to pay monthly distributions. See Section 2 'How does this investment work?' for more information.

## How can you get your money out?

You can request to withdraw all, or part, of your investment at any time. Minimum amounts may apply. See Section 2 'How does this investment work?' 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 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 [www.ird.govt.nz/pir](http://www.ird.govt.nz/pir). See Section 6 'What taxes will you pay?' for more information.

## Where can you find more key information?

Clarity is 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 [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz). We will also give you copies of those documents on request.

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Words that are capitalised in this document are defined in the glossary on page 13.

## 2. HOW DOES THIS INVESTMENT WORK?

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The PDS is an offer of units in the Daintree Core Income PIE (the **Fund**). The Fund invests directly into the Daintree Core Income Trust (**Underlying Fund**), which is an Australian Unit Trust. The Fund is part of a managed investment scheme governed by a Trust Deed and is a trust in its own right. The benefits of investing in the Fund include:

### Access to investment opportunities

Investing in the Fund means that your money is pooled with that of other investors. This provides the Fund with the investment buying power not often available to you as an individual investor with smaller amounts to invest. This means you can gain access to investment markets and risk management techniques that would not normally be accessible to individual retail investors.

### Professional management

The investment professionals at Daintree Capital Management Pty Limited (**Daintree**) manage the Underlying Fund using a disciplined investment approach aimed at delivering returns in excess of the Benchmark.

### Right to distributions (if any)

Investing in the Fund means you may receive regular income from your investments in the form of distributions. However, there may be times when distributions cannot be made, are lower than expected or are delayed. Our Fund also utilises the benefits of the PIE tax regime and we take care of the investment administration for you.

### Responsible Investment

In addition to aiming to select securities that will generate a steady stream of income and capital stability, Daintree screens potential investments against a number of environmental, social and governance (ESG) factors before selecting, retaining or realising investments. Daintree has devised a numerical rating scoring system (the Daintree Score) which assesses each individual ESG component. Both 'environment' and 'social' components will equally contribute to 40% of the weighted Daintree Score (20% is attributed to each component). However, a stronger bias will be placed on 'governance' related components, which attributes 60% to the weighted Daintree Score, to reflect the importance that Daintree places on corporate governance matters.

The Daintree Score will be considered in conjunction with other factors as part of the investment strategy and is a standardised measure drawing on publicly available company data compiled by third-party providers to allow comparison between various issuers, and to monitor trends over time. Changes in the Daintree score over time might prompt additional work to understand the drivers of this change. For further information on Daintree's approach to responsible investing see the Daintree Capital ESG Policy and the Daintree Statement of Investment Policies and Objectives (SIPO) on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Daintree seek to avoid holding businesses involved with (greater than 0% revenue) the following activities in the Underlying Fund:

- The manufacture of cluster munitions
- The manufacture or testing of nuclear explosive devices
- The manufacture of anti-personnel mines
- The manufacture of tobacco products
- The processing of whale meat
- The manufacture of recreational cannabis
- The manufacture of alcohol
- Gaming or gambling related activities
- The production of pornographic material
- The exploration and production of any fossil fuels (coal, oil, gas, oil sands)
- Coal-fired power generation
- The exploration and production of uranium.

For the latest available information on the Fund, you can visit [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz), or contact us, email [info@clarityfunds.co.nz](mailto:info@clarityfunds.co.nz) or speak to your financial adviser.

The money you invest buys units in the Fund and rights to the returns earned on those assets, however units do not give you legal ownership of the Fund's assets. Unit prices are calculated by dividing the net asset value of the Fund by the number of units on issue. The price of each unit depends on the value of the Fund at the time you invest.

We calculate unit prices each Business Day and publish them on our website. Unit prices change as the market value of Fund assets change. The return on your investment is reflected in any increase or decrease in the unit price and any distributions from the Fund.

The number of units you have (your unitholding), when multiplied by the unit price, gives you the total value of your investment in the Fund (although the impact of tax can result in a change in the number of units you hold, up or down, as the unit price is calculated before tax). The assets of the Fund are separate and are not available to meet the liabilities of any other fund.

