

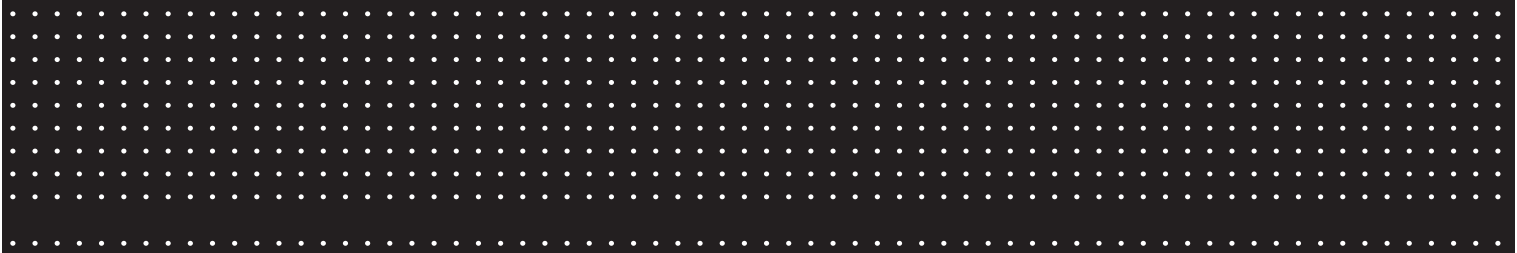
ASB EasyFunds

ASB

one step ahead

**A range of simple investment
options for the everyday investor**





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> Introducing the EasyFunds Range

EasyFunds is a range of investment options tailored specifically for the everyday investor. It is particularly suitable for those with a medium to long term investment time horizon of 5 years plus.

EasyFunds takes advantage of the research, expertise and skills within the ASB group of companies to offer these simple and diversified investment funds.

These funds are designed to suit the goals of a wide range of investor profiles, from those seeking to draw down a steady income with a degree of security by investing in a high allocation of cash and fixed interest, to those investors wanting capital growth over the long term.

Each fund within EasyFunds provides access to four main asset classes namely, cash, fixed interest, shares and property. They are designed with the new PIE taxation rules in mind to take advantage of the use of managed funds to diversify across all major assets classes and markets.

> EasyFunds will suit investors who want:

- > A simple and transparent investment that is chosen to meet their specific investment profile.
- > Access to a wide range of international and Australasian shares that would be difficult to replicate through a direct investment.
- > A well priced and constructed investment with regular reporting and performance information.

> The ASB Investment Principles

EasyFunds embraces the same fundamental ASB Investment principles that we apply to all our investment products.

- > Simplicity- your investment options should be easy to understand.
 - > Flexibility- investment options should be able to be combined in different ways to create a strategy to suit you.
 - > Value for money- fees eat into your returns. You will find that all investment options available through ASB have very competitive fees which are fully disclosed, and there is no fee for advice.
 - > Market return- Our funds principally follow what is called an index tracking approach (sometimes referred to as “passive”), which means they aim to achieve a market return. You can have confidence your return will reflect the markets EasyFunds are invested in.
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Who Are We?

EasyFunds draws on a range of people within the ASB group of companies to provide the specialised skills, experience and scale to enable us to maximise your investment opportunities; this is who they are and what they do.

ASB Investment Advisory Service

Our team of friendly, professional ASB Investment Advisers (“Advisers”) and Branch Investment Specialists (“Branch Specialists”) are dedicated to helping you find the best way to achieve your investment and retirement goals. Your Adviser or Branch Specialist will meet with you initially, discuss your investment needs, and if appropriate, initiate the development of a personalised investment plan based on your requirements and our recommendations.

All our Advisers and Branch Specialists are continually trained and coached to ensure that they provide professional and appropriate advice every time. They all have, or are working towards, the Graduate Diploma in Business Studies endorsed in financial planning via Massey University. All our Advisers and Branch Specialists are members of the Institute of Financial Advisers (IFA) which provides a greater assurance of professionalism and dedication to looking after your best interests for your investment needs.

Additionally our Advisers and Specialists work within a set of internal compliance and audit processes, which monitors the investment advice they give and their ongoing administration.

ASB Investments Account Managers Service

The ASB Investments Account Manager Service (“Account Manager Service”) is a specialised, centrally based, telephone service available during business hours. All our Account Managers are highly trained and well informed on products and processes, investment markets and sound financial planning principles.

When you implement your EasyFund investment you will be introduced to the Account Manager Service to ensure that you receive any information you require.

ASB Investments Paraplanning Service

The ASB Investments Paraplanning Service (“Paraplanning Service”) is made up of a dedicated team who design professional personalised investment plans based around your goals, time horizons and personal investor profile. The plans produced by the Paraplanning Service contain our recommendations for you in a format that is easy to read and understand.

ASB Group Investments Limited

ASB Group Investments Limited (“ASB Group Investments” or “the Manager”) is the Manager of EasyFunds and is a recognised leader in the field of investments and retirement savings. They manage over \$5.5 billion on behalf of 400,000 New Zealanders. ASB Group Investments offer a wide range of investment and superannuation solutions to personal investors under the Sovereign and ASB brands, each with its own distinctive products and services.

