

Important Information

THE INFORMATION UNDER THIS SECTION IS REQUIRED UNDER THE SECURITIES ACT 1978. INVESTMENT DECISIONS ARE VERY IMPORTANT. THEY OFTEN HAVE LONG-TERM CONSEQUENCES. READ ALL DOCUMENTS CAREFULLY. ASK QUESTIONS. SEEK ADVICE BEFORE COMMITTING YOURSELF.

CHOOSING AN INVESTMENT

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

ENGAGING A FINANCIAL ADVISER

A financial adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk. The written statement should contain important information about the adviser, including:

- :: Relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- :: What types of investments the adviser gives advice about; and
- :: Whether the advice is limited to investments offered by one or more particular financial institutions; and
- :: Information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- :: Any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- :: The nature and level of the fees you will be charged for receiving the advice; and
- :: Whether the adviser will or may receive a commission or other benefit from advising you.

A financial adviser commits an offence if he or she does not provide you with the information required.

GLOSSARY

A detailed Glossary is set out at the back of this Investment Statement on page 54. Words that appear initially in **bold italics** under each section are defined in the Glossary. Some **bolded** words are also defined in the text in specific situations. In addition, the Glossary contains definitions of some other words that are commonly used in the finance industry which you may find helpful in making your investment decisions.

Welcome to the Assyst Portfolio Service (APS)

THE ASSYST PORTFOLIO SERVICE ENABLES A PERSONALISED INVESTMENT STRATEGY

*In conjunction with advice from a **financial adviser**, the APS enables you to implement investment strategies tailored to meet your unique needs as they change over time. Experience has shown that almost everyone can benefit from developing and implementing an investment strategy in conjunction with advice from an experienced professional financial adviser.*

THE ASSYST PORTFOLIO SERVICE OFFERS A RANGE OF CAREFULLY RESEARCHED PORTFOLIOS

Once your investment strategy is determined, it can be implemented through a range of carefully researched investment portfolios in the APS.

The APS is designed to fit the needs of New Zealanders, taking into account their varying investment time frames, attitudes towards risk, cash flow needs and taxation positions. The Portfolios available within the APS cover Short-Term Income, Future Income, Maintaining Capital and Future Growth and are available as tax-effective PIEs.

INVESTMENT WITH RESEARCHED, RESPECTED GLOBAL INVESTMENT MANAGERS

Under guidance provided by the Co-ordinating Manager (whose details are set out on page 3), each of the Portfolios in the APS is managed by one or more specialist investment managers.

These specialist investment managers are selected and monitored by the Co-ordinating Manager. The use of these specialist investment managers provides the APS Portfolios access to some of the world's best investment managers.

APS uses this approach in order to gain access to expertise, to ensure diversification across investment management styles and to reduce the risk of having its assets managed by just a few managers.

It is important that you understand that the value of any investment in a Portfolio can rise and fall, and that it is possible that you may experience a permanent loss of capital. Accordingly, there is no promise or guarantee made by any person as to the performance of any investment, the achievement of your financial goals or the return of any money invested. For more information on the risks associated with investing in the Portfolios, please see the section headed "What are my risks?".

The Co-ordinating Manager

NEW ZEALAND FUNDS MANAGEMENT LIMITED (**NZ FUNDS MANAGEMENT**) IS THE CO-ORDINATING MANAGER OF THE APS PORTFOLIOS. IT IS ALSO THE MANAGER, ISSUER AND PROMOTER OF EACH PORTFOLIO FOR THE PURPOSES OF THE SECURITIES ACT 1978. AS CO-ORDINATING MANAGER, NZ FUNDS MANAGEMENT IS PRINCIPALLY RESPONSIBLE FOR THE DAY-TO-DAY MANAGEMENT AND OVERSIGHT OF EACH PORTFOLIO, INCLUDING THE IMPLEMENTATION OF INVESTMENT STRATEGIES AND THE SELECTION OF SPECIALIST INVESTMENT MANAGERS.

NZ Funds Management is a privately owned investment management organisation. Since its formation in 1988, NZ Funds Management has been helping New Zealand individuals, families and trusts manage and build their personal wealth.

NZ Funds Management has grown by maintaining a singular focus on providing high-quality investment portfolio solutions to New Zealanders in conjunction with a select group of professional *financial advisers*.

As an organisation privately owned by its senior management, NZ Funds Management has developed a culture that attracts, motivates and retains outstanding people. It is this human capital which provides the constant innovation that drives NZ Funds Management.

For more information about the Co-ordinating Manager, visit the website at www.assyst.co.nz/managers.html

APS Philosophy

THE APS PHILOSOPHY IS BUILT ON A BELIEF THAT NEW ZEALANDERS CAN IMPROVE THEIR FINANCIAL WELLBEING BY HAVING A CUSTOMISED **FINANCIAL PLAN** WHICH IS BOTH UNDERSTANDABLE AND LOGICAL, AND BY INVESTING THROUGH PORTFOLIOS WHICH ARE SPECIFICALLY DESIGNED TO MEET THE NEEDS AND GOALS OF THAT PLAN.

THE PHILOSOPHY BEHIND THE APS IS BASED ON THE FOLLOWING:

1. ROLE OF YOUR FINANCIAL ADVISER

The Portfolios are intended to be used in conjunction with a documented **financial plan** that focuses on your lifestyle needs and financial goals. Such a plan can be prepared by a professional **financial adviser**.

2. PORTFOLIOS BUILT WITH PURPOSE

The Portfolios are designed to meet the requirements of the needs category in which you are placed. Each needs category is designed to address the different investment requirements of New Zealanders.

3. ACTIVE INVESTMENT MANAGEMENT

The Portfolios are overseen using NZ Funds Management's proprietary investment approach: Absolute Returns through Mitigation of Risk or ARMOR. This is an active investment management approach.

4. RANGE OF SPECIALIST INVESTMENT MANAGERS

In addition to NZ Funds Management, the Portfolios may use specialist investment managers selected and monitored by NZ Funds Management. The use of the specialist investment managers provides the Portfolios with access to some of the world's best investment managers.

5. PORTFOLIO TRANSPARENCY

We believe it is important to know what your capital is invested in and in what proportions. Through its website, NZ Funds Management provides what we believe is an unparalleled level of investment transparency.

6. PORTFOLIO INVESTMENT ENTITIES

Each Portfolio is a **Portfolio Investment Entity (PIE)** for New Zealand tax purposes. PIEs enable you to take advantage of a range of tax benefits not otherwise available either directly or through other types of funds. Further information on the tax treatment of PIEs is set out in the section headed "*What returns will I get?*".

7. SIMPLICITY OF A SINGLE ACCOUNT

The APS provides you with access to a range of different Portfolios via the simplicity of a single application form and account.

ROLE OF YOUR FINANCIAL ADVISER

Key to the APS philosophy is the role of your **financial adviser**. As the APS Co-ordinating Manager, NZ Funds Management strongly encourages you to work with a professional financial adviser to develop a **financial plan** based on your lifestyle needs and financial goals before you make any investment. Make sure that you engage a financial adviser with whom you feel comfortable. A successful financial plan is highly dependent on the amount of information supplied by you to your financial adviser.

You are also encouraged to regularly review your financial plan in conjunction with your financial adviser. This review should examine your lifestyle needs, financial goals and your investment outcomes, as well as considering the time frames, **volatility** and **risk** of the Portfolios in which you have invested in. This regular review process will help you assess whether your financial plan and the Portfolios in which you are invested remain appropriate for you. Following this review, it may be appropriate for you to alter your investment in the Portfolios or redeem from the Portfolios altogether.

PORTFOLIOS BUILT WITH PURPOSE

The Portfolios and NZ Funds Management's investment approach aim to bridge the gap between how investment markets operate and how New Zealanders, who invest in those markets, think and behave.

A professional **financial adviser** can help you to define your lifestyle needs and financial goals and align these to appropriate investment categories based on the objectives of each needs category.

NZ Funds Management as Manager of the APS Portfolios uses an **active investment management** approach when managing the APS Portfolios to meet the needs categories' objectives. More information is set out in the table below:

NEEDS CATEGORY	OBJECTIVE	PORTFOLIO MANAGEMENT APPROACH
SHORT-TERM INCOME	To provide you with a stable source of capital which is available at short notice to meet your short-term living expenses and provide a contingency for emergencies.	To invest in income-orientated assets that can be readily redeemed or sold using an active investment management approach.
FUTURE INCOME	To provide you with an allocation of capital available to meet your anticipated lifestyle over the near term.	To primarily invest in income-orientated assets using an active investment management approach.
MAINTAINING CAPITAL	To mitigate the impact of inflation on your capital over the medium and/or long term.	To primarily invest in income-orientated assets and growth-orientated assets using an active investment management approach.
FUTURE GROWTH	To seek to grow your capital over the long term to provide for your future needs and goals.	To primarily invest in income-orientated assets and long-term growth-orientated assets using an active investment management approach.

ACTIVE INVESTMENT MANAGEMENT

The Portfolios are actively managed.

NZ Funds Management's unique **active investment management** approach is called Absolute Returns through Mitigation of Risk or ARMOR. This approach aims to maintain a balance between preservation of capital and pursuit of investment returns.

Preservation of capital does not mean that you will not experience losses or negative returns. NZ Funds Management's active investment management approach seeks to mitigate a permanent loss of capital or negative returns over time. However, it may or may not be always possible to achieve this.

In order to implement its active investment management approach, the Manager in its sole discretion may undertake certain actions. The actions may include, but are not limited to, altering the proportion invested in each **asset class**, altering the manner in which a Portfolio is exposed to each asset class by investing, directly or indirectly, in **derivatives** and **collective investment vehicles**, or by applying **hedging**, taking **short positions** and using **leverage**.

The active investment management approach means that the returns and capital stability of a Portfolio may deviate significantly from the returns and capital stability of the underlying asset classes utilised, and any benchmark index used to measure the underlying asset classes' investment performances.

For more information on the risks associated with active investment management, please refer to the section entitled "What are my risks?".

Understanding time frame, volatility and risk

TIME FRAME

Time frame is defined as the length of time that you should remain invested in a Portfolio in order to improve the probability of achieving the Portfolio's stated objective and that of the corresponding needs category.

In general, the more **volatile** a Portfolio, the longer the estimated time frame for which you should invest. This is because, over longer time frames, you are more likely to achieve an average level of volatility, which should result in a more reliable outcome.

Each Portfolio has a time frame. The Manager endeavours to manage the Portfolios so that the time frame of each Portfolio is consistent with the stated objective.

The Manager endeavours to ensure that the Short-Term Income needs category has the shortest time frame, with time frames progressively increasing so that the Future Growth needs category has the longest investment time frame as illustrated in the graph on page 8.

When considering an investment, it is important to understand that the actual time frame required for you to achieve the stated objective of a needs category and corresponding Portfolio may be shorter or longer than the suggested time frame. There is also the potential that any or all of the Portfolios may not achieve their stated objectives over any time frame.

NZ Funds Management's **active investment management** approach can have either a positive or negative impact on the time frame associated with investing in a Portfolio.

VOLATILITY

Volatility is defined as the fluctuation in the value of a **security** both up and down. A security that rapidly changes in value is considered to have high volatility. Conversely, a security that has little variation in value is considered to have low volatility.

Volatility is reflected in an increase or decrease in the unit price of a Portfolio and, as such, volatility can have a positive or a negative impact on your investment. Where volatility has a negative impact, this does not necessarily mean that you will experience a permanent loss of capital, but this can occur if the unit price of a Portfolio does not recover, or if you do not remain invested.

Each Portfolio has volatility. The Manager endeavours to manage the Portfolios so that the level of volatility of each Portfolio is consistent with its stated objective. The Manager endeavours to ensure that the Short-Term Income investment category has the lowest level of volatility, with volatility progressively increasing so that the Future Growth investment category has the highest level of volatility as illustrated in the graph on page 8.

When considering an investment, it is important to understand that the volatility of a Portfolio is not constant. None of the Portfolios is immune from a sudden increase in volatility. Portfolios that have historically exhibited a low level of volatility may experience a sudden increase in volatility. This increases the probability of a permanent loss of your capital.

NZ Funds Management's **active investment management** approach can have either a positive or negative impact on the volatility of a Portfolio.

RISK

Risk is defined as the probability of loss of some or all of an investment. An investment that has a high probability of loss of some or all of the investment is defined as having high risk. Conversely, an investment that has a low probability of loss of some or all of the investment is defined as having low risk.

Each Portfolio has risk. The Manager endeavours to manage the Portfolios so that the level of risk of each Portfolio is consistent with its investment objectives. The Manager endeavours to ensure that the Short-Term Income investment category has the lowest level of risk, with risk progressively increasing so that the Future Growth investment category has the highest level of risk as illustrated in the graph on this page.

When considering an investment, it is important to understand that risk, or the probability of loss of some or all of an investment, is not constant. None of the Portfolios is immune from a sudden increase in risk. Portfolios that have historically exhibited a low level of risk may experience a sudden increase in risk. This increases the probability of a permanent loss of your capital.

NZ Funds Management's **active investment management** approach can have either a positive or a negative impact on the risks associated with investing in a Portfolio.

For more information on the risks associated with investing in the Portfolios, refer to the section entitled "What are my risks?".

The relationship between time frame, volatility and risk in the context of APS is illustrated in the following graph.

TIME FRAME, VOLATILITY AND RISK

				<ul style="list-style-type: none"> :: Global Absolute Returns Portfolio :: Debt Opportunities Portfolio :: Dividend Income Portfolio :: APS Growth Portfolio :: APS Diversified Growth Portfolio :: APS Balanced Growth Portfolio 	USUALLY MORE VOLATILITY AND RISK ↑ VOLATILITY AND RISK ↓ USUALLY LESS VOLATILITY AND RISK
10 YEARS +			<ul style="list-style-type: none"> :: Defensive Global Shares Portfolio :: Diversified High Grade Property Portfolio :: Inflation Plus Portfolio 		
5 YEARS +		<ul style="list-style-type: none"> :: Australian Enhanced Yield Portfolio :: Global Income Portfolio :: Select Income Portfolio 			
2 YEARS +	<ul style="list-style-type: none"> :: Diversified Cash Portfolio :: The Cash Portfolio 				
1 MONTH +					
	SHORT-TERM INCOME PORTFOLIOS	FUTURE INCOME PORTFOLIOS	MAINTAINING CAPITAL PORTFOLIOS	FUTURE GROWTH PORTFOLIOS	

YOUR FINANCIAL ADVISER CAN HELP YOU WITH TIME FRAME, VOLATILITY AND RISK

You are encouraged to discuss your time frame, **volatility** and **risk** and preferences with a **financial adviser** before making an investment. A professional financial adviser can help you assess what level of volatility and risk you are comfortable with and discuss investment time frames with you.

The Portfolios

All of the APS Portfolios are New Zealand unit trusts that have elected **PIE** tax status. They are governed by the Unit Trusts Act 1960.

When considering an investment, it is important to understand that a holding in a Portfolio represents a proportionate holding in the underlying assets of the Portfolio. This is not the same as direct ownership of the underlying assets. Instead the money you invest into a Portfolio is pooled with that of other clients. That pooled money is used to purchase assets.