## 2. HOW DOES THIS INVESTMENT WORK?

### Making investments

You can invest by completing the application form accompanying this PDS and sending it back to us [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz). Please ensure all required information is provided, including how much you would like to invest.

| Type of Contribution                 | Minimum Amount |
|--------------------------------------|----------------|
| Minimum initial investment amount    | \$10,000       |
| Minimum additional investment amount | \$1,000        |

We may, at our discretion, change the minimum investment amounts, and accept applications for investments below the stated minimum amount. We may accept or refuse any application either in whole or part. Application monies received in respect of rejected applications will be refunded, without interest.

If your application is received prior to 1.00pm on a Business Day, you will receive the price determined on that day. If your request is received after 1.00pm on a Business Day, the unit price determined on the following Business Day will be applied.

Your investment will be processed once the funds received have been cleared. The unit price is determined at the end of each Business Day. We will issue your units at the unit price for the Fund. We also have the discretion to include trading costs in determining the unit price applied. See section 5 'What are the Fees?' for more information on buy/sell spreads.

### Withdrawing your investments

You may withdraw all or part of your investment (subject to any minimum amounts that apply) at any time by completing a redemption form and returning it to us. Units will be redeemed and the proceeds paid into your nominated bank account, which must be in the name of the investor.

| Type of Redemption        | Minimum Amount | Condition  |
|---------------------------|----------------|--|
| Minimum withdrawal amount | \$1,000        | If your withdrawal would make your investment fall below \$10,000, you must withdraw all of your investment. |

We may, at our discretion, change the minimum withdrawal amount and the minimum balance, and accept withdrawals below the stated minimum amounts. The price of a unit is determined as at the end of each Business Day. We will pay the proceeds of your redemption to your nominated bank account, at the unit price for the Fund. We also have the discretion to include trading costs in determining the unit price applied. See section 5 'What are the Fees?' for more information on buy/sell spreads.

If your withdrawal request is received prior to 1.00pm on a Business Day, you will receive the price determined on that day. If your withdrawal request is received after 1.00pm on a Business Day, the unit price determined on the following Business Day will be applied.

We may, in certain circumstances and with prior notice to the Supervisor, suspend or defer the redemption of units. We will do this when we, in good faith, determine that it is in the general interests of all investors to do so. These conditions are set out in the Other Material Information document which is available at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

### How to switch between funds

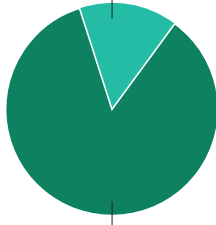
You can request to switch between other funds managed by Clarity at any time. Refer to the relevant PDS which is available at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Completed switch requests will be made on the next available unit price. Switches will be treated as a withdrawal request from one fund and an application into another fund. Please contact us for more information.

### Distributions

The Fund intends to make distributions on a monthly basis. We determine the amount available for distribution (if any). Distributions are calculated monthly and are generally paid within one (1) month of the last day of the distribution period. For tax purposes distributions are considered non-taxable income.

### 3. DESCRIPTION OF YOUR INVESTMENT OPTION

| Fund Name                       | Investment Strategy and Objectives  | Target Investment Mix <sup>1</sup>   | Risk Indicator <sup>2</sup>  | Minimum Suggested Investment Timeframe |
|---------------------------------|---|--|--|--|
| <b>Daintree Core Income PIE</b> | <p><b>Objective:</b> The aim of the Fund is to provide an absolute return (greater than cash) over time and a steady stream of income and capital stability over the medium term.</p> <p><b>Strategy:</b> The Fund invests into an Underlying Fund with a diversified portfolio of credit, fixed income securities and cash and applies a range of strategies that include duration and yield curve management, (actively managing the maturity profile of the portfolio), sector rotation and individual security selection. Derivatives may also be used for investment and risk management purposes. Where the Fund invests in overseas securities, these are hedged back to the NZD.</p> <p><b>Benchmark:</b> Bloomberg AusBond Composite 0-5 Yr, 100% hedged to NZD.</p> | <p>Cash &amp; Cash Equivalents 15%</p>  <p>Global Fixed Income (including Australia) 85%</p> | <p><b>3</b></p> <p>The Fund has a low-medium level of volatility</p> | <p>Medium term (up to 3 years)</p>     |

Further information about the assets in the Fund can be found in the Fund Updates available at [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz).

