
Pella Investment Funds

Product Disclosure Statement

Offer of units in the Pella Investment Funds scheme

Dated 26 March 2025

Issued by FundRock NZ 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 www.companiesoffice.govt.nz/disclose. FundRock NZ Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider 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. FundRock NZ Limited ("FundRock", "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 FundRock 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?

There is one investment option offered under this Product Disclosure Statement ("PDS") for the Pella Investment Funds ("Scheme"). This investment option is summarised below. More information about the investment target and strategy of the investment option is provided in section 3, "Description of your investment option".

| Fund Description | Risk Indicator* | | | | | | | Annual Fund Charges (Estimated, % of the Fund's net asset value) | Indicative Buy/Sell spread ¹ |
|--|--|---|--|---|---|---|---|---|--|
| Pella Global Generations PIE Fund ("Fund") The Fund's investment objective is to obtain returns greater than the MSCI All Country World Index Net Total Return (in NZ dollars) ("Benchmark") and with lower volatility than the Benchmark, over the medium to long term by investing in long-only equities, subject to the Investment Manager's ethical investment processes. | Lower risk/ potentially lower returns | | Higher risk/ potentially higher returns | | | | | 0.85% (incl. GST) | 0.25%/0.25% |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| | | | | | | | | | |

* Note: The Fund has been in existence for less than 5 years. Market index returns have been used to calculate the risk indicator for the period 31 December 2019 to 31 December 2024. The risk indicator may therefore provide a less reliable indicator of the Fund's future volatility.

¹ Buy/sell spreads are as at the date of this PDS and are indicative only. For the most up to date buy/sell spreads see www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/.

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-kickstarter.

Who manages the Pella Investment Funds?

FundRock is the manager of the Scheme.

See section 7, “Who is involved?” for more information.

How can you get your money out?

Investments in the Fund are redeemable on request. We may suspend or defer redemptions if we determine this is in the best interests of investors generally. We may also suspend redemptions 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, “How does this investment work?” for more information.

Your investment in the Fund can be sold but there is no established market for trading this financial product. 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 www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate.

See section 6, “What taxes will you pay?” 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 www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/. 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 Scheme, which is a managed investment scheme established under a trust deed ("Trust Deed").

The money you invest buys Units. Units do not constitute legal ownership of the Fund's assets but give you rights to the returns of the assets.

Pella Funds Pty Limited (ABN 65 650 744 791) is the investment manager ("Investment Manager" or "Pella") of the Scheme. The Fund will invest in a portfolio of listed equity securities selected by the Investment Manager in accordance with the Statement of Investment Policy and Objectives ("SIPO") and its responsible investment policy.

The price of each Unit you receive depends on the value of the Fund at the time you invest and any buy spread that applies. 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 normally calculated each business day.

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. No assets of the Fund will be available to be applied to meet the liabilities of any other fund (if any) in the Scheme.

Public Trust is the supervisor ("Supervisor") of the Scheme and, in that role, monitors and supervises our management of the Fund. The assets of the Fund are held in independent custody by BNP Paribas Fund Services Australasia Pty Limited who has been appointed by the Supervisor.

The significant benefits of investing in the Fund are:

- The potential to generate capital growth over the medium to long term through an actively managed portfolio of global equities that applies several responsible investing approaches.
- Access to the investment expertise of the Investment Manager, who has a track record of applying this philosophy since 2004.
- Diversified global exposure across businesses that Pella considers high-quality, reducing reliance on any single economy or sector.
- Access to a high-conviction and diversified portfolio that individual investors usually cannot achieve by investing directly into securities themselves.
- A disciplined investment strategy focused on identifying cash flow-generative companies with what Pella considers strong growth prospects and attractive valuations.
- Risk management that balances growth and valuation using Pella's proprietary valuation-growth model to ensure reasonable pricing.
- Access to an investment manager that actively engages with portfolio companies to improve their ESG credentials.
- Generally, you can add to or withdraw your investment daily.

The return on your investment comes from any increase or decrease in the unit price of the Fund.

The Fund in this PDS does not currently distribute income or capital gains but may elect to do so in the future. If the Fund does elect to distribute income or capital gains, then a component of your return will also come from these distributions. Any income or capital gains will currently be included in the unit price calculated for the Fund.

The Investment Manager's Responsible Investing Strategy

In managing the Fund, the Investment Manager considers the impact of environmental, social, governance ("ESG") and ethical risks when selecting, retaining, or realising the investments of the Fund.