Your money purchases a certain number of units at a certain price per unit, called a unit price. As the Portfolios typically accept ongoing applications and withdrawals, your proportionate allocation in the units of the Portfolio and in the underlying assets is likely to change.

The performance of your investment in a Portfolio is measured by the rise or fall of the unit price and any distributions made. In general, as the underlying assets increase or decrease in value, so too will the unit price of each unit in that Portfolio.

The Manager regularly produces detailed portfolio information for **financial advisers** regarding the asset composition of each of the Portfolios. You can obtain details of the most recently available asset composition from your financial adviser, or from NZ Funds Management.

A brief description of each Portfolio is set out in the section headed "*Who is involved in providing it for me?*".

What sort of investment is this?

THIS INVESTMENT STATEMENT CONTAINS AN OFFER OF UNITS IN THE PORTFOLIOS LISTED BELOW.
THE PORTFOLIOS ARE NEW ZEALAND UNIT TRUSTS THAT HAVE ELECTED **PIE** TAX STATUS.

- :: *Diversified Cash Portfolio*
- :: *The Cash Portfolio*
- :: *Select Income Portfolio*
- :: *Global Income Portfolio*
- :: *Australian Enhanced Yield Portfolio*
- :: *Inflation Plus Portfolio*
- :: *Diversified High Grade Property Portfolio*
- :: *Defensive Global Shares Portfolio*
- :: *APS Balanced Growth Portfolio*
- :: *APS Diversified Growth Portfolio*
- :: *APS Growth Portfolio*
- :: *Dividend Income Portfolio*
- :: *Debt Opportunities Portfolio*
- :: *Global Absolute Returns Portfolio*

Each Portfolio is discussed in more detail in the following pages. More information about the offer and each Portfolio is set out in the Prospectuses.

Who is involved in providing it for me?

KEY PROVIDERS

TRUSTEE

Perpetual Trust Limited
Level 12, AMP Centre
29 Customs Street West
Auckland

Perpetual Trust Limited is the Trustee of all the Portfolios. The Trustee is responsible for holding the assets of the Portfolios.

MANAGER AND PROMOTER

New Zealand Funds Management Limited
Level 18, ANZ Centre
23 – 29 Albert Street
Auckland

NZ Funds Management is the Manager, issuer and promoter of each of the Portfolios. As Manager, NZ Funds Management is principally responsible for the day-to-day management of each Portfolio, including the implementation of investment strategies and the promotion of each Portfolio. NZ Funds Management has been an investment manager since 1988.

Richard James, Michael Lang and Lisa Jacobs are the directors of NZ Fund Management.

ADMINISTRATION MANAGER

New Zealand Administration Services Limited
Level 18, ANZ Centre
23 – 29 Albert Street
Auckland
Phone: (09) 377 2277 (Auckland) or (0508) 733 337 (ex-Auckland)

New Zealand Administration Services Limited is the Administration Manager of the Portfolios. As Administration Manager, it is responsible for the day-to-day administration of the Portfolios, including maintaining the register of unit holders. The Administration Manager is a wholly owned subsidiary of NZ Funds Management. Richard James is also a director of the Administration Manager.

Changes to this Investment Statement

Important changes may be made to this Investment Statement from time to time. You can obtain a copy of the latest Investment Statement and the Prospectus at any time by asking your **financial adviser** or the Administration Manager, whose contact details are set out above. A copy of the latest Investment Statement is also available at www.assyst.co.nz/docs/APS_IS.pdf

Important information about the Portfolios

:: THE VALUE OF ANY UNITS HELD IN A PORTFOLIO CAN RISE AND FALL

It is important that you understand that the value of any investment in a Portfolio can rise and fall, and that it is possible that you may experience a permanent loss of capital. Accordingly, there is no promise or guarantee made by any person as to the performance of any investment, the achievement of your financial goals or the return of any money invested. For more information on the risks associated with investing in the Portfolios please see the section headed "What are my risks?".

:: HOW DO THE PORTFOLIOS INVEST?

NZ Funds Management's unique **active investment management** approach is called Absolute Returns through Mitigation of Risk or ARMOR. This approach aims to maintain a balance between preservation of capital and pursuit of investment returns.

In order to implement its active investment management approach, the Manager in its sole discretion may undertake certain actions. The actions may include, but are not limited to, altering the proportion invested in each **asset class**, altering the manner in which a Portfolio is exposed to each asset class by investing, directly or indirectly, in **derivatives** and **collective investment vehicles**, or by applying **hedging**, taking **short positions** and using **leverage**.

NAME, NATURE AND ESTABLISHMENT DATE OF EACH PORTFOLIO

The name, nature and establishment date of each Portfolio are set out below.

DIVERSIFIED CASH PORTFOLIO	
ESTABLISHMENT DATE	28 February 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit low risk and volatility characteristics.
NEEDS CATEGORY	Short -Term Income
INVESTMENT OBJECTIVE	To provide you with a stable source of capital which is available at short notice, to meet your short-term living expenses and provide a contingency for emergencies.
PORTFOLIO MANAGEMENT APPROACH	To invest in income-orientated assets that can be readily redeemed or sold, using an active investment management approach.
WHAT CAN THE DIVERSIFIED CASH PORTFOLIO INVEST IN?	<p>The Portfolio can invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions can be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "What are my risks?".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed "Important information about the Portfolios".

THE CASH PORTFOLIO

ESTABLISHMENT DATE	09 October 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit low risk and volatility characteristics.
NEEDS CATEGORY	Short-Term Income
INVESTMENT OBJECTIVE	To provide you with a stable source of capital which is available at short notice, to meet your short-term living expenses and provide a contingency for emergencies.
PORTFOLIO MANAGEMENT APPROACH	To invest in income-orientated assets that can be readily redeemed or sold, using an active investment management approach.
WHAT CAN THE CASH PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions can be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

SELECT INCOME PORTFOLIO	
ESTABLISHMENT DATE	04 June 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit medium risk and volatility characteristics.
NEEDS CATEGORY	Future Income
INVESTMENT OBJECTIVE	To provide you with an allocation of capital to meet your anticipated lifestyle over the near term.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in income-orientated assets using an active investment management approach.
WHAT CAN THE SELECT INCOME PORTFOLIO INVEST IN?	<p>The Portfolio can invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities :: Foreign currency <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions may be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "What are my risks?".</p>
OTHER KEY FEATURES	<p>The Portfolio may be leveraged. The maximum amount of leverage that may be used is up to two times the Portfolio's prevailing net asset value. The use of leverage is intended to reduce risk and/or enhance returns, but may also increase risk and/or losses. Further information on leverage is set out in the section headed "What are my risks?".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "Payment of redemption proceeds" in the section headed "How do I cash in my investment?".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed "Important information about the Portfolios".

GLOBAL INCOME PORTFOLIO

ESTABLISHMENT DATE	09 October 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit medium <i>risk</i> and <i>volatility</i> characteristics.
NEEDS CATEGORY	Future Income
INVESTMENT OBJECTIVE	To provide you with an allocation of capital to meet your anticipated lifestyle over the near term.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in <i>income-orientated assets</i> using an <i>active investment management</i> approach.
WHAT CAN THE GLOBAL INCOME PORTFOLIO INVEST IN?	<p>The Portfolio can invest in the following <i>asset classes</i>:</p> <ul style="list-style-type: none"> :: <i>Cash</i> :: <i>Government securities</i> :: <i>Debt securities</i> :: <i>Foreign currency</i> <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through <i>derivatives</i> or <i>collective investment vehicles</i>.</p> <p>Derivatives, collective investment vehicles or <i>short positions</i> can be used to increase or decrease an allocation to an asset class, for <i>hedging</i> exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER KEY FEATURES	<p>The Portfolio may be <i>leveraged</i>. The maximum amount of leverage that may be used is up to two times the Portfolio's prevailing <i>net asset value</i>. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "<i>What are my risks?</i>".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "<i>Payment of redemption proceeds</i>" in the section headed "<i>How do I cash in my investment?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

AUSTRALIAN ENHANCED YIELD PORTFOLIO	
ESTABLISHMENT DATE	09 October 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit medium <i>risk</i> and <i>volatility</i> characteristics.
NEEDS CATEGORY	Future Income
INVESTMENT OBJECTIVE	To provide you with an allocation of capital to meet your anticipated lifestyle over the near term.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in <i>income-orientated assets</i> using an <i>active investment management</i> approach.
WHAT CAN THE AUSTRALIAN ENHANCED YIELD PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following <i>asset classes</i>:</p> <ul style="list-style-type: none"> :: <i>Cash</i> :: <i>Government securities</i> :: <i>Debt securities</i> :: <i>Foreign currency</i> <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through <i>derivatives</i> or <i>collective investment vehicles</i>.</p> <p>Derivatives, collective investment vehicles or <i>short positions</i> can be used to increase or decrease an allocation to an asset class, for <i>hedging</i> exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER KEY FEATURES	<p>The Portfolio may be <i>leveraged</i>. The maximum amount of leverage that may be used is up to two times the Portfolio's prevailing <i>net asset value</i>. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "<i>What are my risks?</i>".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "<i>Payment of redemption proceeds</i>" in the section headed "<i>How do I cash in my investment?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

INFLATION PLUS PORTFOLIO

ESTABLISHMENT DATE	13 May 1999
RISK AND VOLATILITY	The Portfolio is likely to exhibit medium <i>risk</i> and <i>volatility</i> characteristics.
NEEDS CATEGORY	Maintaining Capital
INVESTMENT OBJECTIVE	To mitigate the impact of inflation on your capital over the medium and/or long term.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in <i>income-orientated assets</i> and <i>growth-orientated assets</i> using an <i>active investment management</i> approach.
WHAT CAN THE INFLATION PLUS PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following <i>asset classes</i>:</p> <ul style="list-style-type: none"> :: <i>Cash</i> :: <i>Government securities</i> :: <i>Debt securities</i> :: <i>Foreign currency</i> :: <i>Australasian shares</i> :: <i>Global shares</i> :: <i>Commodities</i> :: <i>Alternative securities</i> <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through <i>derivatives</i> or <i>collective investment vehicles</i>.</p> <p>Derivatives, collective investment vehicles or <i>short positions</i> can be used to increase or decrease an allocation to an asset class, for <i>hedging</i> exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER KEY FEATURES	<p>The Portfolio may be <i>leveraged</i>. The maximum amount of leverage that may be used is up to two times the Portfolio's prevailing <i>net asset value</i>. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "<i>What are my risks?</i>".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "<i>Payment of redemption proceeds</i>" in the section headed "<i>How do I cash in my investment?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

DIVERSIFIED HIGH GRADE PROPERTY PORTFOLIO	
ESTABLISHMENT DATE	09 October 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit medium <i>risk</i> and <i>volatility</i> characteristics.
NEEDS CATEGORY	Maintaining Capital
INVESTMENT OBJECTIVE	To mitigate the impact of inflation on your capital over the medium and/or long term.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in <i>income-orientated assets</i> and <i>growth-orientated assets</i> including listed property securities using an <i>active investment management</i> approach.
WHAT CAN THE DIVERSIFIED HIGH GRADE PROPERTY PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following <i>asset classes</i>:</p> <ul style="list-style-type: none"> :: <i>Cash</i> :: <i>Government securities</i> :: <i>Debt securities</i> :: <i>Foreign currency</i> :: <i>Australasian shares</i> :: <i>Global shares</i> :: <i>Alternative securities</i> <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through <i>derivatives</i> or <i>collective investment vehicles</i>.</p> <p>Derivatives, collective investment vehicles or <i>short positions</i> can be used to increase or decrease an allocation to an asset class, for <i>hedging</i> exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "What are my risks?".</p>
OTHER KEY FEATURES	<p>The Portfolio may be <i>leveraged</i>. The maximum amount of leverage that may be used is up to two times the Portfolio's prevailing <i>net asset value</i>. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "What are my risks?".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "Payment of redemption proceeds" in the section headed "How do I cash in my investment?".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed "Important information about the Portfolios".

DEFENSIVE GLOBAL SHARES PORTFOLIO	
ESTABLISHMENT DATE	13 May 1999
RISK AND VOLATILITY	The Portfolio is likely to exhibit medium <i>risk</i> and <i>volatility</i> characteristics.
NEEDS CATEGORY	Maintaining Capital
INVESTMENT OBJECTIVE	To mitigate the impact of inflation on your capital over the medium and/or long term.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in <i>income-orientated assets</i> and <i>growth-orientated assets</i> using an <i>active investment management</i> approach.
WHAT CAN THE DEFENSIVE GLOBAL SHARES PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following <i>asset classes</i>:</p> <ul style="list-style-type: none"> :: <i>Cash</i> :: <i>Government securities</i> :: <i>Debt securities</i> :: <i>Foreign currency</i> :: <i>Australasian shares</i> :: <i>Global shares</i> :: <i>Commodities</i> :: <i>Alternative securities</i> <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through <i>derivatives</i> or <i>collective investment vehicles</i>.</p> <p>Derivatives, collective investment vehicles or <i>short positions</i> can be used to increase or decrease an allocation to an asset class, for <i>hedging</i> exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER KEY FEATURES	<p>The Portfolio may be <i>leveraged</i>. The maximum amount of leverage that may be used is up to two times the Portfolio's prevailing <i>net asset value</i>. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "<i>What are my risks?</i>".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "<i>Payment of redemption proceeds</i>" in the section headed "<i>How do I cash in my investment?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

APS BALANCED GROWTH PORTFOLIO	
ESTABLISHMENT DATE	09 October 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit high risk and volatility characteristics.
NEEDS CATEGORY	Future Growth
INVESTMENT OBJECTIVE	To seek to grow your capital over the long term to provide for your future needs and goals.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in income-orientated assets and long-term growth-orientated assets using an active investment management approach.
WHAT CAN THE APS BALANCED GROWTH PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities :: Foreign currency :: Australasian shares :: Global shares :: Commodities :: Alternative Securities <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions can be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "What are my risks?".</p>
OTHER KEY FEATURES	<p>The Portfolio may be leveraged. There is no maximum amount of leverage that may be used. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "What are my risks?".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "Payment of redemption proceeds" in the section headed "How do I cash in my investment?".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed "Important information about the Portfolios".

APS DIVERSIFIED GROWTH PORTFOLIO

ESTABLISHMENT DATE	28 February 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit high risk and volatility characteristics. These characteristics are likely to be higher than those exhibited by the APS Balanced Growth Portfolio.
NEEDS CATEGORY	Future Growth
INVESTMENT OBJECTIVE	To seek to grow your capital over the long term to provide for your future needs and goals.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in income-orientated assets and long-term growth-orientated assets using an active investment management approach.
WHAT CAN THE APS DIVERSIFIED GROWTH PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities :: Foreign currency :: Australasian shares :: Global shares :: Commodities :: Alternative securities <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions can be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER KEY FEATURES	<p>The Portfolio may be leveraged. There is no maximum amount of leverage that may be used. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set in the section headed "<i>What are my risks?</i>".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "<i>Payment of redemption proceeds</i>" in the section headed "<i>How do I cash in my investment?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

APS GROWTH PORTFOLIO	
ESTABLISHMENT DATE	28 February 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit high risk and volatility characteristics. These characteristics are likely to be higher than those exhibited by the APS Diversified Growth Portfolio.
NEEDS CATEGORY	Future Growth
INVESTMENT OBJECTIVE	To seek to grow your capital over the long term to provide for your future needs and goals.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in income-orientated assets and long-term growth-orientated assets using an active investment management approach.
WHAT CAN THE APS GROWTH PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities :: Foreign currency :: Australasian shares :: Global shares :: Commodities :: Alternative securities <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions can be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "What are my risks?".</p>
OTHER KEY FEATURES	<p>The Portfolio may be leveraged. There is no maximum amount of leverage that may be used. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "What are my risks?".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "Payment of redemption proceeds" in the section headed "How do I cash in my investment?".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed "Important information about the Portfolios".