1. The current target investment mix is shown, but variations around these targets are likely from time to time.
2. As the Fund has not been in existence for five years, the risk indicator has been calculated using market index returns, as shown in the table on page 7. As a result, the risk indicator may provide a less reliable indicator of potential future volatility of the Fund. The market index returns have been used up to the inception date of the Fund.

#### Statement of Investment Policy and Objectives

The table shown above is a summary of our Statement of Investment Policy and Objectives (SIPO). We regularly review the SIPO and may amend it in accordance with the terms of the Trust Deed, subject to the provisions of the FMC Act.

Before we make changes, we will consider if the changes are in the best interests of investors and consult with the Supervisor. Where material, we will give you written notice at least thirty (30) days before the date on which the revision takes effect.

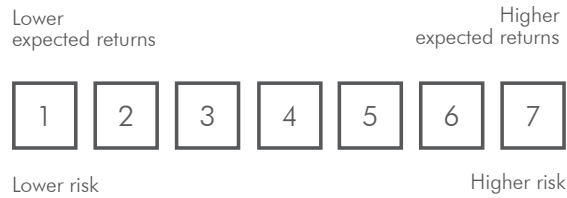
The current SIPO is available free of charge at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). Further information about the assets in the Fund can be found in the fund updates at [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz).

## 4. WHAT ARE THE RISKS OF INVESTING?

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### 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. See Section 3 '*Description of your investment option*' for the risk indicator of the Fund.



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-profiler](http://www.sorted.org.nz/tools/investor-profiler). Note that even the lowest category does not mean a risk-free investment, and there are other 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, where available. The Fund has not been operational for the required five years. We have therefore determined the risk indicator using the market index returns, as detailed in Section 3 '*Description of your investment option*'. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest Fund Update for the Fund.

## 4. WHAT ARE THE RISKS OF INVESTING?

### 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:

|   |
|---|
| <b>Market Risk</b>  |
| Unexpected conditions (e.g. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. The Underlying Fund's manager's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.  |
| <b>Interest Rate Risk</b>   |
| Changes in interest rates can influence the value and returns of investments. The Underlying Fund's manager aims to minimise this risk by limiting duration exposure.   |
| <b>Credit Risk</b>  |
| A counterparty's failure to meet its contractual obligations could result in a financial loss to the Fund. The Underlying Fund's manager seeks to reduce this risk, by ensuring that a diversified portfolio of securities is held in the Underlying Fund.  |
| <b>Currency Risk</b>  |
| Funds investing in international markets are exposed to changes in exchange rates. The possibility that foreign currencies may fall in value relative to the New Zealand Dollar can have an adverse impact on investment returns. This risk is fully offset by hedging using forward exchange contracts or appropriate derivative instruments.  |
| <b>Liquidity Risk</b>   |
| If a security cannot be bought or sold quickly enough to reduce or minimise a potential loss, the Underlying Fund may experience difficulty satisfying commitments associated with financial instruments. The risk management guidelines adopted by the Underlying Fund's manager are designed to minimise liquidity risk through applying limits to ensure there is no undue concentration of liquidity risk to a particular counterparty or market.   |
| <b>Investment Manager Risk</b>  |
| Is the risk that the Fund's investment objective will not be achieved and/or it may underperform the Benchmark or may underperform other investment managers in the same asset class. The risk is reduced by the active management of the Underlying Fund's assets.   |
| <b>Concentration Risk</b>   |
| When investments are concentrated in a smaller number of securities than the broader market index, the unit price of the Underlying Fund may be more volatile than the Benchmark. The Underlying Fund has both security and issuer limits which aims to manage this risk by ensuring satisfactory diversification.  |
| <b>Counterparty Risk</b>  |
| Counterparties used in connection with the Underlying Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and derivatives counterparties, as well as the Underlying Fund's custodian. Default on the part of a counterparty could result in financial loss to the Underlying Fund.   |
| <b>Derivatives Risk</b>   |
| Derivatives are used to control the risk associated with investing by modifying the exposure to particular assets, asset classes or currencies. Most commonly, derivatives are used for hedging and investment purposes. Hedging involves establishing offsetting positions in derivative markets to protect the value of the underlying physical assets from anticipated adverse price movements. Derivatives can also be used as an alternative to investing in physical assets because of their cost and liquidity efficiency. Gains or losses can result from investments in derivatives. In addition to the risks associated with the underlying physical asset, derivatives are also impacted by other factors like market liquidity, interest rates and counterparty risk. |
| <b>ESG Risk</b>   |
| The Fund's primary objective is not related to environmental, social or governance (ESG) factors, however it does use ESG exclusions (negative screens) along with the Daintree Score (positive screen) to assist in making investment decisions. The outcome of these screens may reduce the returns you receive. There is also a risk that the outcome of the screening performed, and investment decisions made by the Underlying Fund manager, may not align with your preferences. For more information on the screens applied by the Underlying Fund manager, see the Daintree Capital ESG Policy.  |



