



AXA Business  
Superannuation  
**investment statement**

1 April 2010

**redefining** / standards





# important information

**(The information in 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:

What sort of investment is this?	2
Who is involved in providing it for me?	5
How much do I pay?	6
What are the charges?	9
What returns will I get?	12
What are my risks?	19
Can the investment be altered?	21
How do I cash in my investment?	23
Who do I contact with enquiries about my investment?	24
Is there anyone to whom I can complain if I have problems with the investment?	24
What other information can I obtain about this investment?	25

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 an investment adviser

An investment 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 1 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.

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

**This is an investment statement for the purposes of the Securities Act 1978.**

A disclosure statement is available from your adviser on request and free of charge.

# What sort of investment is this?

The securities offered in this Investment Statement are interests in the Superannuation Master Trust ('the Scheme'), which is a registered superannuation scheme. The Scheme is designed for long-term savings to provide you with 'retirement benefits'.

This Investment Statement relates only to AXA Business Superannuation, which is a division of the Scheme.

The Scheme also has a personal division known as 'AXA Personal Superannuation'.

The Scheme is a Portfolio Investment Entity ('PIE').

Under the Scheme your Employer sets up an AXA Business Superannuation workplace plan to give its employees the opportunity to save for their retirement through membership of the Scheme. Your Employer can choose whether your workplace plan is locked in or not and/or a plan that complies with the exempt employer rules ('exempt employer plan'). These rules are contained in the KiwiSaver Act 2006, Superannuation Schemes Act 1989 and the Income Tax Act 2007 and are referred to as the "Governing Requirements" in this Investment Statement. Your Employer will choose what type of plan you are able to join.

The Scheme enables you and the other Members to pool your investments and obtain the benefits of professional investment management.

## Nominated members

If your Employer allows, you may nominate one other person, such as your spouse or partner, to join the Scheme under your workplace plan. Nominated Members cannot nominate another person to join the Scheme. A Member Application must be completed by the nominated person and signed by you as the nominator.

You may withdraw your nomination of a Nominated Member at any time. If you do this you may then, or at a later time, nominate another person to join the Scheme.

## Contributions

Your contributions are expressed as units in portfolios. Returns to each portfolio are reflected in the value of the unit price of the portfolio, which will fluctuate with changes in the value of the portfolio's investments. Because unit prices move in line with market values, at any time the value of your Member and Employer Accounts may go down or up.

Your workplace plan has a range of portfolios for you to choose from, each reflecting different levels of risk and earning potential. The table below lists the portfolios available for investment. Your Employer may request us to limit the portfolios made available to you. If this happens your Employer will advise you in writing which portfolios are available to you. You can contribute to and hold investments in any number and any combination of these Diversified and Sector Portfolios. It is your responsibility to choose the portfolio(s) that best suit your investment needs. Neither the Trustee nor the Administration Manager are responsible for your choice of portfolio(s).

The three Diversified Portfolios invest in a range of investment sectors which include cash, fixed interest, commodities, infrastructure, property and shares. The investment mix for each Diversified Portfolio provides a different level of risk and earning potential.

If you would prefer to manage the risk of investments yourself, you can choose to invest in one or more of the Sector Portfolios.

At the date of this Investment Statement, the underlying assets of each of the portfolios are managed by the fund manager(s) detailed in the table on page 3. The fund manager(s) are appointed by us or by the person to whom we delegate investment management functions from time to time.

The portfolios currently available for investment are:

## Diversified portfolios

Conservative Portfolio	Balanced Portfolio	High Growth Portfolio
<b>Sector portfolios</b>		<b>Fund manager</b>
Cash		AXA Global Investors Limited <sup>1</sup>
NZ Fixed Interest		AMP Capital Investors (New Zealand) Limited
International Fixed Interest		BlackRock Financial Management Inc and Pacific Investment Management Company Australia Pty Limited
Listed NZ and Australian Property <sup>2</sup>		Mint Asset Management Limited
Listed International Property <sup>2</sup>		LaSalle Investment Management Inc, CB Richard Ellis Global Real Estate Securities LLC and Vanguard Investments Australia Limited
NZ and Australian Shares (Multi-Manager)		Brook Asset Management Limited, Milford Asset Management Limited and MIR Investment Management Pty Limited
NZ and Australian Shares (Value)		Brook Asset Management Limited
International Shares (Growth)		RCM (UK) Limited
International Shares (Value)		Bernstein Value Equities <sup>3</sup>
International Shares (Passive)		State Street Global Advisers Australia Limited

1. A member of the Global AXA Group.
2. The assets underlying the portfolio may include property securities or real property.
3. A unit of AllianceBernstein L.P.

### Important notes:

- The level of exposure to individual fund managers in the sector portfolios and the fund manager(s) associated with each portfolio may change at any time without prior notice to you.
- To find out the current fund manager(s) at any time you can contact us.
- The investment ranges, mixture of investments, objectives, strategies and benchmarks, and the nature of the assets in which each portfolio can and does invest, may change at any time.
- Each of the portfolios is currently invested in a range of unit trusts under a master unit trust known as Client Unit Trust issued by Assure New Zealand Limited, a related party of the Manager.

## Insurance

You may have the option of adding insurance to your retirement savings plan. Check with your Employer to find out whether insurance is offered with your workplace plan.

If your workplace plan offers insurance, you can choose to be an 'insurance only' Member, provided there is at least one account under your workplace plan expressed as units in a portfolio. The insurance options are:

### Death cover

This option provides a sum of money in the event of your death. Terminal Illness cover is also included at no extra cost. Terminal Illness cover brings forward the death cover payout should you be diagnosed as having less than 12 months to live, regardless of any treatment that might be undertaken.

### Death or total and permanent disablement cover

This option provides a sum of money in the event of your death or your Total and Permanent Disablement. The Terminal Illness cover described above also applies.

### Trauma cover

This option provides a sum of money in the event you suffer one of a number of specified major illnesses or injuries.

All of the above covers are subject to acceptance by the Insurer and the terms of the relevant policy.

### Cover basis

The cover basis under each workplace plan is selected by your Employer. Generally the same basis applies to all Members under the plan who have insurance cover but the insurance definitions may vary depending on the insurer and when you joined the Scheme. We may agree to allow more than one basis for a workplace plan on a case by case basis.

The options available are:

- (a) A fixed amount of cover;
- (b) A multiple of your salary; and
- (c) A percentage of your salary multiplied by the number of years (calculated in years and complete months) to your retirement age.

### Cover for nominated members

Cover may be available for Nominated Members with the consent of the Employer and subject to acceptance by the Insurer. However, different premium rates and underwriting conditions may apply. For Nominated Members, where a workplace plan's cover basis is (b) or (c) above, the Nominated Member may indicate a salary on the Member Application no higher than that of the relevant nominating Member.

### Insurance definitions

If you take up insurance cover (with the agreement of your Employer), the circumstances in which the insurance becomes payable may not be the same as the circumstances in which a Total and Permanent Disablement Benefit becomes payable under the Trust Deed. You may be able to get a benefit under your insurance policy even if a benefit is not available under the Trust Deed. Similarly you may not be able to get a benefit under your insurance policy when a Total and Permanent Disablement benefit is payable under the Trust Deed. This is because whether or not an insured benefit is paid depends on the insurance definitions in the policy which provides your cover.

You must ensure you get a copy of the insurance terms and conditions to determine the circumstances in which a benefit becomes payable under the policy. If you become eligible for a terminal illness payment under a death benefit or you become entitled to a benefit on Total and Permanent Disablement under the Trust Deed, the insured benefit will only be paid if the relevant definition of terminal illness or total and permanent disablement in the insurance policy is also met.

# Who is involved in providing it for me?

The name of the Scheme is 'Superannuation Master Trust'. The Scheme was established by a trust deed dated 20 March 2000 and has been in operation since that date. The Scheme is currently governed by a consolidated Trust Deed dated 13 February 2009 ('Trust Deed'). The Scheme is registered under the Superannuation Schemes Act 1989.

## Trustee

New Zealand Permanent Trustees Limited  
(the Trustee')

141 Willis Street  
PO Box 5067  
Wellington 6145

## Administration manager

National Mutual Corporate Superannuation Services Limited (the Administration Manager')

80 The Terrace  
PO Box 1692  
Wellington 6140

National Mutual Corporate Superannuation Services Limited is a member of the Global AXA Group.

## Promoters

National Mutual Corporate Superannuation Services Limited and its directors are promoters of the Scheme. The directors are:

- Christopher William Day of Wellington
- Gordon Patrick Noble-Campbell of Wellington
- Ralph Earle Stewart of Wellington.

The address at which to contact each of the promoters is:

80 The Terrace  
PO Box 1692  
Wellington 6140

## Purpose of the Scheme

The Scheme was established principally for the purpose of providing retirement benefits to individuals or paying benefits to trustees of registered superannuation schemes.

The Trustee of the Scheme is the person legally liable to pay your benefits according to the Trust Deed and the

Administration Manager is responsible for managing the Scheme including:

- collecting contributions;
- deciding investment objectives and strategy;
- calculating unit values and allocating units; and
- calculating and paying benefits.

Neither we, nor the Trustee, nor the promoters, nor any other person guarantees in any way the securities offered by this Investment Statement.