DIVIDEND INCOME PORTFOLIO

ESTABLISHMENT DATE 28 February 2008

RISK AND VOLATILITY The Portfolio is likely to exhibit high *risk* and *volatility* characteristics.

NEEDS CATEGORY Future Growth

INVESTMENT OBJECTIVE To seek to grow your capital over the long term to provide for your future needs and goals.

PORTFOLIO MANAGEMENT APPROACH To primarily invest in *income-orientated assets* and long-term *growth-orientated assets* including shares with an expected dividend yield using an *active investment management* approach.

WHAT CAN THE DIVIDEND INCOME PORTFOLIO INVEST IN? The Portfolio may invest in the following *asset classes*:

- :: *Cash*
- :: *Government securities*
- :: *Debt securities*
- :: *Foreign currency*
- :: *Australasian shares*
- :: *Global shares*

The Portfolio can hold the permitted asset classes in any proportion.

The Portfolio may not be diversified.

The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.

The Portfolio can invest in each asset class directly or indirectly through *derivatives* or *collective investment vehicles*.

Derivatives, collective investment vehicles or *short positions* can be used to increase or decrease an allocation to an asset class, for *hedging* exposures or for seeking to enhance returns.

Further information on derivatives and short positions is set out in the section headed "*What are my risks?*".

OTHER KEY FEATURES The Portfolio may be *leveraged*. There is no maximum amount of leverage that may be used. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "*What are my risks?*".

There are redemption restrictions on this Portfolio. Further information is set out under the subheading "*Payment of redemption proceeds*" in the section headed "*How do I cash in my investment?*".

OTHER IMPORTANT INFORMATION For more information on the Portfolio, please read the page headed "*Important information about the Portfolios*".

DEBT OPPORTUNITIES PORTFOLIO	
ESTABLISHMENT DATE	04 June 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit very high <i>risk</i> and <i>volatility</i> characteristics.
NEEDS CATEGORY	Future Growth
INVESTMENT OBJECTIVE	To seek to grow your capital over the long term to provide for your future needs and goals.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in <i>income-orientated assets</i> and long-term <i>growth-orientated assets</i> using an <i>active investment management</i> approach.
WHAT CAN THE DEBT OPPORTUNITIES PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following <i>asset classes</i>:</p> <ul style="list-style-type: none"> :: <i>Cash</i> :: <i>Government securities</i> :: <i>Debt securities</i> :: <i>Foreign currency</i> :: <i>Australasian shares</i> :: <i>Global shares</i> :: <i>Commodities</i> :: <i>Alternative securities</i> <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through <i>derivatives</i> or <i>collective investment vehicles</i>.</p> <p>Derivatives, collective investment vehicles or <i>short positions</i> can be used to increase or decrease an allocation to an asset class, for <i>hedging</i> exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "What are my risks?".</p>
OTHER KEY FEATURES	<p>The Portfolio may be <i>leveraged</i>. There is no maximum amount of leverage that may be used. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "What are my risks?".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "Payment of redemption proceeds" in the section headed "How do I cash in my investment?".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed "Important information about the Portfolios".

GLOBAL ABSOLUTE RETURNS PORTFOLIO	
ESTABLISHMENT DATE	09 October 2008
RISK AND VOLATILITY	The Portfolio is likely to exhibit very high risk and volatility characteristics.
NEEDS CATEGORY	Future Growth
INVESTMENT OBJECTIVE	To seek to grow your capital over the long term to provide for your future needs and goals.
PORTFOLIO MANAGEMENT APPROACH	To primarily invest in income-orientated assets and long-term growth-orientated assets using an active investment management approach.
WHAT CAN THE GLOBAL ABSOLUTE RETURNS PORTFOLIO INVEST IN?	<p>The Portfolio may invest in the following asset classes:</p> <ul style="list-style-type: none"> :: Cash :: Government securities :: Debt securities :: Foreign currency :: Australasian shares :: Global shares :: Commodities :: Alternative securities <p>The Portfolio can hold the permitted asset classes in any proportion.</p> <p>The Portfolio may not be diversified.</p> <p>The Portfolio's assets can be denominated in New Zealand dollars or foreign currencies.</p> <p>The Portfolio can invest in each asset class directly or indirectly through derivatives or collective investment vehicles.</p> <p>Derivatives, collective investment vehicles or short positions can be used to increase or decrease an allocation to an asset class, for hedging exposures or for seeking to enhance returns.</p> <p>Further information on derivatives and short positions is set out in the section headed "<i>What are my risks?</i>".</p>
OTHER KEY FEATURES	<p>The Portfolio may be leveraged. There is no maximum amount of leverage that may be used. The use of leverage is intended to reduce risk and/or enhance returns, but this may also increase risk and/or losses. Further information on leverage is set out in the section headed "<i>What are my risks?</i>".</p> <p>There are redemption restrictions on this Portfolio. Further information is set out under the subheading "<i>Payment of redemption proceeds</i>" in the section headed "<i>How do I cash in my investment?</i>".</p>
OTHER IMPORTANT INFORMATION	For more information on the Portfolio, please read the page headed " <i>Important information about the Portfolios</i> ".

How much do I pay?

To subscribe for units in a Portfolio, you must complete the Application Form attached to this Investment Statement. For more information on how to complete the Application Form, see the section headed "How do I apply?". The Application Form will be forwarded to the Administration Manager by your **financial adviser** (to the address set out in the section headed "Who is involved in providing it for me?").

SUBSCRIPTION AMOUNTS

An investment can be made by making lump-sum payments or regular contributions. You are free to choose when to invest and how much to invest, provided that your investment meets the prerequisites set out in this Investment Statement. There is no minimum subscription amount for an investment in a Portfolio.

The number of units issued for any subscription amount will depend on the issue price of units determined in accordance with the Trust Deed for the relevant Portfolio. The issue price is essentially the value of the Portfolio plus an amount not exceeding the Manager's estimate of the total costs of acquiring the assets of the Portfolio, divided by the number of units on issue in the Portfolio. Further details on the calculation of the issue price are set out in the Prospectus for the Portfolio.

You can invest in a Portfolio by way of a cheque drawn, or direct debit, from a bank account. All cheques should be made out to New Zealand Administration Services Limited and must be crossed "Account Payee Only". New Zealand Administration Services Limited will pass all subscription money through to the relevant Portfolio bank accounts held by the Trustee.

Payments should be made in New Zealand dollars. Payment in **foreign currency** will not be accepted unless the Manager agrees.

REGULAR CONTRIBUTIONS

You can choose to make regular contributions by direct debit to your investment in any Portfolio (other than the Debt Opportunities Portfolio and/or the Global Absolute Returns Portfolio) by regular fortnightly or monthly payments or as otherwise accepted by the Manager.

Regular contributions cannot be made to the Debt Opportunities Portfolio and/or the Global Absolute Returns Portfolio.

If you choose to make regular contributions, you will need to complete an Authority to Accept Direct Debits form which is included at the back of this Investment Statement.

You can discontinue a regular contribution to a Portfolio at any time by cancelling your Authority to Accept Direct Debits and giving written notice of the cancellation to the Administration Manager. The Manager in its sole discretion may accept alternative payment methods for regular contributions.

There is no obligation for you to make any ongoing regular payments once you have made your initial subscription. You may wish to add to your investment by making further lump-sum payments instead.

MAXIMUM HOLDING RESTRICTION

For the purposes of ensuring a Portfolio remains compliant with the **PIE rules**, the Manager may, from time to time, determine the maximum number of units (**Maximum Number of Units**), which you and/or your **associated persons** can hold in a Portfolio. The Maximum Number of Units will not be less than 5%, and will not exceed 20%, of the issued units in a Portfolio.

The Manager may write to you and request any information it considers necessary to enable it to determine whether you or your associated person(s) hold more than the Maximum Number of Units. If you receive such a request from the Manager, you must promptly provide the necessary information to the Manager. If, within a reasonable time of making such request, the Manager has not received a satisfactory response from you, the Manager may take the view that you, or your associated person's(s') holding, does put or may put the PIE tax status of a Portfolio at risk and the Manager may, in its absolute discretion, redeem from you or your associated person(s) any number of units it determines necessary.

Further details about the consequences of breaching the PIE rules are set out under the section headed "*What are my risks?*".

Other than as set out above, there are no maximum subscription restrictions on any Portfolio, although the Manager reserves the right to introduce or alter such a restriction for any Portfolio at any time. The Manager will notify you if it introduces a maximum subscription amount for a Portfolio in which you are invested.

ACCEPTANCE OF APPLICATION

The Manager can accept or reject any application for subscription at its own discretion. No reasons are required to be given if any application is rejected.

In addition, in certain circumstances, the Manager has the discretion to defer an application request for up to two business days before it is processed.

If the Manager is of the opinion that it is in the interests of existing investors in a Portfolio (other than Inflation Plus Portfolio and Defensive Global Shares Portfolio), the Manager may in its absolute discretion suspend accepting new applications for units in that Portfolio for a period of time it considers appropriate.

What are the charges?

This section sets out the types of charges that are, or may be, payable as a result of investing in a Portfolio.

Except where otherwise stated, all fees and expenses are paid out of the assets of the relevant Portfolio, which will, to a degree, affect the returns of that Portfolio. The magnitude of that effect will depend on the amount of the fee or expense.

TRUSTEE AND PORTFOLIO MANAGEMENT FEES

PORTFOLIO NAME	TRUSTEE FEE (% pa)	PORTFOLIO MANAGEMENT FEE (% pa)
DIVERSIFIED CASH PORTFOLIO	Up to 0.04%	Up to 0.15%
THE CASH PORTFOLIO	Up to 0.04%	Up to 0.30%
SELECT INCOME PORTFOLIO	Up to 0.04%	Up to 0.80%
GLOBAL INCOME PORTFOLIO	Up to 0.04%	Up to 0.80%
AUSTRALIAN ENHANCED YIELD PORTFOLIO	Up to 0.04%	Up to 0.80%
INFLATION PLUS PORTFOLIO	Up to 0.04%	Up to 1.75%
DIVERSIFIED HIGH GRADE PROPERTY PORTFOLIO	Up to 0.04%	Up to 1.75%
DEFENSIVE GLOBAL SHARES PORTFOLIO	Up to 0.04%	Up to 1.75%
APS BALANCED GROWTH PORTFOLIO	Up to 0.04%	Up to 1.75%
APS DIVERSIFIED GROWTH PORTFOLIO	Up to 0.04%	Up to 1.75%
APS GROWTH PORTFOLIO	Up to 0.04%	Up to 1.75%
DIVIDEND INCOME PORTFOLIO	Up to 0.04%	Up to 1.75%
DEBT OPPORTUNITIES PORTFOLIO	Up to 0.04%	Up to 1.75%
GLOBAL ABSOLUTE RETURNS PORTFOLIO	Up to 0.04%	Up to 1.75%

The fees paid to the Trustee and the Manager are charged as a percentage of the **gross asset value** of a Portfolio. The Trustee fee is also subject to a minimum annual fee of \$30,000 across all Portfolios.

All fees outlined above are expressed as a maximum percentage per annum. Subject to any minimum fee to be paid to the Trustee, the fees paid may not exceed the percentage stated.

The fees paid to the Trustee and the Manager are calculated and accrued on a daily basis, and paid monthly in arrears.

There are no fees paid to the Administration Manager by the Portfolios. However, this could be altered by the Manager at any time in the future upon one month's prior notice to all investors in the applicable Portfolio.

Both the fee paid to the Trustee and the fee paid to the Manager by any Portfolio can be altered at any time. You will be given at least one month's notice if the fee paid to the Manager is being increased in a Portfolio in which you are invested.

Citibank N.A. is entitled to be paid fees from any Portfolio for which it acts as custodian.

ENTRY, EXIT AND SWITCHING FEES

The Manager does not currently charge an entry fee on any investment in a Portfolio. The Manager also does not currently charge an exit or switching fee on any investments in a Portfolio. However, the Manager can introduce or alter, an entry, exit and switching fee for any Portfolio at any time in the future. The Manager must give you one month's prior notice of the introduction or alteration of an exit or switching fee in respect of a Portfolio in which you are invested.

Your **financial adviser** may charge a fee for investment advisory or other services they provide. For more information, see the subsection headed "*Other fees and charges*" on page 33.

PERFORMANCE FEES

The Manager may charge a performance fee on the following Portfolios:

:: *APS Balanced Growth Portfolio*

:: *APS Diversified Growth Portfolio*

:: *APS Growth Portfolio*

:: *Debt Opportunities Portfolio*

The Manager may introduce a performance fee for any other Portfolio at any time in the future. The Manager will give you one month's notice of the introduction of a performance fee for a Portfolio in which you are invested.

CHARGING THE PERFORMANCE FEE

The performance fee (if applicable) is equivalent to 10% of the returns of a Portfolio in a **financial year (Performance Year)** that exceed the Performance Target. The Performance Target is 8% per annum.

Any performance fee is accrued daily, calculated based on the **total gross assets** of the Portfolio and reflected in the daily unit price of the Portfolio.

For the purposes of determining whether a performance fee is payable by a Portfolio, the returns of a Portfolio shall be calculated after the deduction of all fees and expenses other than the performance fee and any performance fee rebate. If due, performance fees are paid to the Manager quarterly.

The Manager may alter a performance fee for a Portfolio, including changing the Performance Target at any time in the future. The Manager will give you one month's notice of the alteration of a performance fee or a Performance Target for a Portfolio in which you are invested.

REBATING THE PERFORMANCE FEE

If in the **financial year** following a Performance Year (**Rebate Year**), a Portfolio's returns are less than the 8% per annum (**Rebate Target**), the Manager will rebate back to that Portfolio some or all of any performance fee charged to the Portfolio in the Performance Year.

The amount of the rebate (if applicable) is equivalent to 10% of the returns of the Portfolio in the Rebate Year that are less than the Rebate Target, but will not exceed any performance fee paid by the Portfolio in the Performance Year.

If no performance fee has been charged in a Performance Year, no rebate will be payable in respect of that Performance Year.

Any rebate is accrued daily based on the **total gross assets** of the Portfolio and is reflected daily in the unit price of the Portfolio. The rebate is paid to the Portfolio within a one-year period commencing at the end of the Rebate Year.

For the purposes of determining whether a rebate is payable to a Portfolio, the returns of a Portfolio shall be calculated after the deduction of all fees and expenses other than the performance fee and any performance fee rebate.

The Manager may alter the Rebate Target at any time in the future. The Manager will give you one month's notice of the alteration of the Rebate Target for a Portfolio in which you are invested.