## 4. WHAT ARE THE RISKS OF INVESTING?

### Other specific risks

There are other operational factors that may increase the risk for investors. These risks relate to us, in our role as manager, our business partners and how these parties manage and operate their obligations to the Fund. We have established processes to mitigate these risks where possible. But there are risks arising from errors in procedures or systems which may have an adverse effect on your investment.

More information relating to risks including tax risk, operational risk, service provider risk and investment manager risk is available in the Other Material Information document which is available at [www.disclose-register.companiesoffice.govt.nz](http://www.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 Clarity invests 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, contribution fees). Currently there are no one-off fees charged.

### Total annual fund charges

| Fund Name                | Estimated Management Fee<br>(% of the NAV of the Fund) | Estimated Administration Fee<br>(% of the NAV of the Fund) | Estimated Annual Fund Charge<br>(% of the NAV of the Fund) |
|--------------------------|--|--|--|
| Daintree Core Income PIE | 0.55%  | 0.15%  | 0.70%  |

The total annual fund charge (excluding GST) shall not exceed the amount shown above for the Fund. The total annual fund charge outlined above, accrues daily in the net asset value (NAV) of the Fund, is reflected in the daily unit price, and covers:

The total annual fund charge includes the management fee, investment management fee and all normal operating costs and administration expenses including the Supervisor, Custodian, Administration Manager and Registrar fees, fund accounting, unit pricing, audit, legal fees, regulatory and compliance costs. GST, at the applicable rate prescribed by the IRD, is currently payable on the Supervisor's fee, costs and expenses, the Administration Manager's fee and the Management fee, and is included in the total annual fund charge. There are no performance fees charged by us in relation to the Fund nor are there performance fees charged in the Underlying Fund.

The actual charges may vary from time to time. Charges for the previous financial year will be available in the latest Fund Update.

### Buy/Sell Spreads

Buy/sell spreads are an estimate of transaction costs that arise as a result of applications or redemptions. As at the date of this PDS we will apply a spread to investors redeeming from the Fund, in the form of a 'sell spread'. The sell spread is an additional cost when transacting and is included in the unit price used to determine your sale proceeds. It is not charged to investors separately. Sell spreads are not retained by us, but rather paid to the Fund to ensure that other investors are not disadvantaged by the trading activity arising from applications or redemptions.

As at the date of this PDS, the estimated sell spread to be deducted from the Fund is 0.05%. This sell spread is designed to match the sell spread currently in place for the Underlying Fund. There is no buy spread. The following example is based on an application or redemption of \$10,000 in or from the Fund:

| Transaction Type | Spread | Cost   |
|------------------|--------|--------|
| Application      | 0.00%  | \$0.00 |
| Redemption       | 0.05%  | \$5.00 |

## 5. WHAT ARE THE FEES?

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### The fees can be changed

We can change the fees charged from time-to-time, with the approval of the Supervisor. We will give you three (3) months' written notice before any fees are increased. We may also waive or reduce fees without any notice.