The Investment Manager incorporates several responsible investing approaches when managing the Fund. These include:

- ESG integration.
- Negative/exclusion screening.
- Norms-based screening.
- Sustainability-themed.
- Stewardship.

For more information on the Investment Manager's exclusion list and policies relating to stewardship, and proxy voting, see its website at www.pellafunds.com.

For more information on how the Fund invests, see the SIPO.

The Investment Manager reports annually and monthly on its responsible investing outcomes. The latest Responsible Investment Report can be found on its website at [Responsible Investing Report | Pella Funds](#). As at the date of this PDS, the annual Responsible Investing Reports available on the website relate to the Investment Manager's responsible investing activities in other funds that it manages and not the Fund, because it was not in existence before the release of the last report in 2024.

Making investments

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

The minimum initial investment for the Fund is \$25,000. Thereafter, the minimum additional investment is \$5,000. These minimum amounts may be varied or waived at our discretion. If you are investing through a wrap platform the minimums may be lower than those stated in this PDS.

When you make an application into the Fund, we will apply your investment at the unit price for the Fund.

A 'Valuation Time' is a day on which the Fund's Net Asset Value is calculated for the purposes of unit pricing, which generally will be every business day in New Zealand.

If an application is received and accepted before the cut-off time of the Fund on a Valuation Time, Units will be issued at the issue price determined as at the end of that Valuation Time (unless we determine otherwise at our discretion). If an application is received and accepted at or after the cut-off time on a Valuation Time, Units will be issued at the issue price determined as at the end of the following Valuation Time (unless we determine otherwise at our discretion). The cut-off time for the receipt of applications and cleared funds for a Fund is currently 2pm New Zealand time.

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. Payment will normally be made within 15 business days of our receiving a redemption request from you.

When you redeem all or part of your investment from the Fund, we will redeem your investment at the unit price for the Fund, adjusted for any applicable sell spread for the Fund. If a redemption is received and accepted before the cut-off time of the Fund on a Valuation Time, Units will be redeemed at the redemption price determined as at the end of that Valuation Time (unless we determine otherwise at our discretion). If a redemption is received and accepted at or after the cut-off time on a Valuation Time, Units will be redeemed at the redemption price determined as at the end of the following Valuation Time (unless we determine otherwise at our discretion). The cut-off time for the receipt of redemption requests for the Fund is currently 2pm New Zealand time.

We reserve the right to refuse a redemption request for less than \$5,000 worth of Units or a redemption request that would result in you holding less than \$5,000 worth of Units (except where all of your Units are to be redeemed).

We may also either defer or suspend Fund withdrawals.

Fund redemptions may be deferred if:

- we receive one or more redemption requests, within 60 business days, totalling more than 10% of the Fund's Units on issue, and
- we consider deferral to be in the general interests of all Fund investors.

Fund redemptions may be suspended in accordance with the Trust Deed in a number of circumstances if we believe allowing investors to take their money out would not be practicable or would materially prejudice investors generally. For instance, suspension could apply if we decide to wind up a Fund, or we are unable to realise Fund holdings. If withdrawals are suspended and you submit a withdrawal request, we will not process it until the suspension is lifted.

In the case of either a deferral or suspension, investors will receive the redemption price applicable at the end of the deferral or suspension period (or redemption prices in the case of deferred redemptions which are paid out over a period of time). In the case of either a deferral or suspension, it also means that there may be a delay in you getting your money out of the investment.

More information about deferrals and suspensions can be found in the Other Material Information ("OMI") document for the Scheme and in the Trust Deed.

3. Description of your investment option

| Fund | Summary of investment objectives and strategy | Target investment mix | Risk category* | Minimum suggested investment timeframe |
|-----------------------------------|---|---|----------------|--|
| Pella Global Generations PIE Fund | <p>The Fund's investment objective is to obtain returns greater than the Benchmark and with lower volatility than the Benchmark, over the medium to long term, subject to the Investment Manager's responsible investing policies.</p> <p>The Investment Manager believes it is possible to consistently generate excess returns by creating a diversified portfolio of highly cash flow generative companies with favourable outlooks that are trading at attractive valuations.</p> | <p>Global equities – 95%</p> <p>Cash – 5%</p> | 5 | 5 years |

* Note: The Fund has been in existence for less than 5 years. Market index returns have been used to calculate the risk indicator for the period 31 December 2019 to 31 December 2024. The risk indicator may therefore provide a less reliable indicator of the Fund's future volatility.