The Portfolios may invest into Other Trusts (see below) that bear a performance fee and the Portfolios and the Other Trusts may invest into other **collective investment vehicles** that bear a performance fee. The return of a Portfolio in which you are invested may be indirectly affected by any such performance fees.

Any performance fee charged by an Other Trust (see below) and paid to NZ Funds Management or an entity associated with NZ Funds Management will be set out in the Investment Statement from time to time. Currently, no performance fee is charged to an Other Trust and paid to NZ Funds Management or an entity associated with NZ Funds Management.

INVESTMENT IN OTHER TRUSTS

Each Portfolio is permitted to invest directly or indirectly (including through retail trusts managed by NZ Funds Management) in other unit trusts that may pay fees to NZ Funds Management or any entity associated with NZ Funds Management (**Other Trusts**). Each Portfolio is also permitted to invest in other **collective investment vehicles**.

The Other Trusts may be either Australian unit trusts or New Zealand unit trusts.

As at the date of this Investment Statement, Global Investment Services Limited is trustee of those Other Trusts that are Australian unit trusts and New Zealand Funds Superannuation Limited is trustee of those Other Trusts that are New Zealand unit trusts. Both Global Investment Services Limited and New Zealand Funds Superannuation Limited are ultimately owned by interests associated with the senior management of NZ Funds Management.

For the purposes of this section of the Investment Statement, Global Investment Services Limited, and New Zealand Funds Superannuation Limited are called the **Other Trustees**.

FEES ON INVESTMENT IN OTHER TRUSTS

The fees described under this subheading are not paid directly by you. The fees are paid by a Portfolio when it invests in an Other Trust. As such, the returns that you receive from the relevant Portfolio into which you are invested may be affected indirectly as a result of the fees paid by that Portfolio when it invests in an Other Trust.

TRUSTEE, SECURITIES MANAGEMENT AND ADMINISTRATION FEES

NZ Funds Management may act as manager or investment manager, and New Zealand Administration Services Limited acts as administration manager, of the Other Trusts. NZ Funds Management is paid a securities management fee of up to 0.95% per annum of the **gross asset value** of an Other Trust for acting as manager or investment manager of the Other Trusts and New Zealand Administration Services Limited is paid an administration fee of up to 0.07% per annum of the gross asset value of an Other Trust for acting as administration manager of an Other Trust. The Other Trustees each charge a trustee fee of up to 0.12% per annum of the gross asset value per Other Trust for which they act as trustee.

The trustee, securities management and administration fees may be altered from time to time by agreement between the relevant parties.

Where a Portfolio invests into an Other Trust indirectly through a retail trust managed by the Manager, that retail trust will be subject to a portfolio management fee (paid to the Manager) of up to 1.75% per annum and a trustee fee of up to 0.04% per annum. These fees may be rebated by the Manager to the Portfolio.

The Portfolios may also invest into other **collective investment vehicles**, including Other Trusts, that charge fees including entry fees, exit fees and management fees. Investors may be indirectly affected by those fees.

EXPENSES

The Trustee, the Manager, the Administration Manager and any custodians, investment managers or any other parties that may be appointed by the Trustee or the Manager of a Portfolio or an Other Trust are entitled to be reimbursed for all expenses properly incurred while carrying out their duties in relation to the Portfolios or Other Trusts. Expenses are paid out of the assets of the relevant Portfolio or Other Trust.

The Trustee and the Manager of a Portfolio or an Other Trust are indemnified out of the assets of the relevant Portfolio or Other Trust for any loss or liability suffered where they have acted properly, in accordance with the Trust Deed for the relevant Portfolio or trust deed for the relevant Other Trust and the terms of the offer. This indemnification would extend to the timely payment of fees and of properly incurred expenses, as allowed under the relevant Trust Deed or trust deed.

OTHER FEES AND CHARGES

The Manager is entitled in its discretion to introduce any other fees to be charged to a Portfolio or to investors in a Portfolio. The Manager must give you one month's prior notice if it introduces a fee to a Portfolio in which you are invested or a fee to you directly.

Your **financial adviser** may charge fees for investment advisory, administration or other services they provide, together with implementation fees for arranging the implementation of an investment portfolio or exit fees for any withdrawals from a Portfolio. Any such fee is paid to your financial adviser.

Any fees relating to investment advisory or other services provided should be agreed between you and your financial adviser before an investment is made.

Except as described in this section, "*What are the charges?*", there are no other fees or expenses payable in respect of an investment in any Portfolio.

GST

All fees are stated exclusive of GST or other analogous tax. This means that if any GST or other analogous tax is payable on any fee, such tax will be payable in addition to the amount stated for that fee.

What returns will I get?

Returns are reflected in the increases and decreases of the unit price of a Portfolio. Returns can also consist of distributions (if any) made from a Portfolio.

No rate of return is promised or guaranteed by the Trustee, the Manager or any other person on any amount invested in any Portfolio. Past performance is not necessarily an indication of future results.

DISTRIBUTIONS

The income and gains of a Portfolio can, at the discretion of the Manager, be either retained by that Portfolio or distributed (that is, paid out) to you and other investors invested in that Portfolio in whole or in part at such time as the Manager determines. If income and gains are retained, distributions (if any) will be lower but such retention will be reflected in the unit price.

As at the date of this Investment Statement, the Manager does not intend to distribute income and gains in respect of any Portfolio. The Manager may determine in the future to make distributions from the Portfolios.

Where the Manager intends to make a distribution from a Portfolio, you can indicate on the Application Form whether you wish to have distributions paid into your nominated bank account or reinvested on your behalf into the relevant Portfolio. If you do not make any election in respect of the distribution, then any distributions will be reinvested.

You can change your election regarding payment out or reinvestment of a distribution at any time by written notice to the Administration Manager. You cannot reinvest only part of a distribution. Upon reinvestment of any distribution, new units in the Portfolio will be allotted to you. The number of units allotted to you will be determined by dividing the amount of the distribution due to you by the issue price of units in the Portfolio as at the relevant distribution date.

The Manager may direct the Trustee to effect a capital return from a Portfolio by transferring assets of that Portfolio to all investors invested in that Portfolio rather than by paying cash. The assets transferred to each Unit Holder must be of the same type, have the same rights and be fully paid. The Manager may also, in conjunction with a capital return, cancel investors' units as held by the investors in proportion to the units registered in the name of that investor.

The Trustee is responsible for paying distributions from the relevant Portfolio. The Trustee acts at the direction of the Manager, subject to its obligations under the Unit Trusts Act 1960 and the relevant Trust Deed.

KEY FACTORS INFLUENCING RETURNS

Known key factors which can influence returns are:

- :: Investment performance;
- :: Fees and expenses; and
- :: Applicable taxes.

A significant factor in the investment performance of a Portfolio is the performance of the investment markets and underlying assets. Investment managers cannot control or guarantee the performance of investment markets, which can be influenced by many factors, including economic, political and other international events such as acts of terrorism and natural disasters.

Investment performance is also affected by the actions and choices of investment managers, including the implementation of **active investment management**.

You can also, in part, affect the performance you may experience on your investment by failing to remain invested for the recommended time frame, or by redeeming your investment during times of adverse market conditions. Investment performance may also be affected by subscriptions, redemptions and other actions of other investors in the relevant Portfolio.

Further information on the risks associated with investing in the Portfolios are set out in the section headed "What are my risks?".

The amount of any fees or expenses paid by a Portfolio will also affect performance. This is because fees and expenses as set out in the section headed "What are the charges?" are paid out of the assets of the Portfolio.

Taxes are also likely to affect your returns.

TAX CONSIDERATIONS

A general summary of the taxation implications of investing in a Portfolio is set out below. It is based on the Manager's understanding of the relevant New Zealand tax laws as at the date of this Investment Statement.

It is important to bear in mind that the taxation treatment of investing in a Portfolio will vary from person to person. You are encouraged to consult with your **financial adviser** before making an investment. Neither the Trustee, the Manager nor any associated parties can take any responsibility for your particular tax position as a result of an investment in a Portfolio.

PORTFOLIO INVESTMENT ENTITIES

Each Portfolio has elected to be a **Portfolio Investment Entity** under the **PIE rules**. The PIE rules allow you to effectively pay tax on your investment in a Portfolio at a maximum tax rate of 28%. The Portfolio's tax liability is calculated with reference to the **PIE tax rates** advised to it by the investor.

HOW AM I TAXED IN A PIE?

The daily taxable income or loss of a Portfolio is allocated to you based on your unit holdings each day. At the end of each quarter, the tax payable or refund due is calculated using your elected **PIE tax rate** (unless you are a **zero-rated investor** – for more information on the tax treatment of zero-rated investors please see the section headed "Zero-rated Investors").

At the end of each quarter, any tax payable will be funded by cancelling a sufficient number of your units in the Portfolio, the proceeds of which are then paid to the IRD on your behalf.

Where a tax refund is due at the end of a quarter, the amount received from the IRD is used to purchase additional units in the Portfolio in your name. If you have fully exited the Portfolio before the amount is received from the IRD, the refund is paid directly to you.

WHAT IS MY PIE TAX RATE?

You must elect a **PIE tax rate** and provide your **IRD number** to the Manager. If you are not a New Zealand tax resident, you are not required to provide an IRD number but you must state your country of tax residence.

The PIE tax rates are either 0%, 10.5%, 17.5% or 28%. For help deciding the appropriate PIE tax rate for you, refer to the flow chart at the end of this Investment Statement, or discuss it with your **financial adviser**. Where no election is made, the default rate of 28% will apply.

If an investment is made jointly by you and another individual or individuals, the PIE tax rate of the individual with the highest rate will apply to your joint investment.

You can change your PIE tax rate at any time by completing a Notice to Change PIE Tax Details form. This form can be obtained from your financial adviser or from the Administration Manager.

For the new PIE tax rate to be effective in a particular quarter, the Administration Manager must receive this form before the end of that quarter.

The Trustee and the Manager are entitled to rely on the PIE tax rate you have elected as being true and correct.

If you select a PIE tax rate that is too low, you may have to file a tax return and pay tax at your marginal tax rate, which could be as high as 35.5%. You may also be liable for penalties for electing the incorrect rate.

If you select a PIE tax rate that is too high, there is no ability under current law to obtain a refund for the excess tax paid.

If you have elected 0% as your PIE tax rate, you will be treated as **zero-rated** and the Portfolios will not calculate or pay PIE tax on the PIE income allocated to you.

ZERO-RATED INVESTORS

The Portfolios cannot pay tax on income allocated to **zero-rated investors**. If you are zero-rated, you are responsible for filing a tax return with the IRD and paying tax on income allocated to you (even though the income may not have been distributed to you).

The Manager is entitled to treat you as zero-rated, without notice, if you:

- :: Are entitled under the tax legislation to elect 0%, and make that election to the Administration Manager;
- :: Exit, transfer or switch completely from a Portfolio during a quarter or within five working days following the end of any quarter, and you have a tax liability for the relevant quarter;
- :: Have insufficient holdings in a Portfolio to satisfy your PIE tax liability for a quarter; or
- :: Are a company or trust with a defaulted **PIE tax rate** of 28% and you are invested in a Portfolio which is in a tax loss position for a quarter.

If you are zero-rated for any of these reasons, your **PIE tax rate** will be changed to 0% for the relevant Portfolio and the relevant quarter(s). You will be responsible for filing a tax return in respect of the PIE income or loss allocated to you for that quarter(s) and will have to pay any tax on that income at your marginal tax rate, which could be as high as 35.5%.

If you are zero-rated for having insufficient holdings to meet your PIE tax liability, the Manager is obliged to cancel all of your units in the relevant Portfolio and pay that cash amount to the IRD. This amount is available as a tax credit against your PIE tax liability.

For investors who have exited, transferred or switched completely from a Portfolio, the Administration Manager will provide zero-rated investors with a statement containing the relevant PIE tax information shortly after the end of the relevant quarter.

ANNUAL TAX STATEMENT

The Administration Manager will provide you or your **financial adviser** with an annual tax statement containing the relevant PIE tax information shortly after the end of each tax year.

What are my risks?

All investments have a level of **risk**. Risk is the chance that an investment's actual return will be different than expected. This includes the possibility of a permanent loss of capital. Investment risks take many forms. The amount of risk you are comfortable with will vary depending on your personal circumstances and individual preferences. You are encouraged to consider the risk characteristics of the Portfolios and the risks disclosed below. You should discuss your risk preferences with your **financial adviser** before making an investment. If you are not comfortable with the relevant risks, you should not invest in the associated Portfolios.

PRIMARY RISKS

The primary risks of investing in a Portfolio include:

- :: Not achieving the returns expected or experiencing periods of negative return through the duration of an investment
- :: Receiving back less than the amount originally invested
- :: Not being able to cash in an investment when desired.

The likelihood of these risks occurring is influenced by factors which affect investments generally. The key factors are set out below.

KEY FACTORS

Known key factors that can affect investments in a Portfolio include:

- :: The performance of the **securities** held by a Portfolio, which may fluctuate up or down in value
- :: Prevailing market and economic conditions
- :: The risk of default on securities held by a Portfolio, or the insolvency of entities in which a Portfolio has invested
- :: The insolvency or winding up of a Portfolio itself
- :: The ease with which a Portfolio can liquidate its assets
- :: A Portfolio ceasing to be a **PIE**
- :: Changes to any of the laws and regulations that govern or affect a Portfolio.

There are also factors that are unknown at the time of publication of this Investment Statement that may affect investments in a Portfolio at a future point in time.

The above factors may affect each of the Portfolios differently, depending on the range of investments held by each Portfolio. These factors can have a positive or negative effect on unit price.

Where there has been a negative effect on unit price, the returns expected may not be achieved or you could receive back less than you originally invested. Additionally, you may not be able to cash in your investment when you wish to do so.

LESS THAN EXPECTED RETURNS OR LOSS OF ORIGINAL INVESTMENT

No rate of return is promised or guaranteed by the Trustee, the Manager or any other person on any amount invested in any Portfolio. Past performance is not necessarily an indication of future returns.

Depending on the Portfolio in which you are invested, it is likely that you will experience some periods of negative returns throughout the duration of your investment. "Negative returns" means that an investment is worth less than it had been previously.

Due to the impact of the key factors outlined above and the impact of fees and expenses, it is also possible that you could receive back less than the amount of your original investment.

SUSPENSION OR PARTIAL SUSPENSION OF REDEMPTIONS

In certain circumstances, the Manager has the ability to give notice to investors of the suspension of redemptions from a Portfolio. If redemptions are suspended, you may not be able to cash in your investment when you wish.

For example, the Manager may suspend redemptions if it considers that there is a liquidity risk to a Portfolio if redemptions continue to be paid.

In certain circumstances, the Manager is entitled to permit you to redeem or switch out of a Portfolio notwithstanding that the redemption of units may have been suspended.

More information on suspension or partial suspension of redemptions is set out in the section headed *"How do I cash in my investment?"*.

SCALING BACK REDEMPTION REQUESTS

If, on any Redemption Date (as defined in the relevant Trust Deed), the Manager has received valid redemption requests (to be redeemed on that date or later dates) for more than 10% of the units in any Portfolio (with the exception of the Inflation Plus Portfolio and Defensive Global Shares Portfolio), the Manager is entitled, at its discretion, to "scale back" those redemptions so that only a proportion of units requested to be redeemed are redeemed.