Clarity must publish a Fund Update for the Fund showing the fees actually charged during the most recent year. Fund Updates, including past updates, are available at [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz).

For more information please refer to the Daintree Funds Scheme Other Material Information document which is available at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) or you can contact us at [info@clarityfunds.co.nz](mailto:info@clarityfunds.co.nz) or 0800 990 055.

### Example of how fees apply to an investor

Sarah invests \$10,000 in the Daintree Core Income PIE. She is not charged an establishment fee or contribution fee. The starting value of her investment remains \$10,000.

During the first year Sarah is charged management and administration fees, which work out to about \$70 (0.70% 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:

- Individual action fees: nil
- Fund charges: \$70 plus GST
- Other charges: nil

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

## 6. WHAT TAXES WILL YOU PAY?

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The Fund is a portfolio investment entity (PIE). The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to [www.ird.govt.nz/pir](http://www.ird.govt.nz/pir). 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 Clarity your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall, as part of the income-tax year end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

We may change your PIR if Inland Revenue tell us to.

More information relating to 'taxes' is in the Other Material Information document which is available at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## 7. WHO IS INVOLVED?

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### About Clarity Funds Management Limited

Clarity Funds Management is an investment management company based in Auckland. Founded in 2007, we offer a range of funds to New Zealand investors to meet a variety of investment objectives. Clarity is regulated by the Financial Markets Authority and holds a Managed Investment Scheme Manager license. Its operations are supported by industry leading fund administration, custodial and supervisory service providers. Clarity is part of the Investment Services Group, which in turn is owned by its directors and staff. Other companies in the group include JMI Wealth, Select Wealth Management, Devon Funds Management and TAHITO. More information about Clarity, its funds, and key people is available on our website at [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz).

#### Contact Details:

**Clarity Funds Management**  
Level 1, 87 Hurstmere Road  
Takapuna, Auckland 0622

PO Box 33-1106  
Takapuna, Auckland 0740

Telephone: 09 308 1450  
Facsimile: 09 308 1455  
Email: [info@clarityfunds.co.nz](mailto:info@clarityfunds.co.nz)

## 7. WHO IS INVOLVED?

### About Daintree Capital Management Pty Limited (Investment Manager of Underlying Fund)

Daintree is a boutique investment management firm specializing in building fixed income portfolios. They apply a pragmatic and risk averse approach to managing a portfolio of global fixed income securities.

Daintree are part of the Perennial Partners Group. Ownership is held by Daintree staff and Perennial Partners. Perennial Investment Management is the responsible entity for Daintree and Perennial Partners provides support to Daintree in the form of working capital, distribution, operations support, IT services, legal and compliance support.

Perennial Partners was established in 2016, to provide investment partners with strategic, operational and distribution expertise. Perennial Partners has partnered with Daintree and owns an equity stake in Daintree. More information about Daintree, the Underlying Fund, and key people is available on their website at [www.daintreecapital.com.au](http://www.daintreecapital.com.au).

### Who else is involved?

| Role                                      | Name   | Description  |
|---|--|--|
| Supervisor and Custodian                  | The New Zealand Guardian Trust Company Limited | Supervisor and Custodian of the scheme under the FMC Act, responsible for supervision of us as the Manager of the Fund.  |
| Administration Manager and Unit Registrar | APEX Group Limited (APEX)                      | Appointed by Clarity to provide various administration functions on our behalf including unit pricing, fund accounting and unit registry services.                         |
| Investment Manager of Underlying Fund     | Daintree Capital Management Pty Limited        | Daintree is the investment manager of the Underlying Fund. Daintree is an Australian boutique investment management firm specializing in building fixed income portfolios. |

## 8. HOW TO COMPLAIN

In the first instance, any concerns or complaints about your investment can be made to Clarity using the contact details shown on page 10.