We can make changes to the Scheme's SIPO in accordance with the Trust Deed and the Financial Markets Conduct Act 2013 ("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 Scheme's annual report. The most current SIPO for the Scheme can be found on the scheme register at www.disclose-register.companiesoffice.govt.nz.

Further information about the assets in the Fund can be found in the fund updates at www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/.

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 may be 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 31 December 2024. 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:

Concentration risk: The Fund's typical portfolio holdings of 30 to 50 stocks represent some investment concentration. The lower the number of stocks, the higher the concentration and, in turn, the higher the potential volatility.

Individual investment risk: Investments to which the Fund is exposed, like shares on a stock exchange, can (and do) fall in value for many reasons, such as changes in a company's internal operations or management, or in its business environment.

International investing risk: The Fund invests in international assets, which may give rise to currency exposure. There is a risk that currency fluctuation may adversely impact the value of international stock positions. For example, if the New Zealand dollar falls, the value of international investments expressed in New Zealand dollars can increase and has the potential to increase the value of the Fund's investments. Conversely, if the New Zealand dollar rises, the value of international investments expressed in New Zealand dollars can decrease and this has the potential to reduce the value of the Fund's investments. The Investment Manager does not currently intend to hedge the Fund's currency risk exposure.

Interest rate risk: Changes in interest rates may also adversely affect the value or profitability of the assets of the Fund. Changes in the general level of interest rates may impact the Fund's profitability. Interest rates are highly sensitive to many factors beyond the control of the Fund, including, but not limited to, governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits and regulatory requirements.

Other specific risks

Integrated financial product risk: An integrated financial product is one that incorporates non-financial factors alongside financial factors when making investment decisions. The Fund takes into account certain non-financial responsible investment considerations when making investment decisions, as explained in Section 2 of this PDS. The Fund takes these considerations into account to pursue a certain responsible investing goals (including carbon intensity, MSCI ESG rating and positive impact themes) and aims to exclude companies involved in particular business practices. Taking these responsible investment considerations into account may affect a Fund's investment performance and, as such, the Funds may perform differently compared to similar funds that do not take such considerations into account. There is a risk that the Funds may not achieve their carbon intensity goal, MSCI ESG rating or positive impact, or may not exclude companies involved in particular business practices. In this case, the Funds may not deliver the intended outcomes for those investors who invested in the Funds for these reasons.

Further general information on risks (such as fund risk, key person risk and regulatory risk) is contained in the OMI which can be found on the offer register at 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 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.
- One-off fees (currently none).

Annual Fund Charges (% of net asset value)

| Fund | Total Annual Fund Charges* (Including GST) (Estimated, % of the Fund's net asset value) |
|-----------------------------------|---|
| Pella Global Generations PIE Fund | 0.85% |

* Total Annual Fund Charges include an estimate of GST on fees and expenses, where applicable.

The charges outlined above are estimates and include our best estimates of all normal day-to-day fund costs and expenses including the following:

Annual fund charges:

- the management fee paid to us and the investment management fee paid to the Investment Manager;
- the Supervisor's fee;
- 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 the Fund; and
- custody costs.

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

GST

The GST treatment of each of these components varies. For example, GST is currently charged at 15% on the audit fee, while custody fees are an exempt supply for the purposes of GST. These percentages vary, and may change in the future, which is why GST has been estimated.

Trading costs

Buy/sell spreads - when you buy or sell units in the Fund, any buy or sell spread applicable at that time will be a cost to you. The buy spread is added to the unit price on entry to the Fund, and the sell spread is deducted from the unit price on exit from the Fund. The buy/sell spreads belong to the Fund and are not fees paid to us or the Investment Manager. The purpose of buy/sell spreads is to make sure that any transaction costs incurred as a result of an investor buying or selling Units in the Fund are borne by that investor, and not by other investors in the Fund. There is no GST charged on buy/sell spreads. We aim to set buy/sell spreads at levels which reflect expected trading costs. Buy/sell spreads in the table below are as at the date of this PDS and are indicative.

| Fund | Buy spread | Sell spread |
|-----------------------------------|------------|-------------|
| Pella Global Generations PIE Fund | 0.25% | 0.25% |

We may change the buy/sell spreads from time to time to reflect the latest trading costs and market conditions. In stressed market conditions, buy/sell spreads may materially increase. For the most up to date buy/sell spreads see www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/.