The Manager may not "scale back" redemption requests for units in the Inflation Plus Portfolio and Defensive Global Shares Portfolio.

More information on scaling back redemption requests is set out in the section headed *"How do I cash in my investment?"*.

INSOLVENCY OR WINDING UP

There is a risk that a Portfolio may be wound up. A Portfolio can be wound up in any of the following circumstances:

- :: Where the Manager determines it to be in the interests of the investors invested in the Portfolio
- :: Where the clients invested in a Portfolio pass an extraordinary resolution to wind up the Portfolio
- :: On the expiration of 80 years from the commencement date of the Portfolio.

If a Portfolio is wound up or becomes insolvent, the assets of the Portfolio are called in and converted into money and applied first to meet the claims of any creditors. This includes any claims by the Trustee or the Manager, any administration or investment manager and any custodian, for fees or expenses. If you are invested in a Portfolio that is wound up or becomes insolvent, you will rank behind all creditors of the Portfolio for payment. Once all the creditors have been paid, the remaining balance will be distributed, in proportion to your holding in the Portfolio.

You will not be required to pay any further money beyond the amount of your original investment (other than any income tax liability described under the section headed *"What returns will I get?"*).

OTHER RISKS

CONCENTRATION RISK

The Portfolios can hold permitted **asset classes** in any proportion or concentration. This means that the Portfolios may not be diversified. For example, they may be predominantly invested in a certain asset class, country or sector and may be particularly exposed to any adverse circumstances affecting the relevant asset class, country or sector.

LEVERAGE

Certain Portfolios are permitted to utilise **leverage**. This means that these Portfolios are permitted to invest, and take on obligations, in excess of their prevailing **net asset value**. Where applicable, the maximum amount of leverage that each Portfolio may use is set out in the "Other key features" section for each Portfolio in the section headed "Who is involved in providing it for me?".

Although leverage is utilised with the aim of enhancing returns in a Portfolio, the use of leverage may also magnify the degree of **volatility** experienced by that Portfolio. It may also increase the **risk** and quantum of any loss, in some cases significantly.

DERIVATIVES AND SHORT POSITIONS

All Portfolios are permitted to utilise **derivatives**. They may do this by entering into contracts such as **futures** and **options**, which may involve **leverage**. Some Portfolios are permitted to engage in **short positions**. When taking a short position, the Manager seeks to profit from the value of an asset decreasing. However, there is no assurance that the asset will decline in value. A Portfolio could incur losses if it has agreed to deliver an asset to a third party at a price which is lower than the market price at which the asset can be acquired at the time the transaction is completed.

Both derivatives and short positions are utilised with the aim of either **hedging risk** or enhancing returns, but may also magnify the degree of **volatility** experienced by the relevant Portfolio. Either strategy may also increase the risk and quantum of any loss, in some cases significantly. In the case of short positions, as the value of an asset can increase without limit, potential losses to a Portfolio are unlimited.

LIQUIDITY RISK

The Portfolios may hold illiquid assets. Illiquid assets are assets that cannot quickly be converted or exchanged for cash (or not without the possibility of a significant loss in value). Illiquid assets can provide significant return benefits but generally carry a greater **risk** than liquid securities, particularly during times of market turmoil.

The Manager monitors the levels of illiquid assets in the Portfolios and has the ability to use a variety of portfolio management techniques to do so. In particular, the Manager has the ability to segregate the illiquid assets of a Portfolio from the other more liquid investments, and to limit the redemption terms for that portion of an investor's investment represented by the illiquid assets.

CEASING TO BE A PIE

A Portfolio may cease to be a **PIE**. The Manager has implemented processes to monitor ongoing PIE compliance for the Portfolios and has a number of powers available to it to proactively manage this **risk**.

As at the date of this Investment Statement, it is expected that each Portfolio will at all times be a PIE. If a Portfolio loses its PIE tax status, your after-tax benefit from investing in that Portfolio may be reduced.

If a Portfolio in which you are invested elects to surrender PIE status, you will be notified of that Portfolio's intention beforehand.

EMERGING MARKETS

The Portfolios (with the exception of those that are within the Short-Term Income needs category) can have an exposure to an emerging market economy. Emerging markets are considered to be less advanced than the economies of developed countries and are not considered to have the same level of market efficiency or regulatory standards. Investments in emerging markets come with greater risk due to political, economic or currency instability and may not offer as much liquidity as would investments in markets of developed countries.

DISTRESSED SECURITIES

The Portfolios can have an exposure to distressed **securities**. A distressed security is a financial instrument that has suffered a substantial reduction in value due to an entity's inability to meet its obligations.

There is a general expectation that an investment in distressed securities will yield value on the basis that the entity can and will be restructured successfully. However, given the possibility of bankruptcy or liquidation of the entity and that a restructure may not be successful, an investment in distressed securities is also considered to be risky.

Can the investment be altered?

REGULAR CONTRIBUTIONS AND REGULAR WITHDRAWALS

You can elect to make, or change the amount or frequency of, regular contributions to a Portfolio in which you are invested, other than the Debt Opportunities Portfolio and the Global Absolute Returns Portfolio (for which regular contributions are not possible).

You can make, or change the amount or frequency of, regular withdrawals from the Diversified Cash Portfolio, The Cash Portfolio, the Select Income Portfolio, the Global Income Portfolio and the Australian Enhanced Yield Portfolio. If you are invested in the Inflation Plus Portfolio or the Defensive Global Shares Portfolio it is not possible to set up a new regular withdrawal programme from those Portfolios.

For more information on regular withdrawals, please refer to the section under the heading “Regular withdrawals” in the section headed “How do I cash in my investment?”.

You can change any of your regular contribution or regular withdrawal details at any time by giving written notice to the Administration Manager. To do this, you will need to complete a Change in Client Details form and provide it to the Administration Manager. You can obtain this form from your **financial adviser** or from the Administration Manager.

You should note that any prior notice period that applies to a Portfolio needs to lapse before the first regular withdrawal or a first altered regular withdrawal instruction commences.

If you wish to change, or commence making, regular contributions to a Portfolio, you will need to complete the Authority to Accept Direct Debits form attached to this Investment Statement and provide it to the Administration Manager.

SWITCHING BETWEEN PORTFOLIOS

If you wish to switch you will need to complete a Switch Application Form and provide it to the Administration Manager. You will need to be aware of the impact of any prior notice periods or Exit Dates that may affect a Portfolio.

For more information on prior notice periods, see the section headed “How do I cash in my investment?”.

In certain circumstances, the Manager has the discretion to defer a switch request for up to two business days before it is processed.

You may not revoke any request to switch unless the Manager agrees.

You should be aware of the maximum holding restriction set out in the section headed “How much do I pay?” imposed to ensure compliance with the **PIE rules**. The Manager may reject a switch request if it considers that the PIE rules may be breached as a result of switching.

TRANSFERRING INVESTMENTS

If you wish to transfer your investment to another individual or entity, you will need to complete a Securities Transfer form and forward it to the Administration Manager. You can obtain this form from your **financial adviser** or from the Administration Manager. Transferees are encouraged to advise the Administration Manager of their **PIE tax rate** as soon as an investment is transferred to them.

You should be aware of the maximum holding restriction set out in the section headed “How much do I pay?” imposed to ensure compliance with the **PIE rules**. The Manager may reject a transfer if it considers that the PIE rules may be breached as a result of the transfer.

CHANGE OF PERSONAL DETAILS

If you wish to change your name, nominated bank account or postal address, you will need to complete a Change in Client Details form. You can obtain a copy of this form from your **financial adviser** or the Administration Manager.

CHANGE OF PIE TAX RATE

You can change your **PIE tax rate** at any time by completing and signing a Notice to Change PIE Tax Details form. You can obtain this form from your **financial adviser** or from the Administration Manager.

In order for a change in PIE tax rate to be effected during a particular quarter, the Administration Manager must receive the Notice to Change PIE Tax Details form before the end of that quarter.

You are encouraged to complete a Notice to Change PIE Tax Details form as soon as you wish to alter your PIE tax rate.

INVESTMENT POLICIES AND OBJECTIVES

The Manager can alter the investment policies and objectives of the Portfolios at any time.

The Manager will give you at least 10 business days' prior notice of any change that alters the fundamental character of a Portfolio in which you are invested.

TRUST DEED

The Trust Deed of any Portfolio may be altered in certain circumstances without reference to the investors in the Portfolio. These circumstances include where the amendments are non-prejudicial, or where changes are required for compliance or by law. Further information on these circumstances is set out in the Prospectus relating to the Portfolio. The Trust Deed of a Portfolio may also be altered by extraordinary resolution passed by investors invested in that Portfolio.

WINDING UP

A Portfolio can be wound up in any of the following circumstances:

- :: Where the Manager determines it to be in the interests of the investors invested in that Portfolio
- :: Where investors invested in that Portfolio pass an extraordinary resolution to wind up the Portfolio
- :: On the expiration of 80 years from the commencement date of the Portfolio.

Further information on the winding up of a Portfolio is set out in the section headed "*What are my risks?*".

How do I cash in my investment?

REDEMPTION

You can cash in your investment by redeeming units from a Portfolio.

While no established secondary market exists for units in any Portfolio, you are also entitled to sell your units to a third party. However, you should note the restrictions on transfers set out in the section headed "*Can the investment be altered?*".

Redemptions can be accepted at any time other than a period during which where the Manager has suspended redemptions.

In order to redeem units, you must complete a Withdrawal Request form. Any request to redeem will not be processed unless a valid Withdrawal Request form is received by the Administration Manager. You can obtain this form from your **financial adviser** or from the Administration Manager.

On redemption, you will be paid the redemption price per unit determined in accordance with the Trust Deed for the relevant Portfolio. The redemption price is essentially the value of the relevant Portfolio, less an amount not exceeding the Manager's estimate of the total costs of disposing of all the assets of that Portfolio, divided by the number of units on issue in that Portfolio. Further details of the calculation of the redemption price are set out in the relevant Prospectus for the Portfolio.

There are currently no fees payable to the Manager when redeeming units from a Portfolio. This may change at any time upon one month's prior notice by the Manager.

You may not revoke any request for redemption unless the Manager agrees.

In certain circumstances, the Manager has the discretion to defer a redemption request for up to two business days before it is processed.

If the Manager is of the opinion that your holding or an **associated person's** holding, or any group of investors' holding, exceeds the Maximum Number of Units for a Portfolio, the Manager may redeem from you that number of units it deems sufficient to ensure that the Maximum Number of Units can be complied with. Further information is set out in the section headed "*How much do I pay?*".

REGULAR WITHDRAWALS

A regular withdrawal programme allows you to redeem a set amount (for example, \$100 each month) from a Portfolio every month or quarter, or as otherwise agreed at the discretion of the Manager, without the need to complete a redemption notice for each withdrawal. You should note that any prior notice period that applies to a Portfolio needs to lapse before the first regular withdrawal or a first altered regular withdrawal instruction commences.

You can set up a regular withdrawal programme from the following Portfolios only:

- :: Diversified Cash Portfolio
- :: The Cash Portfolio
- :: Select Income Portfolio
- :: Global Income Portfolio
- :: Australian Enhanced Yield Portfolio

Regular withdrawals set up prior to 31 October 2008 will be allowed from the Inflation Plus Portfolio and the Defensive Global Shares Portfolio.

You are encouraged to discuss the need for any regular withdrawal programme with your *financial adviser*.

SCALING BACK REDEMPTION REQUESTS

If, on any Redemption Date (as defined in the relevant Trust Deed), the Manager has received valid redemption requests (to be redeemed on that date or later dates) for more than 10% of the units in any Portfolio (with the exception of the Inflation Plus Portfolio and Defensive Global Shares Portfolio), the Manager is entitled, at its discretion, to “scale back” those redemptions so that only a proportion of units requested to be redeemed are redeemed.

Any units not redeemed as a result of the scaling back may, at the discretion of the Manager, be redeemed at any time. However, there is no specific time period within which the Manager must redeem units in these circumstances.

In exercising this discretion, the Manager may allow an investor to withdraw all of their units on a Redemption Date, even if investors on an earlier Redemption Date have been allowed to redeem only a proportion of their units.

The Manager may not “scale back” redemption requests for units in the Inflation Plus Portfolio or the Defensive Global Shares Portfolio.

PAYMENT OF REDEMPTION PROCEEDS

Redemption proceeds will be paid after the expiry of any applicable prior notice period or Exit Date.

Redemption proceeds are normally paid to your nominated bank account within four business days of the expiration of the applicable prior notice period or Exit Date. Where there is no prior notice period or Exit Date, redemption proceeds are normally paid to your nominated bank account within four business days of a valid redemption request being received and processed by the Manager.

However, in all cases, it could take up to 20 business days from the expiration of the prior notice period or Exit Date, or from the receipt of a redemption request for redemption proceeds to be paid.

For more information on the impact of any prior notice periods or Exit Dates, see the subheading “*Redemption restrictions*” below.

REDEMPTION RESTRICTIONS

Notwithstanding any other provision of this Investment Statement, the Manager may from time to time introduce additional, or alter existing, limitations, restrictions or prohibitions (including prior notice periods and Exit Dates) on redemptions or switching between Portfolios. It can do this without first advising the investors in the relevant Portfolio.

IMPACT OF REDEMPTION RESTRICTIONS ON PRICE

Redemption proceeds payable in respect of each of the Portfolios where redemption restrictions apply will be calculated on the relevant date or Exit Date (as the case may be) that the applicable prior notice period expires, not on the day that you provide the relevant Withdrawal Request form or Switch Application Form to the Administration Manager. You should be aware that this could affect the amount of the proceeds paid as unit price could fluctuate up or down during this time.

PRIOR NOTICE PERIODS

If you are invested in the following Portfolios, you must give 63 days' prior notice of an intention to redeem or switch your investment:

- :: Select Income Portfolio
- :: Global Income Portfolio
- :: Diversified High Grade Property Portfolio
- :: Defensive Global Shares Portfolio
- :: Australian Enhanced Yield Portfolio
- :: Inflation Plus Portfolio
- :: APS Balanced Growth Portfolio
- :: APS Diversified Growth Portfolio
- :: APS Growth Portfolio
- :: Dividend Income Portfolio

The 63-day notice period will not apply to units in the Defensive Global Shares Portfolio and the Inflation Plus Portfolio that were subscribed to prior to 31 October 2008.

PRIOR NOTICE PERIODS AND EXIT DATES

If you are invested in the Debt Opportunities Portfolio, you must give 91 days' prior notice of an intention to redeem or switch your investment. If you are invested in the Global Absolute Returns Portfolio, you must give 182 days' prior notice of an intention to redeem or switch your investment.

In addition, redemptions and switches from the Debt Opportunities Portfolio and the Global Absolute Returns Portfolio are permitted to occur only on certain dates set by the Manager from time to time (each an **Exit Date** and together **Exit Dates**). The currently scheduled Exit Dates for the relevant Portfolios are set out in the table below.

The table below also sets out the Final Notification Date by which you must give your 91 days' or 182 days' notice to the Administration Manager to redeem or switch on a particular Exit Date.