If this proves unsatisfactory you may choose to contact the Supervisor:

#### The New Zealand Guardian Trust Company Limited

Level 6, 191 Queen Street  
Auckland 1010

PO Box 274, Shortland Street Auckland 1140  
Telephone: 0800 300 299

Email: [ct-auckland@nzgt.co.nz](mailto:ct-auckland@nzgt.co.nz)

If, having exhausted these alternatives, you wish to pursue your complaint further, you may contact:

#### Insurance and Financial Services Ombudsman Scheme

PO Box 10-845  
Wellington 6143

Telephone: 0800 888 202

Email: [info@ifso.nz](mailto:info@ifso.nz)

The Insurance and Financial Services Ombudsman Scheme (IFSO) is an independent dispute resolution scheme approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

Clarity is a member of the IFSO.

Further information about referring a complaint to the IFSO can be found at [www.ifso.nz](http://www.ifso.nz). There is no cost to you in referring a complaint to the IFSO.

## 9. WHERE YOU CAN FIND MORE INFORMATION

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Further information about the Fund including the Trust Deed, SIPO, Other Material Information and financial statements is available on the offer register and the scheme register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). A copy of information on the offer register or scheme register is available on request to the Registrar.

Fund Updates, annual reports, the latest unit price, and market and economic updates can be found at [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz). You will receive portfolio statements and confirmation of fund transactions. These will be emailed to you or made available on the Investor Web Portal.

You will also be sent an annual tax statement which will include the amount of PIE income allocated to you and the amount of tax paid at your chosen PIR. You may be asked to confirm your IRD number and PIR.

All of the above information is available from Clarity on request by contacting us using the details on page 10 and can be obtained free of charge.

## 10. HOW TO APPLY

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If you would like to invest into the Fund you are required to complete and submit the application form in this PDS or you can fill in the paper-based form and send it to us. If you require any further information, please contact us or see our website at [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz).

## GLOSSARY

| Term  | Definition  |
|---|---|
| Business Day  | Any day on which New Zealand banks are open for business.   |
| Financial Markets Conduct Act ( <b>FMC Act</b> )              | Financial Markets Conduct Act 2013 and Regulations. The Act that governs all aspects of offering financial products in New Zealand.   |
| Fund  | Daintree Core Income PIE, a unit trust registered in New Zealand.   |
| Issue Price   | The price at which Units are issued, adjusted (at our discretion) for estimated costs which would be incurred when buying investments of the Fund.  |
| Clarity, Manager, us, we or our                               | Clarity Funds Management Limited.   |
| Investor, you or your   | References to you or another investor, as the context may apply.  |
| Gross Asset Value   | The value of the assets of the Fund before deductions are made for liabilities.   |
| Net Asset Value ( <b>NAV</b> )                                | The Gross Asset Value adjusted for liabilities of the Fund.   |
| Portfolio Investment Entity ( <b>PIE</b> )                    | The type of vehicle the Fund is classified as for New Zealand tax purposes.   |
| Prescribed Investor Rate ( <b>PIR</b> )                       | The tax rate that is used to calculate the tax on the income from your investment in the Fund.  |
| Redemption Request  | A request for a partial or full withdrawal of investment (or Units) in a form determined by us.   |
| Statement of Investment Policy and Objectives ( <b>SIPO</b> ) | A document that sets out the investment governance and management framework, philosophy, strategies, policies and objectives of a managed investment scheme and its investment funds or portfolios. |
| Trust Deed  | The Master Trust deed establishing the Daintree Funds Scheme dated 18 June 2024.  |
| Underlying Fund   | Daintree Core Income Trust, a unit trust registered in Australia.   |
| Unit  | A unit in the Fund.   |
| Unit Price  | The Net Asset Value of the Fund divided by the number of units issued. It is calculated separately for the Fund.  |

Words or phrases not defined in this glossary have the same meaning as the Trust Deed.

## HOW TO COMPLETE THE APPLICATION FORM

This section contains important information about how to invest in the Fund.  
Please read this section before completing the application form.

You may submit an application form directly to Clarity.

**Individual Investors** - please complete pages 18-25.

**Trust or Estate Investors** - please complete pages 26-36.

**Company, Partnership, Other Incorporated and Unincorporated Entities** - please complete pages 37-47.

Please ensure all questions are completed and required information is supplied, as not doing so may cause a delay in processing your Fund Application.