## Throughout this Investment Statement:

'You' or 'your' include Nominated Members unless the context requires otherwise. If you are a Nominated Member, references to 'your Employer' mean the employer of your nominating Member and references to 'leaving employment' mean your nominating Member leaving employment. 'We', 'our' or 'us' means the Administration Manager. We administer all plans under the Scheme. 'Employer' generally refers to the entity that established your workplace plan. However, when it is used in the context of the employer's contributions and the billing of the employer for contributions by us it may be another employer within a group of employers covered by your workplace plan. A Member may be an employee of the Employer or there may be some other business relationship accepted by us, such as a sole trader (meaning that the Member and Employer are effectively the same) or a partnership.

## Insurance providers

Insurance providers are determined by us from time to time. At the date of this Investment Statement the only Insurer providing insurance for Members of the Scheme is The National Mutual Life Association of Australasia Limited, a member of the Global AXA Group. Your Employer can nominate an alternative insurer with the agreement and consent of the Trustee.

## Responsible investment statement

Responsible investment, including environmental, social and governance considerations, is taken into account in the investment policies and procedures of the Scheme as at the date of this Investment Statement to a limited extent as follows.

Currently, the Scheme invests into a range of unit trusts under the master trust known as Client Unit Trust. Where possible a policy of excluding investment in selected companies involved in the production or sale of whale meat or landmines is applied to the investments of Client Unit Trust.

You can obtain an explanation of the extent to which responsible investment is taken into account in the policies and procedures of the Scheme on the Issuer's website on the internet at [www.publictrust.co.nz](http://www.publictrust.co.nz) which is publicly accessible at all reasonable times and from the Issuer, free of charge, upon request and by calling our Customer Services Centre on 0800 807 222.

## How much do I pay?

Your Member Application will detail the regular contributions required from you and from your Employer. Unless otherwise agreed between you and your Employer, regular contributions must be paid until you reach your retirement age, leave employment or cease to be a Member under your workplace plan. If, with your Employer's agreement, you nominate another person to be a Member of your workplace plan, any regular contributions for that Nominated Member must be deducted from your salary or wages.

With our agreement you and/or your Employer may take a contribution holiday, during which you and/or your Employer do not have to make any contributions. If you are a Member of an exempt employer plan, you may only suspend contributions up to the maximum period set by the Manager from time to time. At the date of this Investment Statement the maximum period is 5 years. All other Members can suspend contributions for any period agreed with the Employer. Thirty days prior written notice must be given to us. You can choose to increase the amount of your regular contribution.

If you are a Member of an exempt employer plan and your Employer suspends their contributions, you are responsible for paying the minimum amount required by law, unless you have temporarily suspended contributions.

## Contributions for members of exempt employer plans

The minimum contribution rate for Members of an exempt employer plan is 4% of your gross base salary or wages. Your minimum rate can be made up of a combination of Employer and employee contributions.

However your Employer's contributions will not count for the purposes of determining the amount you are personally required to contribute to the Scheme.

## Calculation of contributions

### Regular member contributions

Your Member Application will specify whether regular Member contributions are calculated as:

- a percentage of your salary (a Nominated Member may indicate a salary no higher than that of their nominating Member); or
- a fixed dollar amount; or
- 'insurance only', being payment of insurance premiums only; or
- no contributions.

### Retirement age

Your nominated retirement age is the age at which you expect to retire and is nominated by you and your Employer on your Member Application.

Your retirement age must not be less than 55. You and your employer can agree to raise your retirement age at any time. The Trustee may raise your retirement age if it is necessary to ensure that the Scheme remains a registered superannuation scheme.

### Plan year

A plan year is the period between each plan annual review date. Your Employer selects the plan annual review date and may change it at any time with our consent.

## Regular employer contributions

The regular contribution options available to your Employer include:

- a percentage of your salary (a Nominated Member may indicate a salary no higher than that of their nominating Member); or
- a fixed dollar amount; or
- 'fees only', being payment of service fees and/or administration fees only; or
- 'insurance only', being payment of insurance premiums only; or
- 'fees and insurance only', being payment of service fees, administration fees and insurance premiums only; or
- no contributions.

The Employer contributions set out in the Member Application are net of any Employer Superannuation Contribution Tax (ESCT) and represent the amount that is actually received by the Scheme. Total Employer contributions are equal to the amount set out in the Member Application multiplied by the factor necessary to account for any ESCT.

## Minimum contributions

The minimum combined regular Member and Employer contribution amount for each Member is \$1,200 per annum (net of any ESCT). We may agree to reduce this minimum for any Member or group of Members.

## Lump sum contributions and transfers

You or your Employer can make lump sum contributions at any time. The minimum lump sum contribution is \$500 (net of any ESCT). You can transfer funds from another superannuation scheme with our agreement and subject to any requirement we impose. These transferred amounts will be deposited in your Member Account, your Employer's Account and/or your workplace plan's Reserve Account in proportions determined by the Trustee.

As at the date of this Investment Statement, requirements are imposed in relation to funds transferred directly or indirectly from a United Kingdom ('UK') registered pension scheme and funds transferred which have UK tax relieved status.

## UK related transfers

To enable Members to have certain UK tax treatment, the Scheme needs to be a qualifying recognised overseas pension scheme ('QROPS') under UK legislation.

While the Scheme is a QROPS we have to report certain information regarding Members who have UK tax relieved or UK transferred funds. Accordingly, requirements imposed on any such transfers include requiring your agreement to provide information requested by us (this could be as a pre-requisite to us actioning any request in relation to your funds) and authority for personal information to be provided to the UK HM Revenue and Customs (or other authority).

As at the date of this Investment Statement the Scheme has QROPS status. However, the Scheme could lose QROPS status at any time and neither we nor the Trustee represent that the Scheme will continue to have QROPS status. If QROPS status is lost your UK tax implications may change in relation to your balance in the Scheme and/or future transfers. To confirm whether the Scheme has QROPS status at any time please contact us.

## Frequency and method of payment

Each month or fortnight either:

- we will bill your Employer for all regular contributions; or
- all regular contributions will be paid to us by your Employer by way of a bank direct credit.

Payment is to be made on the date agreed by us.

Payment of contributions (including lump sum contributions) is to be made to National Mutual Corporate Superannuation Services Limited on our behalf at:

AXA New Zealand  
80 The Terrace  
PO Box 1692  
Wellington 6140

If paying by cheque, please make your cheque in New Zealand dollars payable to "NZPT – Superannuation Master Trust". Cross your cheque "not transferable – account payee only". Although regular contributions are paid to the Scheme monthly or fortnightly, deductions from your salary or wages may be made by your Employer weekly, fortnightly, semi-monthly, four weekly or monthly. If your Employer so directs, Employer or Member contributions may be paid from the Reserve Account of your workplace plan.

## Payment and non-payment of contribution

We may refuse to accept any contribution that is less than the applicable minimum contribution amount. If you or your Employer do not pay regular contributions on the required dates or at the required frequency, fees will continue to be deducted.

If your accounts reduce to nil you may cease to be a Member and any insurance you have will cease. We may require you to make additional contributions to bring the balance of your accounts up to any minimum balance determined by us from time to time. If you fail to make these additional contributions within 30 days of our request, you will be deemed to have made a withdrawal request for the full amount in your accounts and you will cease to be a Member.

If you have a locked-in plan the limitations on payment explained under 'What returns will I get?' on page 12 apply. At the date of this Investment Statement the minimum balance is \$1,000. If, after a withdrawal your Member's balance is less than \$1,000 the withdrawal may be deemed to be a full withdrawal. This applies in respect of all benefits.

## Member, employer's and reserve accounts

We will establish under your workplace plan a Member Account and an Employer's Account for each Member. We will also establish a Reserve Account (see opposite) for each workplace plan.

Under the Trust Deed for the Scheme we have the power to establish under your workplace plan a Member's Voluntary Account, a Member's Salary Sacrifice Account and a Member's Transfer Account, but as at the date of this Investment Statement we have not introduced such accounts.

Your Member account is calculated as:

- the total of your contributions;
  - plus transfers from another plan or scheme credited to your Member Account;
  - less transfers to another plan or scheme debited from your Member Account;
  - less the fees, insurance premiums and any tax (if applicable) determined by us to be debited from your Member Account;
- less any tax payable or plus any refund receivable using your Prescribed Investor Rate ('PIR');
  - less any benefit already paid from your Member Account;
  - plus any transfers from your workplace plan's Reserve Account;
  - adjusted by the Scheme's investment earnings attributable to your Member Account.

Your Employer's account is calculated as:

- the total of all contributions (net of ESCT) made by your Employer on your behalf;
- plus transfers from another plan or scheme credited to your Employer's Account;
- less transfers to another plan or scheme debited from your Employer's Account;
- less the fees, insurance premiums and tax (if applicable) determined by us to be debited from your Employer's Account;
- less any benefit paid from your Employer's Account;
- plus any transfers from your workplace plan's Reserve Account;
- adjusted by the Scheme's investment earnings attributable to your Employer's Account.