DEBT OPPORTUNITIES PORTFOLIO

FINAL NOTIFICATION DATE	EXIT DATE
16 FEBRUARY 2011	18 MAY 2011
18 MAY 2011	17 AUGUST 2011
17 AUGUST 2011	16 NOVEMBER 2011
16 NOVEMBER 2011	15 FEBRUARY 2012

GLOBAL ABSOLUTE RETURNS PORTFOLIO

FINAL NOTIFICATION DATE	EXIT DATE
16 FEBRUARY 2011	17 AUGUST 2011
18 MAY 2011	16 NOVEMBER 2011
17 AUGUST 2011	15 FEBRUARY 2012
16 NOVEMBER 2011	16 MAY 2012

The final notification dates for investors exiting on 16 February 2011 from the Debt Opportunities Portfolio and on 18 May 2011 from the Global Absolute Returns Portfolio have already passed.

It is the intention of the Manager to set other Final Notification Dates and Exit Dates from time to time. These may be obtained by contacting the Administration Manager.

WAIVER OF NOTICE PERIOD

If you are experiencing financial hardship or in other exceptional circumstances as determined by the Manager, the Manager may exercise its discretion to waive the notice period for a particular withdrawal from a Portfolio.

In no event shall a waiver of the notice period by the Manager for any one withdrawal operate as a continuing waiver for other withdrawals from that Portfolio, unless the Manager deems it appropriate in the circumstances.

The Manager shall be entitled to request such documentation or other evidence as it may require in order to confirm the existence of serious hardship or other exceptional circumstances on the part of the client.

Please note that if the Manager determines it appropriate to waive the prior notice period for the Debt Opportunities Portfolio or the Global Absolute Returns Portfolio for you, you will still be able to redeem only on the next relevant Exit Date.

SUSPENSION OF REDEMPTIONS

The Manager is entitled to suspend redemptions if the Manager forms the opinion that it is not practicable, or would be materially prejudicial to the interest of investors in the relevant Portfolio, to permit redemptions from that Portfolio due to:

- :: Market disruption or closure;
- :: Financial, political or economic conditions in respect of any financial market;
- :: The nature of a particular asset of the Portfolio; or
- :: The occurrence or existence of any other circumstance or event.

PARTIAL SUSPENSION

In certain circumstances, the Manager is entitled in its sole discretion to permit you to redeem or switch out of a Portfolio notwithstanding that the redemption of units may have been suspended.

If you are experiencing financial hardship or have an existing arrangement in place for a regular withdrawal programme from a Portfolio, the Manager may permit you to redeem from that Portfolio despite other investors in that Portfolio being suspended from redeeming or switching. The Manager may also allow other investors to redeem from that Portfolio despite any suspension, if it considers it would be reasonable in the circumstances.

Who do I contact with inquiries about my investment?

The Administration Manager can assist with any inquiries. However, you are encouraged to direct any questions to your **financial adviser** in the first instance.

The Administration Manager can be contacted as follows:

HEAD OF CLIENT SERVICES

New Zealand Administration Services Limited
Private Bag 92226
Auckland 1142

TELEPHONE

(09) 377 2277 (Auckland) or (0508) 733 337 (ex-Auckland)

FAX

(09) 377 2430

Any advice on any matter regarding whether to invest or not invest in a Portfolio should be sought from a qualified financial adviser.

Is there anyone to whom I can complain if I have problems with my investment?

In the first instance, you can contact either the Administration Manager or your **financial adviser**.

The Administration Manager can be contacted as follows:

HEAD OF CLIENT SERVICES

New Zealand Administration Services Limited
Private Bag 92226
Auckland 1142

TELEPHONE

(09) 377 2277 (Auckland) or (0508) 733 337 (ex-Auckland)

FAX

(09) 377 2430

Complaints about an investment in any Portfolio can also be made to the Trustee or the Financial Services Complaints Limited Scheme (**FSCL Scheme**).

You may contact the Trustee as follows:

REGIONAL MANAGER - CORPORATE TRUST

Perpetual Trust Limited
Level 12, AMP Centre
29 Customs Street West
Auckland 1010

TELEPHONE

(09) 366 3290

FAX

(09) 303 2696

The FSCL Scheme can be contacted at:

FSCL Scheme
PO Box 5967
Wellington 6011

TELEPHONE

(04) 472 3725 or (0800) 347 257

FAX

(04) 472 3728

There is currently no independent Ombudsman to whom complaints can be made about this investment.

What other information can I obtain about this investment?

Further information about the Portfolios can be found in the relevant current Prospectus, Trust Deed and financial statements for each Portfolio.

All of these documents are available upon request, free of charge, from the offices of the Administration Manager as set out in the section headed “*Who is involved in providing it for me?*”.

In addition, the relevant Trust Deed, material contracts, relevant Prospectus and relevant financial statements relating to the Portfolios, and all other documents required by law to be filed, are available for inspection at the Registrar of Companies. A fee may be charged.

Certain documents may also be viewed at the Companies Office website (www.business.govt.nz/companies) by searching “New Zealand Funds Management Limited”. Where the relevant documents are not available online, they can be obtained (on payment of the relevant fee) by telephoning the Ministry of Economic Development Business Centre on 0508 266 726.

ANNUAL INFORMATION

A copy of the audited financial statements of the Portfolios will be provided to you annually.

You will also receive an annual tax statement for your investments.

INFORMATION AVAILABLE ON REQUEST

You are entitled to request the following information at any time:

- :: A copy of the relevant Trust Deed (and all amendments)
- :: A copy of the relevant current registered Prospectus
- :: A copy of the current Investment Statement
- :: A copy of the most recent financial statements for a Portfolio, together with any documents that have been registered in respect of those financial statements under the Financial Reporting Act 1993
- :: A copy of the Trust Deed for those Other Trusts of which Global Investment Services Limited or New Zealand Funds Superannuation Limited is trustee
- :: A copy of the financial statements for those Other Trusts of which Global Investment Services Limited or New Zealand Funds Superannuation Limited acts as trustee, together with any documents that have been registered in respect of those financial statements under the Financial Reporting Act 1993
- :: A certificate of holdings.

All requests for information should be directed to the Administration Manager.

The information will be supplied free of charge within five business days of the request being made.

How do I apply?

You can subscribe for units in a Portfolio only by completing the Application Form attached to this Investment Statement.

An investment can be made by making a lump-sum payment or regular contributions. Further information is set out in the section headed "How much do I pay?".

PIE TAX RATE ELECTION

It is important that the **PIE tax rate** information in the Application Form is completed, and you must supply your **IRD number** when you make your initial investment. If an IRD number is not provided, the Application Form will not be processed and no investment will be possible.

If you are not a New Zealand resident for tax purposes, you will not need to supply an IRD number, but you will need to state your country of residence on the Application Form.

If a PIE tax rate is not supplied, your investments will be taxed at the default rate of 28%.

For more information on **Portfolio Investment Entities** (or **PIEs**) and PIE tax generally, refer to the section headed "What returns will I get?". For help determining your appropriate PIE tax rate, you are encouraged to refer to the flow chart at the end of this Investment Statement, or to discuss it with your **financial adviser**.

VERIFICATION OF IDENTITY

As required by the Financial Transactions Reporting Act 1996, you will need to provide verification of your identity.

This requirement will normally be satisfied where your payment is made using a cheque drawn from an account with a **registered bank** which is in the same name as the client on the Application Form.

However, if payment is made by other means such as a bank cheque or by third-party cheque, verification of your identity will be required.

Identification may also be required where there are new signatories to an account or a transfer of investments.

Acceptable forms of identification for different types of clients are set out below. You can supply either the original or a "certified copy" of an identification document. A "certified copy" is a photocopy of the original document which has been certified by an "authorised person" as a true and correct copy. A list of who would be an "authorised person" is also set out below.

INDIVIDUALS

An original or certified copy of any one of the following documents:

- :: Appropriate pages of a passport
- :: Birth certificate
- :: New Zealand driver's licence
- :: Marriage certificate

TRUSTS AND ESTATES

:: All trustees of a trust, or executors/administrators of an estate (as applicable) as per the requirements for individuals

CORPORATIONS

:: All directors and officers* as per the requirements for individuals

:: A certified copy of the certificate of incorporation

OTHER

Identification as per the requirements for individuals must be provided for:

:: All partners in a partnership*

:: All officers of a club, society or other unincorporated body*

** Where there are three or more individuals who make up the client, the identity of all of them need not be verified. It is sufficient to identify only the individual(s) principally authorised to conduct transactions for the account.*

AUTHORISED PERSON

Documentation certified by the following people will be acceptable:

:: Solicitor

:: Justice of the Peace

:: Police officer

:: Member of Parliament

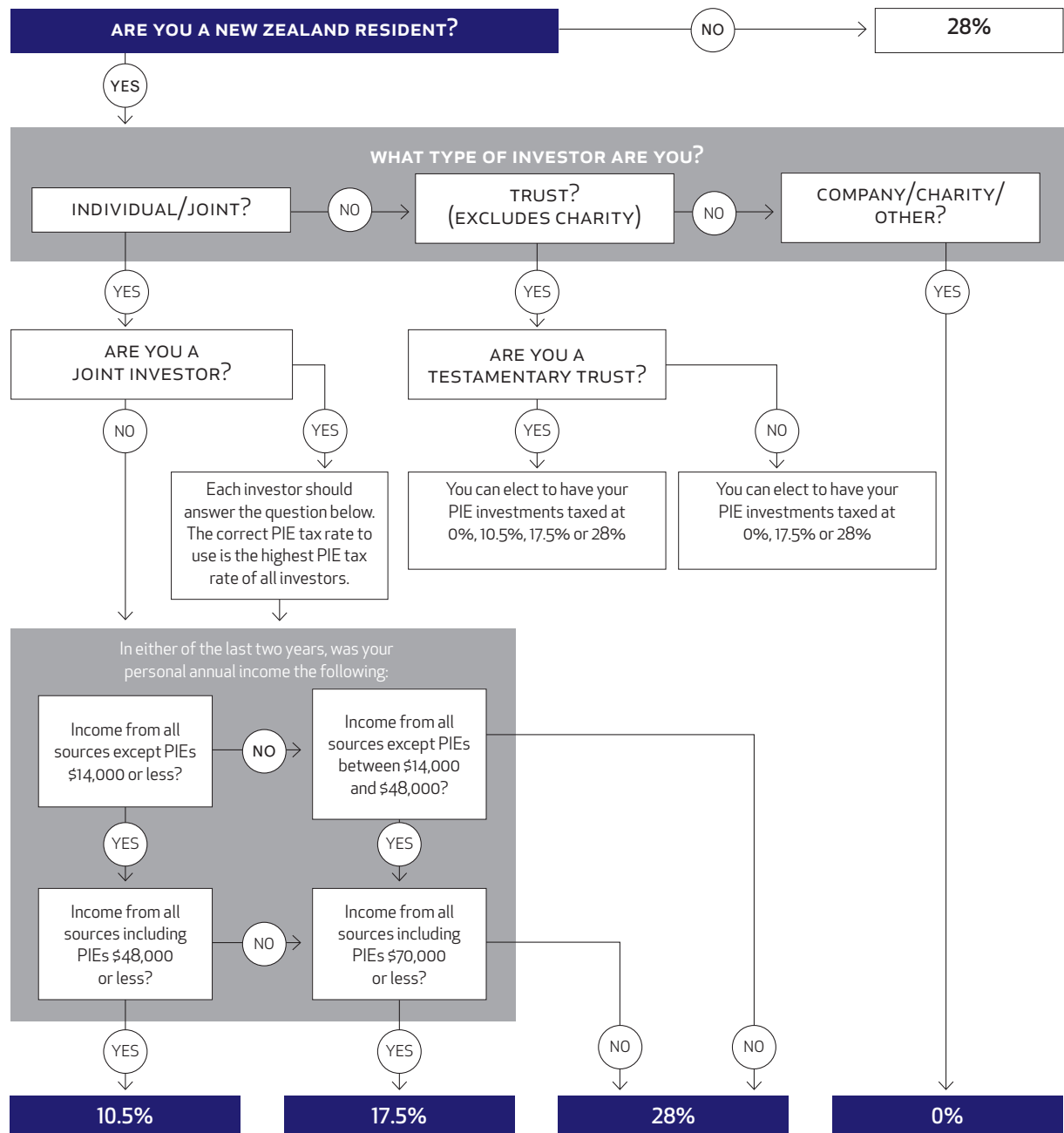
:: Any other person authorised by law to administer an oath

INVESTING USING A POWER OF ATTORNEY

If an individual is investing for another client using a power of attorney, that individual must supply identification for themselves as well as information for the client in whose name the investment is being made.

This information must be supplied together with a certified copy of the power of attorney and the original certificate of non-revocation.

Choosing your PIE tax rate:



FURTHER NOTES FOR INDIVIDUAL/JOINT INVESTORS:
 If your correct PIE tax rate is lower than your elected PIE tax rate, you will not be able to obtain a refund of excess tax paid.
 If your correct PIE tax rate is higher than your elected PIE tax rate, you are responsible for paying the tax shortfall including penalties (if any).

TESTAMENTARY TRUST IS A TRUST WHERE ALL THE SETTLEMENTS ON THE TRUST WERE MADE UNDER A WILL, CODICIL, INTESTACY OR COURT VARIATION.

Please see your financial adviser if you are unsure which rate you should use.

Glossary

TERM	DEFINITION
<i>absolute return</i>	An investment approach which aims to select <i>securities</i> based on their ability to generate positive returns over an appropriate period of time, rather than selecting securities based on the relative performance of a security against a stated benchmark, for example, a share index like the NZX50.
<i>active investment management</i>	An investment management approach which aims to maintain a balance between preservation of capital and pursuit of investment returns. Active investment management means that the proportion invested by Portfolios in each <i>asset class</i> will alter from time to time. Portfolios may own all asset classes listed, only one asset class listed, or any variation thereof in whatever proportion the Manager deems appropriate. This may result in significant changes in <i>risk</i> and <i>volatility</i> .
<i>alternative securities</i>	<i>Asset classes</i> not usually accessed by retail investors such as <i>private equity</i> , venture capital and <i>hedge funds</i> . These tend to be asset classes where valuation and liquidity may be uncertain.
<i>asset class(es)</i>	A specific category of <i>securities</i> that generally exhibit the same characteristics and behave in a similar way in the market. The asset classes referred to in this Investment Statement are <i>cash, government securities, debt securities, foreign currency, Australasian shares, global shares, commodities</i> and <i>alternative securities</i> .
<i>associated person(s)</i>	This term is defined in the laws and regulations governing income tax in New Zealand. An associated person is a person or entity linked with the investor and can include relatives and related trusts, companies or partnerships.
<i>Australasian shares</i>	Shares which are listed on the New Zealand Stock Exchange or the Australian Stock Exchange.

TERM	DEFINITION
<i>bank bills</i>	Short term money market securities issued by registered banks . A bank bill is purchased at a discount to face value. The difference between the face value and the purchase price, i.e. the discount, equates to the return which will be earned by holding the bank bill to maturity.
<i>bank deposit</i>	An amount of money held by a registered bank on account for a customer.
<i>bond</i>	A bond is a debt security issued by an entity to borrow money. It is accompanied by an offering document which sets out the terms of the loan such as the period of time before repayment and the interest rate payable if applicable.
<i>capital growth</i>	Appreciation in the price of a security above its original purchase price.
<i>cash</i>	The currency of a country or other “near cash” securities such as highly liquid, highly rated investments like bank deposits, bank bills and government debt with less than one year before repayment.
<i>collective investment vehicle</i>	A collective investment vehicle is an entity that allows investors to pool their capital together and invest the pooled capital in various securities , rather than each individual investor buying those securities directly. Such vehicles are usually managed by a fund manager.
<i>commodities</i>	A physical substance, for example grains, metals and minerals, which is interchangeable with another product of the same type, and which are bought or sold, through derivative contracts.