There are no other one-off fees currently being charged to investors in the Fund offered under this PDS.

Example of how fees apply to an investor

Anthony invests \$25,000 in the Fund.

He is charged a buy spread of 0.25%. This brings the starting value of his investment to \$24,937.50.

He is charged management and administration fees, which work out to about \$211.97 (0.85% of \$24,937.50). These fees might be more or less if his account balance has increased or decreased over the year.

Estimated total fees for the first year

Trading costs² (buy spread): \$62.50
Fund charges: \$211.97

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

The fees can be changed

We can change fees from time to time. We can also add new fees. We may waive or decrease a management fee without notice. We may increase the management fee, or start charging additional fees, by giving you at least three months' notice. The rules about fee changes are in the Trust Deed, which can be found on the scheme register at www.disclose-register.companiesoffice.govt.nz.

We 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 on the offer register at www.disclose-register.companiesoffice.govt.nz.

6. What taxes will you pay?

The Fund is a PIE. The amount of tax you pay is based on your PIR. To determine your PIR, go to 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 Inland Revenue. It is your responsibility to tell us 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.

7. Who is involved?

About FundRock NZ Limited

FundRock is the Manager of the Scheme. Our contact details are below.

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

Telephone: (04) 499 9654
Email: contact@fundrock.com

Who else is involved?

| Title | Name | Role |
|------------|--------------|--|
| Supervisor | Public Trust | Supervisor of the Scheme under the FMC Act. Responsible for supervising us as the Manager of the Scheme. |

² Based on the indicative buy spread in this PDS. For the most up to date buy/sell spreads see www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/.

| | | |
|--------------------|---|---|
| Custodian | BNP Paribas Fund Services Australasia Pty Ltd | Appointed by Public Trust, as Supervisor, to hold the assets of the Fund on behalf of investors. |
| Investment Manager | Pella Funds Pty Limited | Defines the Fund's investment mandate and reviews the mandate and is responsible for making recommendations and decisions about what the Fund invests in. The Investment Manager is also responsible for sales, marketing and client relationship management to support the Fund. |
| Administrator | Apex Investment Administration (NZ) Limited | Appointed by us to manage core administration functions including unit pricing and fund accounting. |
| Registry Manager | Apex Investment Administration (NZ) Limited | Appointed by us to manage the fund registry functions. |

8. How to complain

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

FundRock NZ Limited
Level 2, Woodward House
1 Woodward Street
PO Box 25003
Wellington 6140

Telephone: (04) 499 9654
Email: contact@fundrock.com

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
Private Bag 5902
Wellington 6140

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

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 2, Solnet House
70 The Terrace
PO Box 10-845
Wellington 6143

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

The Supervisor is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited ("FSCL") - A Financial Ombudsman Service. 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 - A Financial Ombudsman Service
PO Box 5967
Wellington 6140

The FSCL scheme is an independent external ombudsman and dispute resolution service that has been approved by the Minister of Consumer Affairs under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

9. Where you can find more information

Further information relating to the Pella Investment Funds is available on the offer register and the scheme register at www.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 you can request an extract of those documents, by making a written request to us. |
| Fund updates | The fund updates for the Fund are publicly available from our website and can be requested from us. |

If you invest directly into the Fund, we will send you confirmation information relating to your transactions when Units are issued to you, as well as when you withdraw or transfer your Units and make available to you an annual report in respect of the Scheme.

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 will also be asked to confirm your IRD number and PIR.

You can find general information about the Fund and us on our website www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/.

10. How to apply

If you are making an investment directly with us, then you will be required to complete the application form, which can be obtained from us, and send it to:

FundRock NZ Limited
PO Box 25003
Wellington 6140

Email: contact@fundrock.com

You can also apply to invest in the Fund through approved investment administration and custodial service platforms (also known as “wrap platforms” or “PIE investor proxies”). Many adviser groups and distributors prefer using wrap platforms in providing services to their clients. When reading this PDS you should remember that if your investments are purchased through a wrap platform they will be held by a custodian on your behalf. In that case you should refer to the wrap platform's service terms and relevant material for how you may invest in the Fund. The terms of these wrap platform services are separate and independent to the offer of the Fund under this PDS. Please take time to read this PDS and other information contained on the scheme register (www.disclose-register.companiesoffice.govt.nz) before making your investment decision.