## Reserve account

The Reserve Account of your workplace plan accumulates surplus funds, such as any part of the Employer's Account that is not vested in a Member at the time a Member ceases to belong to the workplace plan, or benefits unclaimed for a seven year period from the date on which the benefit became payable. Your Employer may at any time direct us to use the Reserve Account:

- a to pay any fees, charges, costs, liabilities and expenses of the Scheme attributable to your workplace plan or any Member under that plan; or
- b to increase any Member's benefit under that workplace plan; or
- c to increase any Member Account or the Employer's Account of any Member under that workplace plan; or

- d to pay any Employer or Member contributions under that workplace plan; or
- e for such other purpose as your Employer and the Trustee agree is appropriate including, on the withdrawal of your Employer from the Scheme and subject to the approval of the Government Actuary, payment to your Employer.

The Trustee may, after consultation with us, give notice to your Employer requiring your Employer to direct us to distribute or apply all or part of the Reserve Account in accordance with that notice. If your Employer fails to do so within 30 days, the Trustee may direct us to apply all or part of the Reserve Account as the Trustee determines.

## Insurance premiums

If you have taken out insurance cover, the premium will be paid from your Employer's Account, or from your Member Account if there are insufficient funds in your Employer's Account. Alternatively your Employer may pay the premium separately. The amount of the premium will depend on your personal details, the type of cover, the insurer covering you and the level of cover chosen. You will be advised of that amount once your application has been received, assessed and the amount has been determined.

# What are the charges?

The following charges are or may be payable by you to the Trustee, to us, or to persons associated with either the Trustee or us. The charges may be payable directly or indirectly, including by deduction from your accounts.

Unless otherwise stated, the fees in this Investment Statement are shown on a gross basis (i.e. before tax). All fees that are tax deductible will be deductible against income allocated to you from the Scheme and cannot be claimed personally.

The fees will affect the returns you will receive. If you take a contribution holiday, fees (including any insurance premiums) will continue to be deducted. Apart from the Withdrawal Fee, the dollar amount of each fee is variable and cannot be determined for any particular Member at the date of this Investment Statement.

We may reduce or rebate any charge in respect of any Member or group of Members. We may vary the level or calculation basis of any of the charges from time to time. You will be advised of any variation.

To find out the amount of any fee that applies to your membership in the Scheme at any time, talk to your financial adviser or contact the AXA Customer Service Centre on 0800 807 222.

## Administration fees

### Monthly member fee

A monthly Member Fee (see the table on page 11) applies to all Members other than insurance only Members. The monthly Member fee may be increased annually in line with inflation.

### Scaled plan fee

This monthly fee applies to all Members and varies between plans depending on the value of the plan, as set out in the table on page 11. The value of your plan is the sum of the balances of the Members' and Employer's Accounts and the Reserve Account for that plan, on the last day of the current month. A weighted average percentage is calculated in accordance with the table on page 11 to give a scaled plan fee percentage for the plan for the current month. The fee is equal to this percentage multiplied by the average of the sum of balance of your Member Account and Employer's Account on the last day of the previous month and on the last day of the current month.

### Withdrawal fee

You may be charged a withdrawal fee (see the table on page 11) for the third and each subsequent In Service benefit paid to you in any plan year. This fee does not apply to Regular Withdrawal Benefits, Hardship Benefits and Terminal Illness Benefits. The withdrawal fee may be increased annually in line with inflation.

### Portfolio switching

At the date of this Investment Statement there is no fee payable for portfolio switching. We may charge a fee for portfolio switching in the future (see page 21). This fee would be calculated by us, taking into account the level of services provided and the level of fees charged generally for such services. There is no limit on the amount of this fee.

## Service fees

### Plan fee

A monthly Plan Fee may be added to the Scaled Plan Fee (see the table on page 11).

### Contribution fee

A Contribution Fee for each regular Member and Employer contribution is deducted from your Employer's contributions (see the table on page 11). If your Employer's contributions are insufficient, any balance is deducted from your Member contributions. This fee does not apply to Members with insurance only. If your Employer's contributions comprise the fees and/or insurance only options, the Contribution Fee is not charged on those Employer contributions.

### Investment management fees

A fee is charged for providing investment management services. The amount of the fee varies depending on the portfolio and is based on the value of the assets in each portfolio. The current fees for each portfolio are set out in the table on page 11. There is no limit on the amount of this fee. These fees will be included in the calculation of the unit price and will affect the returns you receive.

### Insurance premiums

Premiums are charged if insurance cover is provided. The amount of the premium cannot be determined at the date of this Investment Statement, but will be calculated having regard to your personal details, current premium rates, the type and level of cover. An estimate of the amount of the premium can be obtained at the time you apply to become a Member. You will be advised of the amount once your Member Application has been received, assessed and the amount has been determined.

### Trustee fees and expenses

The Trustee is entitled to be reimbursed from the Scheme for all expenses costs or liabilities incurred in acting as Trustee. The Administration Manager may agree to meet the cost of these expenses, costs and liabilities from time to time as it sees fit. The Trustee's fee is paid by the Administration Manager.

## Tax and its impact on fees

The Investment Management fee is deducted from the returns of the relevant Portfolio. We will pay tax on your behalf on the income allocated to you from each Portfolio at your PIR, as notified to us, after deducting those fees.

All other fees are either charged to your account or deducted from the income allocated to you.

All fees that are tax deductible will be offset against income allocated to you by the Scheme and under current law cannot be deducted in your personal tax return.

## Summary of fees

Administration Fees						
<b>Monthly Member Fee</b>						\$8.95
<b>Scaled Plan Fee</b> (% per annum of your funds under management)						
Total funds under management in a plan	<b>First \$100,000</b>	<b>Next \$150,000</b>	<b>Next \$250,000</b>	<b>Next \$500,000</b>	<b>Next \$4,000,000</b>	<b>Balance</b>
	1.00%	0.80%	0.50%	0.35%	0.30%	0.25%
<b>Withdrawal Fee</b> (applicable to In Service benefits only)		\$50.00 (payable for the third and each subsequent In Service Benefit in any Plan Year)				
Service Fees						
<b>Plan Fee</b> (if applicable) (% per annum of your funds under management)						Up to 0.80%
<b>Contribution Fee</b> (if applicable) (% of contributions)						Up to 3.73%
Investment Management Fee (per annum)						
Diversified Portfolios	Conservative		Balanced		High Growth	
	0.505%		0.542%		0.504%	
Sector Portfolios						
<b>CASH</b>						0.300%
<b>NZ FIXED INTEREST</b>						0.400%
<b>INTERNATIONAL FIXED INTEREST</b>						0.600%
<b>LISTED NZ &amp; AUSTRALIAN PROPERTY</b>						0.650%
<b>LISTED INTERNATIONAL PROPERTY</b> <sup>1</sup>						0.600%
<b>NZ &amp; AUSTRALIAN SHARES (MULTI-MANAGER)</b>						0.650%
<b>NZ &amp; AUSTRALIAN SHARES (VALUE)</b>						0.650%
<b>INTERNATIONAL SHARES (GROWTH)</b>						0.800%
<b>INTERNATIONAL SHARES (VALUE)</b>						0.800%
<b>INTERNATIONAL SHARES (PASSIVE)</b>						0.350%

1. The assets underlying the portfolio may include property securities or real property.

# What returns will I get?

Returns from the Scheme are paid to you as 'benefits'. Your benefits will depend on whether your workplace plan is unlocked or locked-in:

- If your workplace plan is 'unlocked' you may access all or part of your Member Account and the portion of your Employer's Account vested in you (within any limitations imposed by us and your Employer's agreement) from time to time.
- If your workplace plan is 'locked-in', you cannot access your funds (except in limited circumstances) until you reach your retirement age, leave employment, suffer Total and Permanent Disablement or Terminal Illness or die.

Your workplace plan's status is chosen by your Employer and will be shown on your Member Application.

The different types of benefits that may be payable to you are listed below:

Benefit	Unlocked plans	Locked-in plans
<b>On or after retirement age the benefits below plus</b>		
Retirement Benefit	Yes	Yes
Regular Withdrawal Benefit	Yes	Yes
In Service Benefit	Yes	Yes
<b>Before retirement age</b>		
Leaving Service Benefit	Yes	Yes
In Service Benefit	Yes	No
Death Benefit	Yes	Yes
Total & Permanent Disablement Benefit	Yes	Yes
Trauma Benefit	Yes*	Yes*
Terminal Illness Benefit	Yes	Yes
Hardship Benefit (full or partial)	N/A	Yes
Dismissal Benefit	Yes	Yes

\* only available where you have insurance cover that provides a trauma benefit and where you qualify under the terms of the insurance policy.

In some instances the Employer and the Member may be the same person, i.e. a sole trader. In such a case references below and throughout this Investment Statement to you 'leaving employment' are when in our opinion you have ceased your business undertaking, or as otherwise determined by us. Where your relationship to the Employer is based on a contract of apprenticeship or partnership, or a contract for services, references to 'leaving employment' mean ending that contract and not otherwise being deemed an employee by us.

### **Minimum account balance**

Following any withdrawal or the payment of any benefit you must have a 'Member's balance' of \$1,000 or more. For this purpose, your 'Member's balance' is the total of your Member Account, Employer's Account and any other account held in respect of you. If following the payment of a benefit your Member's balance is less than \$1,000 the withdrawal may be deemed to be a full withdrawal. This requirement applies to all benefits. The withdrawal value of your entitlement may be more or less than the value of units you hold, as tax is paid at your PIR by the cancellation of units and rebates are paid by issue of units at the end of each year and upon withdrawal of your entitlement.