Glossary

TERM	DEFINITION
<i>debt security</i> or <i>debt securities</i>	<p>A debt security is a security issued by an entity to enable it to borrow money. It is accompanied by an offering document which sets out the terms of the loan such as the period of time before repayment and the interest rate payable if applicable. Debt securities cover a wide range of issuing entities and security types, for example corporate bonds, structured credit securities, subordinated securities and perpetual securities, distressed debt securities or derivatives on debt securities. Debt securities also include loans.</p> <p>Debt securities held by a Portfolio may be secured or unsecured over the assets of the borrower, or may be subordinated, meaning that the Portfolio may be repaid or receive interest only after all other creditors of the borrower have been paid.</p>
<i>derivative(s)</i>	Securities , whose characteristics and value primarily depend upon the characteristics and value of an underlying security or group of securities. Examples of derivatives include futures and options .
<i>financial adviser(s)</i>	A person, who is appropriately qualified to give financial advice to the public as part of their job or business.
<i>financial plan</i>	A document produced by a financial adviser which seeks to identify and document clients' lifestyle needs and financial goals and align them with appropriate investments taking into account clients' preferences for time frames, volatility and risk .
<i>financial year</i>	A period, for which annual financial statements are prepared. The financial year for the Portfolios ends on 31 March each year.
<i>foreign currency</i> or <i>foreign currencies</i>	The currency or cash of a country other than New Zealand.
<i>futures</i>	A derivative contract to buy or sell a given security in a particular asset class, at a specified price, on a specified future date. Unlike options , futures create an obligation to buy or sell at maturity.

TERM	DEFINITION
<i>government bond</i>	A government bond is a bond issued by a national government with greater than a year before repayment.
<i>government securities</i>	Government bonds and debt securities that are issued by a national government, with greater than a year before repayment.
<i>global shares</i>	Shares of entities listed on a recognised global stock exchange. Global shares may include the shares of entities incorporated in emerging market economies.
<i>gross asset value</i>	In respect of any Portfolio or Other Trust, gross asset value means the aggregate of the market value of all the assets of the Portfolio or the Other Trust.
<i>growth-orientated assets</i>	Securities whose forecast return is expected typically to be made up of capital growth . Shares are usually referred to as growth securities.
<i>hedge funds</i>	Funds that seek to make positive returns and are unrestricted in the use of securities in doing so. Hedge funds will frequently use sophisticated and sometimes speculative investment techniques to generate return including taking short positions and using futures, options, derivatives and leverage . Hedge funds are generally unavailable to members of the public.
<i>hedging or hedge</i>	An investment made in order to reduce the risk of adverse price movements in a particular security by taking an offsetting position in a related security. Hedging can be achieved through the use of derivatives .
<i>income-orientated assets</i>	Securities whose forecast return is expected to be typically made up of interest income. Cash, government securities and debt securities are usually referred to as income securities.
<i>IRD number</i>	A client's tax file number issued by the Inland Revenue Department (IRD). An IRD number will be eight or nine digits long.

Glossary

TERM	DEFINITION
<i>leverage or leveraged</i>	Economic exposure greater than the initial amount invested. Leverage can be created either by directly or indirectly borrowing to invest, or through the use of derivatives . Leverage carries risk . In particular, if the price of a security moves against the investor, the losses would be greater than if the investment had been made without leverage.
<i>loans(s)</i>	<p>A loan is money lent to a party, whether directly or indirectly, that may be secured against the assets of that party or may be unsecured. Loans have either a fixed or a floating rate of interest.</p> <p>Loans may be secured against property or property undergoing development or against non-property assets. Unsecured loans may entitle the Portfolio to be repaid or to receive interest only after all other creditors of the borrower have been paid.</p>
<i>net asset value</i>	Net asset value of a Portfolio or Other Trust means the value of the assets of a particular Portfolio or Other Trust, less the liabilities attributable to that Portfolio or Other Trust.
<i>options</i>	The right, but not the obligation, to buy (for a "call option") or sell (for a "put option") a specific amount of a particular security , including an index for an asset class , at a specified price (the "strike price") during a specified period of time or on a specified date.
<i>PIE(s), Portfolio Investment Entity or Portfolio Investment Entities</i>	An entity that allows investors to effectively pay tax at a maximum rate of 28%.
<i>PIE rules</i>	The laws and regulations governing PIEs .
<i>PIE tax rate</i>	The tax rate that an investor advises to the Manager of the PIE which should be used in calculating the amount of income tax payable on their behalf; also known as "prescribed investor rate".
<i>private equity</i>	Shares of entities not listed on a recognised global stock exchange.

TERM	DEFINITION
<i>registered bank(s)</i>	A financial institution that is registered as a bank with the Reserve Bank of New Zealand. For a full list of registered banks, see www.rbnz.govt.nz
<i>risk</i>	Risk is a probability of loss of some or all of an investment.
<i>security</i> or <i>securities</i>	A legal instrument purchased to gain economic exposure to returns generated by an asset.
<i>short positions</i>	An investment made to profit from a fall in the price of a security . It is an agreement to sell a security at the current market price but at a future date. A profit is made only if the price of the security drops. If the price of the security rises, a loss is made.
<i>structured credit securities</i>	A security that is backed by a pool of underlying assets, for example, mortgages or other types of loans . Structured credit securities can vary in their terms.
<i>total gross assets</i>	For the purposes of calculating a performance fee in respect of any Portfolio, total gross assets means an average of the gross asset value calculated from the first day of the current financial year to the relevant pricing date of that Portfolio.
<i>volatile</i> and <i>volatility</i>	Volatility describes the amount by which the value of a investment fluctuates both up and down. An investment that rapidly changes in value is said to have high volatility. Conversely, a security with little variation in value is said to have low volatility.
<i>zero-rated</i> and <i>zero-rated investor</i>	A client with a PIE tax rate of 0%.

Application Form

RELATING TO THE INVESTMENT STATEMENT DATED 23 DECEMBER 2010



Client Details

Client Number	<input type="text"/>		
Existing Client:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Type of Client:	<input type="checkbox"/> Individual or Joint	<input type="checkbox"/> Company	<input type="checkbox"/> Trust
Other (describe)	<input type="text"/>		
Account Name	<input type="text"/>		

INDIVIDUAL 1

Mr / Mrs / Miss / Ms / Dr (circle as appropriate)

Last Name*	<input type="text"/>		
First Name(s)*	<input type="text"/>		
Date of Birth*	<input type="text" value="/ /"/>		
Postal Address*	<input type="text"/>		
	<input type="text"/>	Postal Code*	<input type="text"/>
Telephone	<input text"="" type="text" value="()</input></td></tr><tr><td>E-mail Address</td><td><input type="/>	Mobile Phone	<input 199="" 610="" 623"="" 97="" data-label="Section-Header" type="text" value="()</input></td></tr></table></div><div data-bbox="/> <h3>INDIVIDUAL 2</h3>

Mr / Mrs / Miss / Ms / Dr (circle as appropriate)

Last Name*	<input type="text"/>		
First Name(s)*	<input type="text"/>		
Date of Birth*	<input type="text" value="/ /"/>		
Postal Address*	<input type="text"/>		
	<input type="text"/>	Postal Code*	<input type="text"/>
Telephone	<input text"="" type="text" value="()</input></td></tr><tr><td>E-mail Address</td><td><input type="/>	Mobile Phone	<input 758="" 887="" 919"="" 943="" data-label="Image" type="text" value="()</input></td></tr></table></div><div data-bbox="/>

* This information must be completed

COMPANY / TRUST / OTHER

Full Name*			
Names of Directors/Trustees			
Postal Address*			
		Postal Code*	
Telephone ()		Facsimile ()	
E-mail Address		Mobile Phone ()	

*This information must be completed

PIE Tax Details

Are you a New Zealand Tax Resident?

Yes

No

If No, please state country of residence

*Non-Residents must elect the highest PIE Tax Rate

PIE TAX RATE (SELECT ONE RATE ONLY)

Joint Clients can advise only one IRD number for all PIE investments held by their joint account. The IRD number of the individual/entity with the highest PIE Tax Rate will apply.

0% 10.5% 17.5% 28% IRD Number:

Please indicate the individual/entity whose IRD Number will apply:

Individual 1

Individual 2

Company/Trust/Other

Please note: You must select a PIE Tax Rate and provide your IRD number for this investment. If these are not provided, the Application Form cannot be processed.

If you are an existing client, the PIE Tax Rate you elect should be the same rate as used for other PIE investments held by this account. If you select a different PIE Tax Rate, this new PIE Tax Rate will apply to all PIE investments held for your account. For assistance in selecting your appropriate PIE Tax Rate, we recommend you consult your financial adviser or see the flow chart set out before the Application Form in the Investment Statement.

Investment Options

NEEDS CATEGORY	NAME OF PORTFOLIO	WITHDRAWAL NOTICE PERIODS	LUMP-SUM INVESTMENT
SHORT-TERM INCOME	Diversified Cash Portfolio	None	\$
	The Cash Portfolio	None	\$
FUTURE INCOME	Select Income Portfolio	63 days	\$
	Global Income Portfolio	63 days	\$
	Australian Enhanced Yield Portfolio	63 days	\$
MAINTAINING CAPITAL	Inflation Plus Portfolio	63 days	\$
	Diversified High Grade Property Portfolio	63 days	\$
	Defensive Global Shares Portfolio	63 days	\$
FUTURE GROWTH	APS Balanced Growth Portfolio	63 days	\$
	APS Diversified Growth Portfolio	63 days	\$
	APS Growth Portfolio	63 days	\$
	Dividend Income Portfolio	63 days	\$
	Debt Opportunities Portfolio	Exit Dates and notice periods	\$
	Global Absolute Returns Portfolio	Exit Dates and notice periods	\$

You should make your cheques payable to *New Zealand Administration Services Limited* and mark them "Account Payee Only".

Withdrawals are permitted only on the Exit Dates (if applicable) and after the expiry of the relevant notice period. For more details please refer to the section "How do I cash in my investment?" in the Investment Statement.

REGULAR CONTRIBUTION DETAILS

If you have elected to make Regular Contributions, please indicate the details of your payments in the table below.

Please note that Regular Contributions are not available for the Debt Opportunities Portfolio and/or the Global Absolute Returns Portfolio.

NEEDS CATEGORY	NAME OF PORTFOLIO	FORTNIGHTLY	MONTHLY	START DATE*
SHORT-TERM INCOME	Diversified Cash Portfolio	\$	\$	/ /
	The Cash Portfolio	\$	\$	/ /
FUTURE INCOME	Select Income Portfolio	\$	\$	/ /
	Global Income Portfolio	\$	\$	/ /
	Australian Enhanced Yield Portfolio	\$	\$	/ /
MAINTAINING CAPITAL	Inflation Plus Portfolio	\$	\$	/ /
	Diversified High Grade Property Portfolio	\$	\$	/ /
	Defensive Global Shares Portfolio	\$	\$	/ /
FUTURE GROWTH	APS Balanced Growth Portfolio	\$	\$	/ /
	APS Diversified Growth Portfolio	\$	\$	/ /
	APS Growth Portfolio	\$	\$	/ /
	Dividend Income Portfolio	\$	\$	/ /

*Please complete an Authority to Accept Direct Debits form (attached at the back of this booklet) and note "start date" must be a minimum of 10 days from expected receipt date by the Administration Manager.

REGULAR WITHDRAWAL DETAILS

Your Regular Withdrawals will continue until otherwise advised. Please note that Regular Withdrawals are permitted only from the following Portfolios:

NEEDS CATEGORY	NAME OF PORTFOLIO	WITHDRAWAL NOTICE PERIODS	MONTHLY/ QUARTERLY	AMOUNT	DATE
SHORT-TERM INCOME	Diversified Cash Portfolio	None		\$	/ /
	The Cash Portfolio	None		\$	/ /
FUTURE INCOME	Select Income Portfolio	63 days		\$	/ /
	Global Income Portfolio	63 days		\$	/ /
	Australian Enhanced Yield Portfolio	63 days		\$	/ /

Please note that withdrawal notice periods will apply before the first regular withdrawal instruction commences. For more details, please refer to the section "How do I cash in my investment?" in the Investment Statement.

BANK DETAILS

This is the account into which all withdrawal payments and distributions (if paid and elected) will be deposited. Please give details for one bank account only.

Bank	<input type="text"/>
Branch	<input type="text"/>
Account Name	<input type="text"/>
Account Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Please attach a deposit slip or other confirmation of your bank account details.

Terms

I/we confirm that:

- :: All details provided in this Application Form are true and correct.
- :: The terms and conditions of the current Investment Statement, relevant Prospectus and relevant Trust Deed for the Portfolios apply to my/our investment.
- :: Personal information provided in this Application Form will be used by the Manager and the Trustee and any related companies of these parties, together with my/our financial adviser for processing, administering and maintaining my/our investments. I/We understand my/our personal information may also be shared with relevant authorities including IRD. I am/We are entitled to access and/or correct this personal information in accordance with the provisions of the Privacy Act 1993.
- :: If two or more individuals have completed this Application Form, and separate ownership is not defined, the Manager and the Trustee are entitled to assume the investment is held jointly by those individuals.
- :: The Manager and the Trustee are entitled to rely on my/our elected PIE Tax Rate for all investments I/we have made for this account.
- :: **I/we have received a copy of the Investment Statement dated 23 December 2010.**
- :: **I/we have read and understood the Investment Statement dated 23 December 2010, and that any and all questions I/we have raised with regard to the Portfolios contained therein have been answered to my/our satisfaction.**
- :: **This Application Form has been detached from the Investment Statement dated 23 December 2010.**
- :: **I/we understand the value of any investment in a Portfolio can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

CLIENT SIGNATURE(S)

I/We agree to the Terms set out above.

INDIVIDUAL 1	DATE
<input type="text"/>	<input type="text"/>
INDIVIDUAL 2	DATE
<input type="text"/>	<input type="text"/>
INDIVIDUAL 3	DATE
<input type="text"/>	<input type="text"/>

Financial Adviser Use Only

Client Name

Client Number

Adviser Details

Adviser Name

Adviser Company

Adviser Code

INVESTMENT PORTFOLIO REVIEW

Quarterly

Six Monthly

First Review Date

CONFIRMATION OF CLIENT'S IDENTITY

The Financial Transactions Reporting Act 1996 requires verification of the identity of all clients (identification requirements are explained in the Investment Statement).

Please tick appropriate box:

Payment by cheque drawn on the name of all individuals (attached)

Copy of bank statement/encoded deposit slip in the name of all individuals (attached)

Certified copy of identification document for each individual (attached)

I have no reason to believe that the client(s) is/are not who they claim to be.