### Investor Details

- Provide the entity name if the Investor will be a Trust, Estate, Company, Partnership or other Incorporated/Unincorporated Body **or**
- Provide full details if you are investing as an individual(s) **or**
- Provide full details of all individuals associated with the entity.
- Supply your IRD number (this is a legal requirement).

### Signatures

- If this investment is to be held jointly, all applicants must sign the application form.
- All Trustees/directors/executors/partners/officers and other authorised signatories must sign the application form.
- All signatures will also be required for withdrawals.

### Investment Details

- Enter the amount you wish to invest in the Fund. The minimum initial investment amount is \$10,000 and the minimum additional investment amount is \$1,000.

### Payment Details

- If you are making a direct credit payment, make the payment to the following BNZ bank account: 02-0506-0116828-000
- Include your client reference number (available from Clarity) on your deposit details and advise us once you have made a deposit. We will instruct the registrar of the exact amount of the deposit and when the deposit has been made.
- Please note, your investment will only proceed once the registrar confirms with us that the funds have been cleared.

### Distribution Details

- We require your distribution payment details.
- If you wish any distributions to be paid to you, complete the nominated bank account section.
- Alternatively, if you wish any distributions to be reinvested in additional units in the Fund, tick the relevant box on the application form.

# HOW TO COMPLETE THE APPLICATION FORM

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## Identity and address verification

Under Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and under Clarity's own compliance requirements, verification of identity and residential address is required.

### Each individual applicant/signatory will be electronically verified.

To enable this verification to occur, you will need to provide a current copy of your NZ passport or NZ driver's licence, AND you need to consent to the following;

- I consent to Clarity collecting, using and disclosing my personal information to verify any information that I have provided (or information that we may collect from other sources) with third parties and third party databases, including Government agencies (for example, NZ Transport Authority or Department of Internal Affairs) for the purposes of fraud prevention and complying with the Anti-Money Laundering and Countering Financing Terrorism Act 2009.
- I understand that if I disclose my personal information to Clarity, this information will be disclosed to Centrix Group Limited and APLY Limited. They may hold my information on their database and use it for providing credit reporting services and for any other lawful purpose and they may disclose my information to their subscribers.

If electronic verification is unsuccessful, paper based verification will be required. We will ask you to provide identity and address verification documentation that meets the following requirements:

1. The original sighted by a representative from Clarity or JMI, and a **photocopy** taken and appropriately verified; or
2. The documents must be a **certified copy**, as below:
  - All documents must be certified by either a **Lawyer, Justice of the Peace, Notary Public, NZ Chartered Accountant, registered medical doctor** or a **NZ Honorary Consul**;
  - Documents must include the full name, occupation and an original signature of the certifier as well as the date of certification;
  - The certifier must **not be related to the customer**, a person who lives at the same address or less than 16 years of age;
  - Certification must have been carried out in the **three months preceding presentation** of the documents;
  - The certifier must **sight the original identification document** and make a statement to the effect that the copy provided is '**a true copy of the original**'; and
  - Any identity document for an individual person (such as a passport) must include a statement saying that the document is '**a correct likeness of the named individual**'.

## What ID is required for Individuals

- a) For paper-based verification, you will need to provide proof of your identity which means one of the following options AND proof of address:
  - ONE primary identification document listed in Option 1; or (where you cannot provide a primary identification document listed in Option 1);
  - ONE primary identification document and ONE secondary identification document listed in Option 2; or
  - ONE primary identification document and ONE secondary identification document listed in Option 3; and
- b) ONE address verification document listed in Option 4; and
- c) Bank deposit slip or bank statement in the name of the investor.