### **Retirement Benefit**

When you reach your retirement age and have left employment, you may choose to receive all of your Member Account and your Employer's Account. You will cease to be a Member upon payment.

### **Regular Withdrawal Benefit**

This benefit is only available to you when you have reached your retirement age. You may choose to receive regular payments while remaining a Member. You can choose to have regular payments made monthly, quarterly, half yearly or yearly. You can set the amount of the regular payments subject to any minimum amounts specified by us from time to time.

You can request regular payments from your:

- Member Account; and
- Employer's Account, if fully vested.

You can vary or stop regular payments at any time. Unless you choose to stop the regular payments they will continue until your Member Account, and (if applicable) your Employer's Account, reach a nil balance however as explained under the heading 'Minimum Account Balance' on page 13 the balance of your account after a withdrawal must be \$1,000 or more or the withdrawal may be treated as a full withdrawal.

Where the Trustee considers that your Member's balance is less than or equal to tax payable at your PIR on income allocated it will use your interest in the Scheme to pay the tax and treat it as a request for a full withdrawal.

### **Leaving service benefit**

If you leave employment (unless you are eligible to transfer to a new plan and elect to do so) and no other benefit is payable you are entitled to receive all of:

- your Member Account;
- the portion of your Employer's Account vested in you; and
- any balance of your Employer's Account determined by your Employer.

You may have the option of applying to transfer this benefit to AXA Personal Superannuation. If this benefit is paid to you, and not transferred to AXA Personal Superannuation, you cease to be a Member upon payment.

For Members who joined the Scheme on or after 1 April 2007 and leave employment only as a result of a new person purchasing your existing Employer's assets and business and becoming an Employer in the Scheme, you will not be entitled to a Leaving Service Benefit. If you are a Nominated Member and your nomination is withdrawn or your nominating Member ceases to be a Member under your plan and you do not request the Leaving Service Benefit, or transfer your membership to AXA Personal Superannuation or another AXA Business Superannuation plan, we may deem that you have requested this benefit.

### **In service benefit**

For locked-in plans this benefit is only available to you when you have reached your retirement age. The In Service benefit enables you to access all or part of your funds while still in employment. However, your Employer must agree to the payment of this benefit.

You may choose to receive all of:

- your Member Account;
- the portion of your Employer's Account vested in you; and
- any balance of your Employer's Account determined by your Employer.

You will cease to be a Member upon payment.

Alternatively you may choose from time to time to receive part of your:

- Member Account; and
- Employer's Account, if fully vested.

If you choose to receive only part of these amounts you will remain a Member.

We may limit the number of requests you can make in each plan year. At the date of this Investment Statement there is no limit.

### **Death benefit**

When you die the benefit payable is equal to the sum of:

- your Member Account;
- your Employer's Account; and
- if you have insurance cover under this plan and qualify under the relevant policy definition, any amount paid by the Insurer to the Trustee as a result of your death. Please check with your Employer to see if this applies to you. The death benefit is payable to your estate.

### **Total and permanent disablement benefit**

If you become Totally and Permanently Disabled you are entitled to a Total and Permanent Disablement Benefit equal to the sum of:

- your Member Account;
- your Employer's Account; and
- if you have insurance cover under this plan, any amount paid by the Insurer to the Trustee as a result of the Total and Permanent Disablement. The insurance will only be paid to the Trustee if at the time you suffer Total and Permanent Disablement as defined in the Trust Deed, you also meet the insurance definition in the policy taken out to provide

your benefit. The definition in the policy will not necessarily be the same as that provided in the Trust Deed. Please check with your Employer to see if this applies to you. If this benefit is paid to you, you will cease to be a Member on payment and insurance held in respect of you will cease.

### **Trauma benefit**

If you suffer a trauma, and have insurance cover, you will receive a Trauma benefit equal to any amount paid by the Insurer to the Trustee as a result of the Trauma. If a Member suffers any condition that is subject to a waiting period, there will be no payment for that condition until the expiry of 90 days from the date the Insurer accepts the risk. Traumas not subject to a waiting period are covered from the date of acceptance.

### **Terminal illness benefit**

If you suffer a Terminal Illness you may choose to receive a Terminal Illness Benefit of:

- all or part of your Member Account and your Employer's Account; and/or
- if you have insurance cover under this plan and qualify under the relevant policy definition, any amount paid by the Insurer to the Trustee as a result of the Terminal Illness. Please check with your Employer to see if this applies to you.

If you choose to receive all of your Member Account and your Employer's Account you will cease to be a Member on payment.

For more information about the insurance definitions of Total and Permanent Disablement, Trauma and Terminal Illness please refer to the Insurance Definitions in the relevant supplement to this Investment Statement.

### **Hardship benefit**

If you establish to the satisfaction of the Trustee that you are suffering from financial hardship, you may receive all of:

- your Member Account;
- the portion of your Employer's Account vested in you; and
- any balance of your Employer's Account determined by your Employer.

You will cease to be a Member upon payment.

Alternatively you may receive part of your:

- Member Account; and
- Employer's Account, if fully vested.

If you choose to receive only part of these amounts you will remain a Member.

If you have a locked-in plan, you may also choose to receive a benefit if the Trustee is satisfied that the benefit is required as a result of:

- your permanent emigration from New Zealand, as approved by the Trustee; or
- a change to the Scheme's operation that the Trustee considers to be material to your decision to invest in the Scheme; or
- exceptional circumstances existing where the Trustee considers it inequitable not to permit payment of the benefit.

## Dismissal Benefit

For plans established on or after 1 June 2003 only. This benefit applies if you are dismissed for misconduct or if in the opinion of your Employer you resign to avoid such dismissal.

Your benefit will comprise:

- your Member Account; and
- that portion of your Employer's Account that your Employer at its discretion elects to pay to you.

## Other Withdrawals

A withdrawal from the Scheme may be made where we are required to comply with any enactment requiring the release of funds from the Scheme, such as for the purposes of a court order under the Property (Relationships) Act 1976.

## What benefit will you receive if your workplace plan is wound up?

If your workplace plan is wound up for any reason, your interest in the plan is calculated by reference to:

- your Member Account;
- the whole of your Employer's Account; and

- any part of the Reserve Account of your workplace plan which your Employer agrees is to be allocated to you.

Any tax payable at your PIR will be deducted from all these accounts when paid. For Members this amount will be paid to you as a benefit. Note that the Reserve Account of your workplace plan will be distributed pro rata between Members of the plan unless the Government Actuary has agreed that all or some of the Reserve Account may be paid to your Employer. You may have the option of applying to transfer the amount of this benefit to AXA Personal Superannuation. If this benefit is paid to you, and not transferred to AXA Personal Superannuation, you cease to be a Member upon payment.

## What is Vesting?

'Vesting' is the process for deciding how much of the Employer's Account you may receive. We and your Employer agree the vesting arrangement that will apply to you. The vesting arrangement will be set out in your Member Application.

## Workplace Plans Established Before 1 June 2003

The Employer's Account will vest each year in accordance with the vesting scale selected when the plan was set up. Once these funds have vested, your entitlement to them cannot be taken away.

## Workplace Plans Established On or After 1 June 2003

For workplace plans established on or after 1 June 2003, vesting works slightly differently. Vesting does not occur automatically. Normally, when you request a benefit, you will receive a portion of your Employer's Account in accordance with the vesting scale selected. However, if you are dismissed for misconduct, or in your Employer's opinion you resign to avoid such dismissal, your Employer decides on the vesting and may choose to withhold some or all of the Employer's Account.

## Vesting for Exempt Employer Plans

For an exempt employer plan, any Employer contributions which count towards the minimum amount must vest before you begin your sixth year as a Member of the workplace plan. Vesting does not affect your entitlement to your Member Account.

## Factors determining returns

The actual amount of benefit you receive from the Scheme will depend on:

- the value of your Member and Employer's Accounts as at the date a benefit is paid;
- how much of your Employer's Account is vested in you;
- if you die or become Totally and Permanently Disabled, or suffer a Trauma or Terminal Illness, the value of any insurance cover payable;
- whether your insurance is declined or not payable for any reason;
- the application of any amount from the General Reserve Account or the Reserve Account of your workplace plan; and
- tax (at your PIR from time to time, and potentially by way of fund withdrawal tax) on income allocated to you.

The value of your Member and Employer's Accounts will depend on the contributions made, fees charged, tax deducted and returns achieved on the portfolios you have chosen. Your accounts are expressed as units in portfolios. Returns to each portfolio are reflected in the value of the unit price of the portfolio, which will fluctuate with changes in the value of the portfolio's investments. Unit prices move in line with market values. Because of this at any time the value of your Member Account may decline or increase. The value of your Member and Employer's Accounts will be affected by:

- changes in the investment markets;
- movements in interest rates and currency exchange rates;
- political and other economic events; and
- tax.

No amount of return is promised or guaranteed.