Adviser Signature

Date

OFFICE USE ONLY

Adviser Name

Adviser Code

Service

Reporting

Existing Client Application Form

RELATING TO THE INVESTMENT STATEMENT DATED 23 DECEMBER 2010



Client Details

Client Number

Type of Client Individual or Joint Company Trust

Other (describe)

Account Name

Investment Options

NEEDS CATEGORY	NAME OF PORTFOLIO	WITHDRAWAL NOTICE PERIODS	LUMP-SUM INVESTMENT
SHORT-TERM INCOME	Diversified Cash Portfolio	None	\$
	The Cash Portfolio	None	\$
FUTURE INCOME	Select Income Portfolio	63 days	\$
	Global Income Portfolio	63 days	\$
	Australian Enhanced Yield Portfolio	63 days	\$
MAINTAINING CAPITAL	Inflation Plus Portfolio	63 days	\$
	Diversified High Grade Property Portfolio	63 days	\$
	Defensive Global Shares Portfolio	63 days	\$
FUTURE GROWTH	APS Balanced Growth Portfolio	63 days	\$
	APS Diversified Growth Portfolio	63 days	\$
	APS Growth Portfolio	63 days	\$
	Dividend Income Portfolio	63 days	\$
	Debt Opportunities Portfolio	Exit Dates and notice periods	\$
	Global Absolute Returns Portfolio	Exit Dates and notice periods	\$
TOTAL			\$

You should make your cheques payable to *New Zealand Administration Services Limited* and mark them "Account Payee Only".

Withdrawals are permitted only on the Exit Dates (if applicable) and after the expiry of the relevant notice period.

For more details, please refer to the section "How do I cash in my investment?" in the Investment Statement.



REGULAR CONTRIBUTION DETAILS

If you have elected to make Regular Contributions, please indicate the details of your payments in the table below.

Please note that Regular Contributions are not available for the Debt Opportunities Portfolio and/or the Global Absolute Returns Portfolio.

NEEDS CATEGORY	NAME OF PORTFOLIO	FORTNIGHTLY	MONTHLY	START DATE*		
SHORT-TERM INCOME	Diversified Cash Portfolio	\$	\$	/ /	N	A
	The Cash Portfolio	\$	\$	/ /	N	A
FUTURE INCOME	Select Income Portfolio	\$	\$	/ /	N	A
	Global Income Portfolio	\$	\$	/ /	N	A
	Australian Enhanced Yield Portfolio	\$	\$	/ /	N	A
MAINTAINING CAPITAL	Inflation Plus Portfolio	\$	\$	/ /	N	A
	Diversified High Grade Property Portfolio	\$	\$	/ /	N	A
	Defensive Global Shares Portfolio	\$	\$	/ /	N	A
FUTURE GROWTH	APS Balanced Growth Portfolio	\$	\$	/ /	N	A
	APS Diversified Growth Portfolio	\$	\$	/ /	N	A
	APS Growth Portfolio	\$	\$	/ /	N	A
	Dividend Income Portfolio	\$	\$	/ /	N	A

N = New
A = Amend

*Please complete an Authority to Accept Direct Debits form (attached at the back of this booklet) and note "start date" must be a minimum of 10 days from expected receipt date by the Administration Manager.

REGULAR WITHDRAWAL DETAILS

Your Regular Withdrawals will continue until otherwise advised. Please note that Regular Withdrawals are permitted only from the following Portfolios:

NEEDS CATEGORY	NAME OF PORTFOLIO	WITHDRAWAL NOTICE PERIODS	MONTHLY/ QUARTERLY	AMOUNT	START DATE*		
SHORT-TERM INCOME	Diversified Cash Portfolio	None		\$	/ /	N	A
	The Cash Portfolio	None		\$	/ /	N	A
FUTURE INCOME	Select Income Portfolio	63 days		\$	/ /	N	A
	Global Income Portfolio	63 days		\$	/ /	N	A
	Australian Enhanced Yield Portfolio	63 days		\$	/ /	N	A

N = New
A = Amend

*Please note that withdrawal notice periods will apply before the first regular withdrawal instruction commences. For more details, please refer to the section "How do I cash in my investment?" in the Investment Statement.

Terms

I/we confirm that:

- :: All details provided in this Existing Client Application Form are true and correct.
- :: The terms and conditions of the current Investment Statement, relevant Prospectus and relevant Trust Deed for the Portfolio(s) apply to my/our investment.
- :: Personal information provided in this Existing Client Application Form will be used by the Manager and the Trustee and any related companies of these parties, together with my/our financial adviser for processing, administering and maintaining my/our investments. I/We understand my/our personal information may also be shared with relevant authorities including IRD. I am/We are entitled to access and/or correct this personal information in accordance with the provisions of the Privacy Act 1993.
- :: If two or more individuals have completed this Existing Client Application Form, and separate ownership is not defined, the Manager and the Trustee are entitled to assume the investment is held jointly by those individuals.
- :: The Manager and the Trustee are entitled to rely on my/our elected PIE Tax Rate for all investments I/we have made for this account.
- :: **I/we have received a copy of the Investment Statement dated 23 December 2010.**
- :: **I/we have read and understood the Investment Statement dated 23 December 2010, and that any and all questions I/we have raised with regard to the Portfolios contained therein have been answered to my/our satisfaction.**
- :: **This Existing Client Application Form has been detached from the Investment Statement dated 23 December 2010.**
- :: **I/we understand the value of any investment in a Portfolio can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

CLIENT SIGNATURE(S)

I/We agree to the Terms set out above.

INDIVIDUAL 1 <input type="text"/>	DATE <input type="text" value="/ /"/>
INDIVIDUAL 2 <input type="text"/>	DATE <input type="text" value="/ /"/>
INDIVIDUAL 3 <input type="text"/>	DATE <input type="text" value="/ /"/>

FINANCIAL ADVISER USE ONLY

Confirmation of client identity: The Financial Transactions Reporting Act 1996 requires verification of the identity of all clients (identification requirements are explained in the Investment Statement). I have previously verified the identity of the client(s) in accordance with the requirements of the Act and I can confirm that the verification remains accurate. I have no reason to believe that the client(s) is/are not who they claim to be.

Adviser Name <input type="text"/>	
Adviser Company <input type="text"/>	Adviser Code <input type="text"/>
Adviser Signature <input type="text"/>	Date <input type="text" value="/ /"/>

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Switch Application Form

RELATING TO THE INVESTMENT STATEMENT DATED 23 DECEMBER 2010



Client Details

Client Number Type of Client: Individual or Joint Company Trust

Other (describe)

Account Name

Switch Instructions

NEEDS CATEGORY	NAME OF PORTFOLIO	WITHDRAWAL NOTICE PERIODS	SWITCH FROM (\$ OR "ALL")	SWITCH TO (\$ OR "ALL")
SHORT-TERM INCOME	Diversified Cash Portfolio	None	\$	\$
	The Cash Portfolio	None	\$	\$
FUTURE INCOME	Select Income Portfolio	63 days	\$	\$
	Global Income Portfolio	63 days	\$	\$
	Australian Enhanced Yield Portfolio	63 days	\$	\$
MAINTAINING CAPITAL	Inflation Plus Portfolio	63 days	\$	\$
	Diversified High Grade Property Portfolio	63 days	\$	\$
	Defensive Global Shares Portfolio	63 days	\$	\$
FUTURE GROWTH	APS Balanced Growth Portfolio	63 days	\$	\$
	APS Diversified Growth Portfolio	63 days	\$	\$
	APS Growth Portfolio	63 days	\$	\$
	Dividend Income Portfolio	63 days	\$	\$
	Debt Opportunities Portfolio	Exit Dates and notice periods	\$	\$
	Global Absolute Returns Portfolio	Exit Dates and notice periods	\$	\$

If you intend to pay fees to your financial adviser from the Portfolio into which you have switched, your adviser will need to send the Administration Manager details of your new fee agreement (if applicable). Withdrawals are permitted only on Exit Dates (if applicable) and after the expiry of the relevant notice period. For more details, please refer to the section "How do I cash in my investment?" in the Investment Statement.



REGULAR CONTRIBUTION DETAILS

If you have elected to make Regular Contributions, please indicate the details of your payments in the table below.

Please note that Regular Contributions are not available for the Debt Opportunities Portfolio and/or the Global Absolute Returns Portfolio.

NEEDS CATEGORY	NAME OF PORTFOLIO	FORTNIGHTLY	MONTHLY	START DATE*	
SHORT-TERM INCOME	Diversified Cash Portfolio	\$	\$	/ /	N A
	The Cash Portfolio	\$	\$	/ /	N A
FUTURE INCOME	Select Income Portfolio	\$	\$	/ /	N A
	Global Income Portfolio	\$	\$	/ /	N A
	Australian Enhanced Yield Portfolio	\$	\$	/ /	N A
MAINTAINING CAPITAL	Inflation Plus Portfolio	\$	\$	/ /	N A
	Diversified High Grade Property Portfolio	\$	\$	/ /	N A
	Defensive Global Shares Portfolio	\$	\$	/ /	N A
FUTURE GROWTH	APS Balanced Growth Portfolio	\$	\$	/ /	N A
	APS Diversified Growth Portfolio	\$	\$	/ /	N A
	APS Growth Portfolio	\$	\$	/ /	N A
	Dividend Income Portfolio	\$	\$	/ /	N A

N = New
A = Amend

*Please complete an Authority to Accept Direct Debits form (attached at the back of this booklet) and note "start date" must be a minimum of 10 days from expected receipt date by the Administration Manager.

REGULAR WITHDRAWAL DETAILS

Your Regular Withdrawals will continue until otherwise advised. Please note that Regular Withdrawals are permitted only from the following Portfolios:

NEEDS CATEGORY	NAME OF PORTFOLIO	WITHDRAWAL NOTICE PERIODS	MONTHLY/ QUARTERLY	AMOUNT	START DATE*	
SHORT-TERM INCOME	Diversified Cash Portfolio	None		\$	/ /	N A
	The Cash Portfolio	None		\$	/ /	N A
FUTURE INCOME	Select Income Portfolio	63 days		\$	/ /	N A
	Global Income Portfolio	63 days		\$	/ /	N A
	Australian Enhanced Yield Portfolio	63 days		\$	/ /	N A

N = New
A = Amend

*Please note that withdrawal notice periods will apply before the first regular withdrawal instruction commences. For more details, please refer to the section "How do I cash in my investment?" in the Investment Statement.

Terms

I/we confirm that:

- :: All details provided in this Switch Application Form are true and correct.
- :: The terms and conditions of the current Investment Statement, relevant Prospectus and relevant Trust Deed for the Portfolio apply to my/our investment.
- :: Personal information provided in this Switch Application Form will be used by the Manager and the Trustee and any related companies of these parties, together with my/our financial adviser for processing, administering and maintaining my/our investments. I/We understand my/our personal information may also be shared with relevant authorities including IRD. I am/We are entitled to access and/or correct this personal information in accordance with the provisions of the Privacy Act 1993.
- :: If two or more individuals have completed this Switch Application Form, and separate ownership is not defined, the Manager and the Trustee are entitled to assume the investment is held jointly by those individuals.
- :: The Manager and Trustee are entitled to rely on my/our elected PIE Tax Rate for all investments I/we make for this account.
- :: **I/we have received a copy of the Investment Statement dated 23 December 2010.**
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CLIENT SIGNATURE(S)

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INDIVIDUAL 2 <input type="text"/>	DATE <input type="text" value="/ /"/>
INDIVIDUAL 3 <input type="text"/>	DATE <input type="text" value="/ /"/>

FINANCIAL ADVISER USE ONLY

Confirmation of client identity: The Financial Transactions Reporting Act 1996 requires verification of the identity of all clients (identification requirements are explained in the Investment Statement). I have previously verified the identity of the client(s) in accordance with the requirements of the Act and I can confirm that the verification remains accurate. I have no reason to believe that the client(s) is/are not who they claim to be.

Adviser Name <input type="text"/>	
Adviser Company <input type="text"/>	Adviser Code <input type="text"/>
Adviser Signature <input type="text"/>	Date <input type="text" value="/ /"/>

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Authority to Accept Direct Debits



NOT TO OPERATE AS AN ASSIGNMENT OR AGREEMENT

Client Name

Client Number

Name of bank account

Bank account from which payments to be made

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(Bank)		(Branch)			(Account number)						(Suffix)								

Authority to accept direct debits (Not to operate as an assignment or agreement)

Authorisation code

To the manager,

Bank branch

Address (PO Box)

Town/City

I/We authorise you, until further notice in writing, to debit my/our account with you all amounts which New Zealand Administration Services Ltd (hereinafter referred to as the Initiator), the registered Initiator of the above Authorisation code, may initiate by Direct Debit. I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this form.

Information to appear on my/our bank statement:

N Z A S S A V I N G S

Payer Particulars

Authorised signature(s)

<input type="text"/>	<input type="text"/>
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For bank use only:

Approved 1800 09/09	Date received:	Recorded by:	Checked by:	Bank stamp
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Original - retain at branch.

Copy - forward to initiator if requested.

Conditions to this Authority to Accept Direct Debits

1. The Initiator:

- (a) Has agreed to give advance notice of the net amount of each Direct Debit and the due date of the debiting at least 10 calendar days before (but not more than two calendar months) before the date when the Direct Debit will be initiated. This advance notice must be provided either:
 - (i) in writing; or
 - (ii) by electronic mail where the Customer has provided prior written consent to the Initiator

The advance notice will include the following message:-

"Unless advice to the contrary is received from you by (date*), the amount of \$.....will be direct debited to your Bank account on (initiating date)."

* This date will be at least two (2) days prior to the initiating date to allow for amendment of Direct Debits.

- (b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

2. The Customer may:-

- (a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
- (b) Stop payment of any Direct Debit to be initiated under this authority by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.
- (c) Where a variation to the amount agreed between the Initiator and the Customer from time to time to be direct debited has been made without notice being given in terms of 1(a) above, request the Bank to reverse or alter any such Direct Debit initiated by the Initiator by debiting the amount of the reversal or alteration of the Direct Debit back to the Initiator through the Initiator's Bank, PROVIDED such request is made not more than 120 days from the date when the Direct Debit was debited to their account.

3. The Customer acknowledges that:-

- (a) This authority will remain in full force and effect in respect of all Direct Debits passed to their account in good faith notwithstanding my/our death, bankruptcy or other revocation of this authority until actual notice of such event is received by the Bank.
- (b) In any event this authority is subject to any arrangement now or hereafter existing between them and the Bank in relation to my/our account.
- (c) Any dispute as to the correctness or validity of an amount debited to their account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this authority. Any other disputes lies between them and the Initiator.
- (d) Where the Bank has used reasonable care and skill in acting in accordance with this authority, the Bank accepts no responsibility or liability in respect of:
 - the accuracy of information about Direct Debits on Bank statements
 - any variations between notices given by the Initiator and the amounts of Direct Debits
- (e) The Bank is not responsible for, or under any liability in respect of, the Initiator's failure to give written advance notice correctly nor for the non-receipt or late receipt of notice by them for any reason whatsoever. In any such situation the dispute lies between them and the Initiator.

4. The Bank may:

- (a) In its absolute discretion conclusively determine the order of priority payment by it of any monies pursuant to this or any other authority, cheque or draft properly executed by the customer and given to or drawn on the Bank.
- (b) At any time terminate this authority as to future payments by notice in writing to the customer.
- (c) Charge its current fees for this service in force from time to time.