## HOW TO COMPLETE THE APPLICATION FORM

| Term     | Primary Identity Verification  | Secondary Identity Verification  |
|----------|--|--|
| Option 1 | <ul style="list-style-type: none"> <li>• New Zealand passport</li> <li>• Overseas passport</li> <li>• New Zealand firearms license</li> <li>• Certificate of Identity/ Refuge travel document*</li> <li>• National Identity card</li> </ul> <p>* Issued by NZ Immigration Services or Department of Internal Affairs New Zealand</p> | <ul style="list-style-type: none"> <li>• None</li> </ul>   |
| Option 2 | <ul style="list-style-type: none"> <li>• New Zealand Drivers Licence (Front and Back)</li> </ul>   | <ul style="list-style-type: none"> <li>• SuperGold card</li> <li>• Credit card (front and back)</li> <li>• Debit card (front and back)</li> <li>• Bank Statement</li> <li>• Government Agency Statement</li> </ul>   |
| Option 3 | <ul style="list-style-type: none"> <li>• New Zealand full birth certificate</li> <li>• Overseas full birth certificate</li> <li>• Certificate of New Zealand citizenship</li> <li>• Overseas citizenship certificate</li> </ul>  | <ul style="list-style-type: none"> <li>• New Zealand Drivers Licence</li> <li>• Overseas drivers licence (with photo)</li> <li>• 18+ card</li> <li>• Student ID, New Zealand Institution (under 18s only)</li> <li>• New Zealand Armed Forces ID</li> <li>• New Zealand Police ID</li> <li>• SuperGold card</li> </ul> |
| Option 4 | <ul style="list-style-type: none"> <li>• Bank Statement</li> <li>• Government agency statement</li> <li>• Utility bill</li> </ul>  | <ul style="list-style-type: none"> <li>• Local Authority Rates Bill</li> <li>• Insurance Policy</li> <li>• Current Vehicle Registration</li> </ul>   |

We may also need to ask you to provide further documentation or information to complete your application.

### What ID is required for an Attorney or person investing for a minor?

Identification is required as specified in 'What ID is required for Individuals?' above.

- We also need a Certification of Non-revocation of a Power of Attorney; and
- A birth certificate or proof of guardianship; or
- A statutory declaration of the relationship between the minor and the person investing on their behalf to establish the relationship between the investor and the person investing on their behalf.

### Who in the Entity needs to provide ID?

All people associated with the entity, as listed below, will need to be identified in line with Individual ID requirements:

- Owners that are companies, Funds or individual shareholders that own more than 25% of the entity
- Trustees
- Executors
- Settlers
- Directors
- Partners
- Officers
- Authorised signatories
- Guardians for minors
- Attorneys (appointed under a power of attorney)
- Beneficiaries who have received a distribution
- Anyone with the authority to act on behalf of the entity e.g. solicitor, administrator.



# HOW TO COMPLETE THE APPLICATION FORM

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## What ID is required for the Entity?

The type of documentation needed varies, depending on the entity type:

### Trusts and Estates

- Copy of the Trust Deed; **and**
- Copy of all amendments to the Trust Deed e.g. Deeds of Retirement of Trustees (where applicable); **or**
- Copy of probate; **and**
- Bank deposit slip or bank statement in the name of the Trust/Estate; **and**
- Identification for all people associated with the entity as specified in 'What ID is required for Individuals?' above.

### For Funds, please also supply:

- Named beneficiaries (please supply all the details requested on the application form for any beneficiary named in the Trust Deed who has received a distribution).
- If the Trust is a discretionary or charitable Trust, the classes of beneficiaries or objectives of the Trust must be provided.

### Companies / Partnerships / Incorporated or Unincorporated Societies

- Certificate of incorporation or registration numbers; **or**
- Deed of partnership/formation; **and**
- Bank deposit slip or bank statement in the name of the company, partnership or society; **and**
- Identification for all people associated with the entity as specified in 'What ID is required for Individuals?' above.

## Return Form(s)

Please send this application form and your payment details to Clarity Funds Management Limited at [info@clarityfunds.co.nz](mailto:info@clarityfunds.co.nz) or you can mail your completed forms to:

### Clarity Funds Management Limited

PO Box 33-1106

Takapuna, Auckland 0740

Processing will take a few days. The confirmation of investment will be provided within 5 Business Days of relevant valuation date. Please feel free to call us on 0800 99 00 55 or 09 308 1450 if you need any help completing the Application Form.