## Benefit payments

Benefit payments are made by direct credit to your bank account or by cheque in circumstances agreed by us. Payments can be made in a variety of circumstances, which means the date when a benefit will be paid to you is not known. No amount of return has been promised by any person.

New Zealand Permanent Trustees Limited as the Trustee of the Scheme is the person legally liable to pay your benefits according to the Trust Deed. Before you can receive any benefit payment, all contributions in respect of you owing to the Scheme must have been paid.

If, with your Employer's consent, you have assigned any part of your benefit, by way of mortgage or charge, then any benefit payment you receive will be reduced by the amount owing, which will be paid to the charge-holder.

If a benefit is unclaimed for seven years, the benefit will be credited to the Reserve Account of your workplace plan.

## Requesting a benefit payment

You can ask for a benefit to be paid by contacting us. If you do not ask for payment within 90 days of becoming entitled to the benefit, we may at any time thereafter deem that you have requested payment. You may be required to provide information in writing to enable the Trustee to determine if any Fund Withdrawal Tax applies (see page 18). Subject to any conditions we impose if you have completed a UK related transfer (see 'How much do I pay' on page 6) payment will be made within 15 business days of the later of the dates that we:

- receive the contributions for the month in which you become entitled to the benefit; and
- receive your request for payment or deem that you have requested payment (as applicable).

We may impose limits on the frequency or availability of benefit requests and you will not be paid a benefit before your retirement age if the Trustee (in consultation with us) considers that paying the benefit may contribute to the Scheme being de-registered as a registered superannuation scheme.

If you are a Member of a locked-in plan, in no circumstances will you be eligible to receive a benefit prior to your retirement age where the Trustee (in consultation with us) considers that payment of such a benefit may be prejudicial to:

- the status or treatment of the plan; or
- any Member of the plan; or
- any contribution by or in respect of a Member under the plan, under any law (including without limitation tax status or treatment).

## **Suspending benefit payments**

We may suspend paying benefits to be funded from a particular portfolio for up to 90 days, or more with the Trustee's consent, if, due to:

- the suspension of trading on any exchange (whether generally or in respect of any specific investment); or
- financial, political or economic conditions applying in respect of any financial market; or
- the nature of any investment; or
- the occurrence or existence of any circumstance or event relating to the relevant portfolio generally

units in that portfolio cannot be redeemed or we form the opinion in good faith that it is not practicable or would be materially prejudicial to any Member's interest for units in a portfolio to be redeemed.

If you have a locked-in plan, the limitation on payments explained in 'What returns will I get?' on page 12 apply. If the payment of a benefit would result in your Member Account falling below any minimum balance, except where the balance would be nil as a result, your benefit request may be refused.

## **Taxes**

Taxes may affect your returns. The following is intended as general guidance only and is based on legislation current at the date of this Investment Statement. Members should seek independent professional tax advice before investing or withdrawing.

## **Tax applying to portfolio investment entities**

The Scheme is a Portfolio Investment Entity ("PIE"). This allows tax to be paid on your behalf.

## **Calculation and payment of tax**

The Trustee calculates and pays tax on your behalf at your PIR.

As at 1 April 2010 the PIRs for New Zealand resident individuals are 12.5%, 21% or 30%, depending on members' taxable income and PIE income or losses. For information to assist in selecting your correct PIR refer to the IRD website, [www.ird.govt.nz](http://www.ird.govt.nz). The current income thresholds can also be obtained by contacting us.

You are required to provide us with your IRD number and tell us the PIR to use. You will also need to tell us if your PIR changes. If you do not advise us of your PIR, you will be given a PIR of 30%. If you do not advise us that your PIR changes, or you provide us with the wrong PIR, you may end up paying too much tax on your investment or may have an obligation to pay further tax including any interest or penalties and file a tax return. Where tax has been overpaid as a result of you submitting an incorrect PIR, the overpaid tax cannot be recovered.

Generally the tax liability attributed to your investment in the Scheme will be paid annually following 31 March or following a full withdrawal of your investment and will be met by way of cancellation of units. If you partially withdraw and at any time where the remaining value of your units is equal to or of insufficient value to cover the accrued liability this will be deemed a full withdrawal and units will be automatically cancelled to pay tax. We will deduct the tax liability on income allocated or pay tax rebates to Members at the end of each tax year by cancelling or issuing of units.

The tax paid on income attributed to you by the Scheme will be a final tax (unless you claim, but are not eligible for a 12.5% or 21% PIR), therefore no obligation to file a tax return for your investment in the Scheme will generally arise. You or your Employer(s) may be required to provide further information in the form required by the Trustee to ensure no Fund Withdrawal Tax is deducted from a withdrawal.

As at the date of this investment statement, income from the Scheme allocated to you will have no impact on your family assistance eligibility, student loan repayment obligations or child support payment obligations.

## **Tax treatment of investments**

Gains or losses made on New Zealand resident companies or Australian resident companies listed on an approved index of the Australian Stock Exchange ('ASX') which meet certain other criteria, and certain Australian unit trusts, will not be taxable or deductible. The PIE regime is designed to pass through these benefits to you where the Scheme invests in unit trusts or other superannuation schemes that are PIEs.

International shares and offshore funds (other than Australian resident companies listed on an approved index of the ASX and certain Australian unit trusts) held by the Scheme are taxed under a Fair Dividend Rate ('FDR') of 5% per annum of their daily market value.

Dividends received by the Scheme from shares and funds subject to FDR are non taxable but foreign tax credits may be available to offset tax payable.

Certain international shares (those offering guaranteed or fixed rate returns or that are 80% or more invested in financial arrangements or fixed rate shares that are denominated in or hedged to New Zealand dollars or determined by Inland Revenue to be debt in economic terms) are taxed under the comparative value method, i.e. annual change in market value plus distributions.

Debt securities are taxed under the financial arrangement rules on an accrual basis (mark to market or fair market value).

### **Fund withdrawal tax ('FWT')**

Where withdrawals are sourced from contributions made by a Member's Employer (or from contributions the source of which cannot be determined) the Trustee may (unless an exemption applies) be required to pay FWT which will be additional to income tax at your PIR of up to 5% of the amount withdrawn. The Trustee will deduct any FWT from the withdrawal or the Member's Account.

FWT will generally not be payable:

- 1 if a Member transfers from one registered superannuation scheme to another;
- 2 if a withdrawal is made to alleviate 'significant financial hardship' or purchase an annuity or pension of 10 or more years duration or to purchase or pay certain insured benefits;
- 3 where a withdrawal is required to settle a property dissolution following the dissolution of a marriage or civil union or the separation of spouses under the Property (Relationships) Act 1976, or any replacement legislation;
- 4 if the withdrawal results from cessation of employment and the Member has been employed for at least 2 years prior to the year of cessation and the rate of Employer contributions has not increased significantly;
- 5 if the Member has earned less than \$70,000 per annum from all sources in each of the 4 years prior to the year in which the withdrawal is made.
- 6 in respect of Employer contributions made prior to 1 April 2000 and any continuing after that date which have not increased as a percentage of salary;

- 7 in respect of any increase in Employer contributions made pursuant to a deed or contract entered into prior to 1 April 2000.

In some cases, for exemptions to apply, Members or Employers may be required to provide further information in the form required by the Trustee. The FWT legislation is complex and may have different or further consequences from those described in general terms above.

### **Employer superannuation contribution tax ('ESCT')**

Employer contributions to the Scheme that exceed the tax exempt limit are subject to a default ESCT rate of 33%. However, you may elect, with your Employer's agreement, to have the contribution treated as salary and wages and therefore subject to PAYE.

Your Employer may also elect to pay ESCT at the following rates:

- 12.5%: if your salary and wages and gross Employer superannuation contributions were less than \$16,800 in the previous tax year.
- 21%: if your salary and wages and gross Employer superannuation contributions were between \$16,800 and \$57,600 in the previous tax year.
- 33%: if your salary and wages and gross Employer superannuation contributions were more than \$57,600 in the previous tax year.

If you were not employed by your current Employer for all of the previous year, the above rates will be based on estimates of your expected salary or wages and the Employer superannuation contributions for the current income year.

### **UK tax treatment**

While the Scheme is a qualifying recognised overseas pension scheme ('QROPS') certain UK tax treatment may apply to you if you have transferred to the Scheme funds directly or indirectly from a UK registered pension scheme or funds which otherwise have UK tax relieved status.

As at the date of this Investment Statement the Scheme has QROPS status. However, the Scheme could lose QROPS status at any time and neither we nor the Trustee represent that the Scheme will continue to have QROPS status. If QROPS status is lost your UK tax implications may change in relation to your balance in the Scheme and/ or future transfers. To confirm whether the Scheme has QROPS status at any time please contact us.

## Tax assets

There are no tax assets included in the unit price for the Scheme.

**Tax legislation may change. If you have any doubts regarding your individual tax position you should seek professional tax advice. The above comments in relation to tax are general comments only based on current law at the date of issue of this Investment Statement. Neither we, the Promoter, the Trustee nor any other person accepts any responsibility for the impact of taxation liabilities on Members.**

## What are my risks?

All investments carry risk. There are risks associated with the Scheme that could affect your ability to recover the amount of your contributions or impact on the returns payable from the Scheme as described in this Investment Statement. The principal risks applying to the Scheme that could affect returns (and which are common to most superannuation schemes generally) are:

- (a) Investment risk: The risk of a result of negative returns on the Scheme's investments (either generally or in respect of portfolios in which a Member invests), or that the returns for a particular portfolio or the Scheme generally are insufficient to meet the applicable expenses.

Investment risk generally means the extent to which the value of an investment might fluctuate. The investment risk associated with each portfolio depends on the portfolio's mix of investment assets. Generally speaking, investment assets that offer the highest potential returns also have the highest risk. Diversification does not eliminate all risk and it is possible that a diversified portfolio's unit price may fall leading to a capital loss. Each portfolio has an exposure to different asset classes or different weightings to asset classes, and therefore a different investment risk.

For example, because they have a higher exposure to shares, the High Growth Portfolio and Balanced Portfolio are considered to involve higher risk of investment loss than other portfolios, particularly over the short term, and therefore the unit price of those portfolios is more likely to rise or fall. You should choose the portfolio that best matches your needs and attitude towards risk. Members should note that while we take steps to help manage investment risk, no risk management process will eliminate risk;

- (b) Liquidity risk: The risk associated with an inability on the part of the Scheme to meet monetary obligations in a timely manner. The risk arises where there is a mismatch between the maturity profile of investments and the amounts required to pay benefits or the ability to realise some or all of its investments;
- (c) Regulatory risk: The risk of future changes to tax, KiwiSaver, superannuation or other applicable legislation or regulations which could affect the operation of the Scheme or Members' benefits, or of the Trust Deed being amended in a manner permitted by law that has the effect of reducing benefits;
- (d) Credit risk: The risk of the Scheme becoming insolvent or being otherwise unable to meet its financial obligations. If this occurs, Members may not recover the full amount of their interest in the Scheme;
- (e) Administration risk: The risk of a technological or other failure impacting on the Scheme or financial markets in general; and
- (f) Currency risk: The risk that the New Zealand dollar may rise and fall relative to foreign currencies. The risk of exchange variations on investments with foreign currency exposure may affect Members' returns.

Continuing uncertainty in the global credit and financial markets has resulted in negative performance in many investment sectors and funds, including the Scheme's portfolios and those in which the Scheme invests. For Members, this means that the value of your investment may fluctuate and be less than your initial investment, and fluctuations may be material.

The impact that future economic conditions will have on the Scheme cannot be predicted, be they positive or negative. It is not unexpected that there may be negative returns in the Scheme's portfolios from time to time and that negative returns may continue for a period of time. There can be no assurance that future economic conditions will not materially and adversely affect the Scheme's investments. Members are advised to consult an investment adviser before making a decision to invest.

It is reasonably foreseeable that you will receive less than your contributions if you cease to be a Member a short time after joining. Although it is unlikely over the long term, it is possible that at any time the balance of your Member Account will be less than the amount you have contributed. It is also possible that you might not receive the benefits outlined in "What returns will I get?" on page 12. This might occur because of:

- unfavourable investment returns for the portfolio(s) you selected;
- adverse market conditions;
- the effects of fees and insurance premiums;
- any agreement in respect of a portfolio not being met;
- changes to legislation (including tax legislation) that may impact on after tax returns;
- you charging your benefits as permitted by the Trust Deed;
- your bankruptcy or your becoming unable to manage your affairs (though you are not permitted to assign, charge, alienate or borrow against any of your benefits);
- you owing the Trustee any money including contributions; or
- the winding up of your workplace plan or the Scheme.

There is a risk that we will over or under pay tax within the Scheme on your behalf because you have provided us with the wrong PIR or you have not advised us to change your PIR when it needed to be changed. In the event of an underpayment of tax you will be obliged to pay additional tax (and potentially penalties or interest) to Inland Revenue. Where tax has been overpaid as a result of your submitting an incorrect PIR, the overpaid tax cannot be refunded.

Other circumstances, such as if you become bankrupt, or if we are served with a court order under the Property (Relationships) Act 1976 requiring us to release some of your interest in the Scheme, may also impact on your returns.

There is also a risk that the Scheme may lose PIE status and, upon this happening, the Scheme will (under current law) revert to being taxed as a widely held superannuation scheme at 30%.

As at the date of this Investment Statement the Scheme has QROPS status (see pages 7 and 18 for details). However, the Scheme could lose QROPS status at any time and neither we nor the Trustee represent that the Scheme will continue to have QROPS status. If QROPS status is lost your UK tax implications may change in relation to your balance in the Scheme and/or future transfers. To confirm whether the Scheme has QROPS status at any time please contact us.

Your benefits may also be affected if you or your Employer take a contribution holiday (in respect of you or a Nominated Member), as applicable fees and insurance premiums continue to be deducted.

You will not be required to pay more money in respect of the Scheme than is disclosed under the heading "How much do I pay?" on page 6, and under the heading "Consequences of Insolvency and Winding Up the Scheme" below.

However, as a result of your providing the Trustee with the wrong PIR or not advising a change to your PIR when it needs to be changed you could be liable to Inland Revenue in respect of any tax shortfall, interest and penalties in respect of the underpayment (refer to 'Tax applying to portfolio investment entities' on page 17). Additionally, in the event that the value of the units you hold in a trust portfolio is insufficient to meet any tax liability relating to your interest in the Scheme, we may seek to recover any shortfall from you to meet the tax obligation we are required to discharge on your behalf.

Payment of any insured benefits may be declined if there has been misrepresentation or non-disclosure of any material fact.

## **Consequences of insolvency and winding up of the Scheme**

If the Scheme or the part of it that relates to your workplace plan is wound up, as a Member you will not be personally liable in respect of any debt or liability of the Scheme beyond your interest in the Scheme.

Your liability will be limited to the amount held in your Member Account and the amount held in your Employer's Account.

If the Scheme is wound up or put into liquidation, the following claims on the assets of the Scheme will rank ahead of the claims of Members:

- any outstanding expenses or liabilities of the Scheme;
- any claims preferred at law;
- tax; and
- the costs of winding up the Scheme.

After allowing for the above, the Trustee will pay all benefits that have become payable prior to the winding up. The Trustee will then pay you a benefit equal to your Member Account and your Employer's Account (less any tax at your PIR), provided that, if there is insufficient to cover this, your benefit and the benefits payable to other Members will be reduced on a pro rata basis.

On payment of your benefit or transfer to another scheme you will cease to be a Member. If there is any surplus the Trustee will increase the benefits on a pro rata basis. The Reserve Account of your workplace plan will be distributed along with any other surplus unless the Government Actuary has agreed that all or some of the reserve may be paid to your Employer.

As a Member of the Scheme your claim on the assets of the Scheme has the same priority as other Members' claims.

## Can the investment be altered?

### Changes to contributions

With our agreement, the amount of regular contributions can be altered by you (or your Nominating Member where applicable) or your Employer. Unless we agree otherwise, no change will take effect earlier than 30 days after the date on which we give our agreement to the change.

At the date of this Investment Statement there is no charge for making changes to regular contributions.

### Contribution holidays

Both you (or your nominating Member if applicable) and your Employer can put regular contribution payments

on hold until a specified date or indefinitely by taking a contribution holiday. Unless your Employer is already on a contribution holiday for the same or longer period you (or your nominating Member if applicable) need to have agreement from your Employer before taking a contribution holiday. We must receive written notice of any contribution holiday at least 30 days before the next scheduled payment.

Applicable fees and any insurance premiums will continue to be deducted during any contribution holiday.

### Changing your retirement age

With the agreement of your Employer, you can raise your nominated retirement age at any time. The Trustee may raise your retirement age if necessary to ensure the Scheme remains a registered superannuation scheme.

### Portfolio switching

You can ask to switch portfolios at any time. We reserve the right to restrict the number of switches you can make. At the date of this Investment Statement no restrictions are in place.

You have two switching options:

1. directing future regular contributions to other portfolio(s); and
2. moving part or all of your accounts to other portfolio(s).

We can set and change from time to time a minimum value that may be switched or that must remain in a portfolio following a switch (unless the entire portfolio value is switched). At the date of this Investment Statement there is no such minimum value. We may impose a fee in respect of portfolio switching (see page 9). At the date of this Investment Statement no such fee exists.

### Transfers between workplace plans

If your Employer has more than one workplace plan you may transfer part or all of your balances from one workplace plan offered by your Employer to another workplace plan offered by your Employer while remaining in your Employer's service in accordance with the Trust Deed.

Under certain circumstances you may also transfer from a workplace plan offered by your current Employer to a workplace plan offered by an employer whose service you are about to join.

Such transfers are subject to certain conditions and restrictions.

## **Moving from unlocked to locked-in plans**

Your Employer can convert an unlocked plan to a locked-in plan at any time provided the written consent of each Member of your plan has been obtained.

## **Portfolios**

We may vary the fund managers, investment objectives, policy, guidelines and procedures of any portfolio from time to time. This may change at any time without prior notice to you.

If one of the fund managers is removed, the assets managed by that fund manager will be transferred to an alternative fund manager or fund managers.

The investment ranges, mixture of investments, objectives, strategies, benchmarks and the nature of the assets in which each portfolio can and does invest may change at any time. Further information on each portfolio is available at any time by contacting us.

## **Alterations to the Scheme**

Together, we and the Trustee may amend the Trust Deed. However, no amendment can be made to the Trust Deed that would adversely affect the benefits attributable to your membership of the Scheme up to the date of the amendment without your written consent.

We and the Trustee may add a portfolio by amending the Trust Deed at any time. We may close (to any or all Members) or wind up a portfolio at any time upon notice to the Trustee. If a portfolio is closed to you, no future Member and Employer contributions can be directed to that portfolio for your benefit.

## **If a portfolio is wound up:**

- no future contributions can be directed to that portfolio; and
- no further benefit requests can be made for the funds in that portfolio.

You will be notified of the closure or wind up and asked how you want to change any portfolio choice that may be necessary.

## **Exempt Employer Plans**

Some of the rules relating to and exempt employer plans are set by legislation which may change in the future. In that case and in respect of Members of exempt employer plans, your terms of membership may change to reflect any amendments to these rules.

## **For wound-up portfolios:**

- the notice of wind up may specify a replacement portfolio to which holdings will be switched pending receipt of your instructions;
- we may, without notice, determine a replacement portfolio pending receipt of your instructions.
- the Trustee will realise the assets of that portfolio and, after having paid any applicable costs, expenses and other liabilities, shall credit the assets on a pro rata basis to the accounts of Members having an interest in the wound up portfolio.

For closed portfolios, the notice of closure may specify a replacement portfolio to which future contributions will be directed, pending receipt of your instructions.

## **Winding up the Scheme**

The Scheme can be wound up if we so decide, with the consequences described on page 20.

## **Winding up a workplace plan**

A workplace plan may be wound up if:

- your Employer gives notice to the Trustee;
- your Employer becomes insolvent;
- your Employer does not comply with its obligations under the Scheme;
- there is no account under that plan expressed as units in a portfolio; or
- we determine this to be appropriate.

# How do I cash in my investment?

Contact your financial adviser to request a benefit to which you are entitled (see page 12).

## Locked-in plans

If your workplace plan is a locked-in plan your investment is locked in until the earlier of:

- you reach your retirement age;
- you leave employment (including by redundancy);
- you become entitled to receive a Hardship Benefit;
- your plan is wound up;
- the Scheme is wound up;
- you suffer a Terminal Illness, Trauma or Total and Permanent Disablement, as defined on page 14; or
- your death.

## Forfeiture of benefits

If you:

- become bankrupt; or
- assign, charge or borrow against your interest in the Scheme (other than as permitted by the Trust Deed); or
- are considered by the Trustee to be of unsound mind or unable to manage your affairs then your benefits to the extent (if any) permitted at law are forfeited to the Scheme and are applied for the benefit of you and/or your dependants as the Trustee determines.

If you borrow against your interest in the Scheme as permitted by the Trust Deed, your benefits may be paid to the lender. If there are insufficient funds in your accounts to meet the cost of cover under any insurance options the insurance cover will cease.

## Right to sell the security

You do not have the right to sell your interest in the Scheme to another person. However, with your Employer's consent you do have the right to assign, by way of mortgage or charge, your benefits up to:

- in the case of an insured benefit, the full value of that benefit;
- in the case of all other benefits, the balance of your Member Account and the portion of your Employer's Account vested in you.

However, if your plan is locked-in, in no circumstance may you assign your benefits, by way of mortgage or charge, if the Trustee, in consultation with us, considers that mortgage or charge may:

- contribute to the Scheme being de-registered as a registered superannuation scheme; or
- be prejudicial to the status or treatment of the plan; or
- be prejudicial to any Member under the plan; or
- be prejudicial to any contribution made by or in respect of a Member under a plan, under any law including tax status or treatment.

The mortgage or charge is only effective against the Trustee if we have received a copy of the mortgage or charge. Full details of this facility including its limitations, legal obligations and requirements are set out in the Trust Deed.

## Termination of membership

If we reasonably believe that your membership may contribute to the Scheme being de-registered as a registered superannuation scheme, we may terminate your membership. You will receive a benefit equal to your Member Account and the portion of your employer's account vested in you.

## Winding up the Scheme

As noted above, the Scheme can be wound up if we so decide. In this event you will receive the amounts detailed under the heading "Consequences of insolvency and winding up the Scheme" on page 20.

## **Who do I contact with enquiries about my investment?**

Please contact your financial adviser or contact the AXA Customer Service Centre at:

AXA New Zealand  
80 The Terrace  
PO Box 1692  
Wellington 6140

Phone: 0800 807 222  
E-mail: [askus@axa.co.nz](mailto:askus@axa.co.nz)

## **Is there anyone to whom I can complain if I have problems with the investment?**

If you have any problems or complaints please contact your financial adviser or the AXA Customer Service Centre at:

AXA New Zealand  
80 The Terrace  
PO Box 1692  
Wellington 6140

Phone: 0800 807 222  
E-mail: [askus@axa.co.nz](mailto:askus@axa.co.nz)

You can also contact the Trustee at:

New Zealand Permanent Trustees Limited  
141 Willis Street  
PO Box 5067  
Wellington 6145

If the matter remains unresolved and AXA New Zealand has issued a Notice of Deadlock, you may then refer the matter to the Insurance and Savings Ombudsman (ISO), who provides an independent and impartial complaints investigation service. The ISO may be contacted at:

Office of the ISO  
P O Box 10845  
Wellington 6143

Phone: (04) 499 7612 or 0800 888 202  
Fax: (04) 499 7614  
Website: [www.iombudsman.org.nz](http://www.iombudsman.org.nz)

# What other information can I obtain about this investment?

## Prospectus and financial statements

Other important information about the Scheme and the securities referred to in this Investment Statement can be found in the current registered prospectus (which contains an offer in respect of the securities referred to in this Investment Statement) and in the financial statements of the Scheme. A copy of the current registered prospectus and the most recent financial statements can be obtained free of charge from us. The prospectus and financial statements are filed on a public register and are available for public inspection (upon payment of any prescribed fee) on the website of the Companies Office of the Ministry of Economic Development ([www.companies.govt.nz](http://www.companies.govt.nz)) or by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726 and quoting file reference "1802293".

## Annual information

Each year current Members will receive:

- a personalised annual Member statement which gives you an update of the current status of your AXA Business Superannuation benefits at your plan's annual review date;
- a personalised annual tax statement showing the tax paid, accrued or refunded on your investment as at 31 March each year in accordance with the Income Tax Act. You will also be asked to confirm your PIR annually; and
- a copy of the Trustee's Annual Report will be forwarded to you following the end of each financial year of the Scheme. This may be posted or sent to you electronically.

## On request information

You can obtain the following information free of charge by calling the AXA Customer Service Centre on 0800 807 222:

- an estimate of your benefits under the Scheme;
- a copy of the most recent prospectus and any associated documents;
- a copy of the most recent annual report and financial statements of the Scheme, including any associated documents;
- a copy of the most recent Investment Statement; and
- if you received prospective information about returns or prospective financial information about the Scheme, a comparison of actual returns against prospective returns or actual results against prospective financial information.

You can also obtain a copy of the Trust Deed for which a reasonable fee may be charged.



1 April 2010 Office Use

Member No.



# AXA Business Superannuation MEMBER APPLICATION

This Member Application forms part of the Investment Statement dated 1 April 2010 for AXA Business Superannuation, a division of the Superannuation Master Trust ('Scheme'). No offer of an interest in the Scheme may be made to any person unless there is a plan under the Scheme which contemplates that person becoming a Member under that plan.

## EMPLOYER TO COMPLETE

**Plan Name** (This is the Plan Name, or if none, the name of the participating employer as stated in the Participation Agreement establishing the Plan.)

**Plan number**

**Employer** (If contributions are paid by an employer other than the participating employer named above, please provide that employer's name. Otherwise leave blank.)

Payroll Number (Optional)

Payroll/Reporting Centre (e.g. Christchurch, Auckland Staff)

**Member Name** First Names

Last Name

Salary \$  per annum

## CONTRIBUTIONS

**Employer regular contributions (net of Employers Superannuation Contribution Tax (ESCT))**

(Please tick one and specify amount or percentage, if applicable.)

- Fixed amount \$   Percentage of Salary  % (net of ESCT)
- Fees only  Insurance only  Fees & Insurance only  Nil  Fees in addition

**Regular contribution frequency** (Member's pay frequency)

- Weekly  Fortnightly  Monthly  Lump Sum

**Membership commencement date**  (This is the first day of the next full pay period commencing after date of application.)

Deductions should not commence from Member's salary until the Administration Manager has confirmed the acceptance date.

If this Application is accepted by the Administration Manager, the Applicant's membership commencement date will be the date specified unless a later date is otherwise agreed to by the Administration Manager.

## OTHER DETAILS

**Retirement age**  (55 or over).

**Locked-in status** (This must be the same as specified in the Participation Agreement establishing the Plan. Please tick one.)  Locked-in  Unlocked

**Exempt Employer Plan**  Yes  No

**Vesting of Employer's Account** (The vesting basis indicated is subject to the agreement of the Administration Manager.)

- 20% each year, from vesting commencement date (maximum 100%)  100% Vesting
- 10% each year, from vesting commencement date (maximum 100%)  Employer discretion
- % each year, from vesting commencement date (maximum 100%).
- Other

For plans established on or after 1 June 2003, the Employer Account will vest at a percentage (if any) determined by the Member's employer if the Member is dismissed for misconduct or resigns to avoid such dismissal.

For Exempt Employer Plans amounts making up the minimum contribution for the purpose of the Governing Requirements will always vest no later than the time the applicant begins their sixth year of membership of the Plan.

**Vesting commencement date** (Please tick one and complete as appropriate.)  From membership commencement date

- years after membership commencement date  Nominated Date\*

\*The Trustee may deem a Member's period of membership to include an additional period as agreed with the Member's employer. The employer may insert here a nominated date which the employer agrees may be deemed by the Trustee to be the commencement of the Member's period of membership for the purpose of vesting.

## INSURANCE COVER

**Insurance type** (Please tick one. Unless the Administration Manager agrees otherwise, this must be the same as the applicable insurance type specified in the Participation Agreement establishing the Plan.)

- Death  Death or Total and Permanent Disablement  No insurance
- Trauma  Death and Trauma  Death or Total and Permanent Disablement and Trauma

**Insurance basis** (Please tick one.)

- Fixed amount \$   Multiple of Salary  % x Salary
- Sliding scale  % of Salary x term to retirement age

The provision of insurance cover for the Applicant is subject to acceptance by the Insurer. It is possible that even if this Application for membership is accepted, insurance cover may be declined.

**SERVICE FEES** (THESE MUST BE THE SAME AS SPECIFIED IN THE PARTICIPATION AGREEMENT ESTABLISHING THE PLAN.)

Plan fee  % gross Contributions fee  % gross

**APPLICANT TO COMPLETE**

**APPLICANT'S DETAILS**

Title  First Names  Last Name

Date of Birth  /  /  M  F

**IRD number**  **Your prescribed investor rate** 12.5%  21%  30%

If your IRD number only has eight numbers, leave the first box blank Refer to the "Tax applying to Portfolio Investment Entities" section on page 17. Tick one only.

Email Address

**CONTRIBUTIONS** If you would like to be contacted by us about your membership of the Scheme by email then please provide your email address.

Member regular contributions (Please tick one and specify amount or percentage if applicable.)

- Fixed amount \$   Percentage of Salary  %  Insurance only  Nil

**PORTFOLIO(S) FOR CONTRIBUTIONS**

Please indicate the portfolio(s) into which your regular Member and Employer contributions (net of any contributions fee applicable) and any initial lump sum contribution or amount transferred from another scheme are to be invested. For the net regular Member and Employer contributions specify either a dollar amount or a percentage of those net contributions next to the portfolio(s) you have chosen.

Portfolio Name	% of net regular contributions (Member & Employer)	% of Initial Lump Sum or Transfer	Investment Code
<b>Diversified Portfolios</b>			
Conservative	%	%	ASMTCMMCON
Balanced	%	%	ASMTCMMBAL
High Growth	%	%	ASMTCMMHG
<b>Sector Portfolios</b>			
Cash	%	%	ASMTCAXAC
NZ Fixed Interest	%	%	ASMTCAXAF
International Fixed Interest	%	%	ASMTCAXAIF
Listed NZ & Australian Property	%	%	ASMTCGTLP
Listed International Property	%	%	ASMTCCFSLP
NZ & Australian Shares (Multi-Manager)	%	%	ASMTCAXAAS
NZ & Australian Shares (Value)	%	%	ASMTCARCAS
International Shares (Growth)	%	%	ASMTCGETIS
International Shares (Value)	%	%	ASMTCLFIS
International Shares (Passive)	%	%	ASMTCSSGIS
<b>Total Contributions</b>	<b>100%</b>	<b>100%</b>	

## PRIVACY ACT 1993

The personal information collected by this form will be used to (a) evaluate the application for membership, (b) administer the Scheme, (c) maintain relevant statistical records: and (d) provide you with information about other products and services offered by companies in the Global AXA Group.

The information will be held by the Administration Manager at the address below. Under the Privacy Act 1993 you have the right of access to, and to request correction of, any personal information held by the Administration Manager. The information will only be disclosed to another party to the extent necessary for one or more of the purposes set out above, or as otherwise authorised by you.

## SALARY

For the purposes of this form, unless agreed otherwise in writing by the Administration Manager, "Salary" for any period means:

- a. in the case of a Member who is not a nominated Member;
  - i. if the Member is an employee, the actual salary or wages paid by the employer to the Member for that period excluding remuneration in respect of or by way of overtime, bonuses, commission, directors fees, expense allowances and other allowances of a similar nature;
  - ii. if the employer is a partnership and the Member is a partner in that partnership, income paid to the Member from the partnership during that period excluding any investment income; or
  - iii. in any other case, the income earned by the Member during that period from or for personal exertion in his or her usual profession, business or occupation less business expenses necessarily incurred in earning that income but before personal deductions and income tax; and
- b. in the case of a nominated Member, an amount nominated by that Member, to be no more than the Salary of the nominating Member as determined in accordance with (i) – (iii) above as applicable.

## TRANSFERS FROM OTHER SUPERANNUATION/PENSION SCHEMES

### Important Information Requiring your Agreement (✓ tick the applicable box)

I certify that:

- a. I am transferring funds either directly or indirectly from a United Kingdom registered pension scheme
  - Yes
  - No
- b. I am transferring funds which are otherwise UK tax relieved
  - Yes
  - No
- c. my future regular and lump sum contributions will have UK tax relieved status
  - Yes
  - No

### Personal Information Requirements & Authority

As a condition to the Administration Manager directing the Trustee to accept any transfer that falls or will fall under a) – c) above:

- a. I irrevocably agree to provide the Administration Manager with all information it requests to enable it to provide a report to the UK HM Revenue & Customs or other authority;
- b. I irrevocably agree that activity within my plan (including but not limited to benefit payments and future transfers) may not be actioned until I have provided this information;
- c. I irrevocably authorise the Administration Manager to provide any of my personal information to the UK HM Revenue & Customs or other authority;
- d. I acknowledge that the Administration Manager will report my personal information unless it is satisfied with evidence from myself that a reporting exemption applies; and
- e. I acknowledge that neither the Trustee nor the Administration Manager represents that the Scheme will continue to have QROPS status and that loss of this status may impact my UK tax position.

**APPLICATION FOR MEMBERSHIP** (TO BE COMPLETED BY THE APPLICANT, AUTHORISED OFFICER AND THE NOMINATING MEMBER IF APPLICABLE.)

**Nominated Applicant**

Are you applying to be a nominated Member? Yes  No

If you become a nominated Member your regular Member contributions will be made by the nominating Member.

**Application**

I APPLY for membership of the Scheme under the Plan and agree to be bound by the terms and conditions of the Trust Deed governing the Scheme, as amended from time to time. Unless I am a nominated Applicant, I agree that the regular Member contributions indicated on this form may be deducted from my Salary. I direct the Administration Manager to invest contributions made by or in respect of me in the manner indicated on this form or as later indicated by me to the Administration Manager from time to time in accordance with the Trust Deed governing the Scheme. I acknowledge that neither the participating employer, nor my employer (if different), nor the Trustee nor the Administration Manager will be liable to me for any loss as a consequence of any such investment direction. I declare that all the information contained in this form is true and correct and acknowledge responsibility for its completeness and accuracy whether the information was written by me or another person.

I declare there will be no Employer contributions other than those detailed on this form, or subsequently advised in writing.

I acknowledge that:

- I have received and read a copy of an Investment Statement for AXA Business Superannuation, which includes this form; and
- all information required to be specified above was completed before I signed this form.

Signature of Applicant

Date

**NOMINATING MEMBER** (TO BE COMPLETED BY EMPLOYEE, IF APPLICANT IS A NOMINATED MEMBER)

I agree that the regular Member contributions for the Applicant may be deducted from my Salary at the frequency indicated on this form. I agree to be bound as the Nominating Member of the Applicant by the terms and conditions of the Trust Deed governing the Scheme as amended from time to time.

Signature of Nominating Member

Name of Nominating Member

Date

**EMPLOYER**

- The employer agrees to the Applicant becoming a Member of the Scheme under the Plan on the terms set out on this form; and
- The employer has verified the identity of the Applicant and retains evidence of that verification in accordance with the Financial Transactions Reporting Act 1996.

Signature of Authorised Officer

Name of Authorised Officer

Date

**ADVISER USE ONLY**

Adviser name

Adviser %

Adviser No

Adviser name

Adviser %

Adviser No

**FORWARD COMMUTED COMMISSION (FCC)** NB: Clawback applies if contributions cease or decrease within this period.

Forward Commuted Commission (Please tick) Yes  No  If yes, please tick the responsibility period to apply:

1 year

2 years

3 years

4 years

5 years

For more information about this and other AXA New Zealand products and services, contact your Adviser or contact AXA on phone **0800 807 222** fax **0800 161 699** web **www.axa.co.nz**









[www.axa.co.nz](http://www.axa.co.nz)

For more information about these and other  
AXA New Zealand products & services,  
call your financial adviser  
or contact us on **0800 807 222**.

**A disclosure statement is available on request  
and free of charge.**