ASB Group Investments have constructed EasyFunds, and directly manage the Cash and New Zealand Fixed Interest asset classes. ASB Group Investment have appointed specialist fund managers to manage the other asset classes for EasyFunds.

Trustee Executors Limited

Trustee Executors Limited is the appointed Trustee of EasyFunds. They monitor the Managers compliance with the requirements of the Master Deed and each Establishment Deed. The Trustee is independant of the manager.



Our Investment Philosophy

Each asset category has its own challenges and opportunities. Whatever your personal investor profile, we believe that investing across all major categories is necessary to achieve the diversity that quality investments need.

We believe it is important that you understand how and why your money is being invested within each category before you make your investment decision. The following information explains the nature of each type of asset and our investment strategy within the class.

Cash

Investing in cash need not be complicated. Cash is a low risk investment that aims to provide consistent returns. The key risk with cash investments is that return can be eroded by inflation, meaning that your purchasing power may not be increasing overtime. For this reason, we recommend cash being most suitable for short term requirements and as part of an overall investment portfolio to balance higher risk investments.

New Zealand Fixed Interest

We believe a long term buy and hold strategy produces better overall results, and that fixed interest investment decisions should be driven by intensive research.

Bonds add valuable diversification to a portfolio and provide regular income. But all bonds are not created equal. Exposure to NZ Fixed Interest is allocated to 50% NZ Government bonds and 50% NZ Corporate bonds. We adopt a low cost approach to the management of NZ Government bonds and concentrate research on high quality NZ Corporate bonds where greater value can be added.

World Fixed Interest

The World Fixed Interest sector provides exposure to government bond markets across the world. By investing in the debt of a wide variety of countries (including nations from North America, Europe and Asia), the fund can access a well diversified set of investment grade government fixed interest securities.

The diversification is reflected in the underlying exposures to different economies, yield curves, coupons, maturities and instrument types. World Fixed Interest is a major asset class and represents a significant portion of the world's financial assets.

The objective of this category is to track as closely as possible the S&P/Citigroup World Government Bond Index hedged into New Zealand dollars. The index is comprised of the government bonds from around the world and is dominated by debt issued from Europe, Japan and the USA. ASB Group Investments has appointed State Street Global Advisers to advise on the selection of government bonds.

Global Property

As a growth asset class, we believe property should be included in every investors investment portfolio. While investors may already have some exposure to property, we believe a diversified spread of global commercial, industrial and retail property can only be effectively obtained and managed long term through a managed fund investment.

The objective of the global property exposure in EasyFunds is to track, as closely as possible the performance of the UBS Global Real Estate Investors Index (as adjusted for a 50% currency hedge into NZ dollars). The aim of this strategy is to achieve a diversified portfolio of high quality companies that derive their sales from property or real estate related activities, such as real estate operators, developers, agents, and companies involved in property

management, rental and/or investment, as well as closed-end property trusts that invest in physical assets, such as REITs and property trusts. The fund aims to do this by investing in companies situated in a number of countries including Australia, the UK, Europe, Canada, Hong Kong, the USA and Japan. ASB Group Investments has appointed Vanguard Investments Australia to advise in relation to the selection of global property for EasyFunds.

Shares

Our philosophy on investing in the stock market is that a long term buy and hold strategy produces better overall results. This gives long term investors the benefit of holding shares through various market cycles. The big advantage for individuals investing in a managed share portfolio, rather than investing directly in shares themselves, is it allows a level of diversification that may not be able to be achieved by an individual investing alone.

Australasian Shares

The NZ and Australian markets exhibit some correlation as a result of cross ownerships and dual listings. The relatively small size of the share market in NZ, as well as the proximity of Australia, make investment in both markets desirable.

Access to Australian companies offers substantially greater depth, breadth and liquidity than is available in the NZ market alone. There is also far greater company and industry diversification in the Australian share market. These are important ingredients for a long term investment portfolio.

The changes to the New Zealand tax regime result in many Australian shares being exempt from the new Fair Dividend Rate (FDR) regime, making it even more appropriate to treat the two countries as a New Zealand investor's domestic market.

The objective of the Australasian shares exposure in EasyFunds portfolio is to track, as closely as possible, the performance of a benchmark made up of 50% NZSX50 Index and 50% S&P/ASX 200 Index (50% hedged into NZ dollars).

ASB Group Investments has appointed AMP Capital Investors to advise in relation to the selection of New Zealand Shares, and Colonial First State Investments to advise in relation to the selection of Australasian shares.

World Shares

Because of the relative smallness of the local market in number and diversity of companies, it is important for investors to gain exposure to international shares.

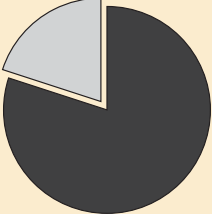
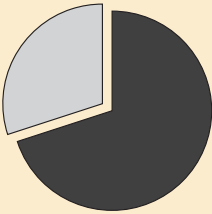
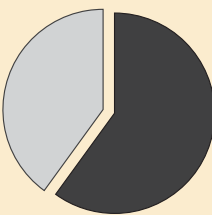
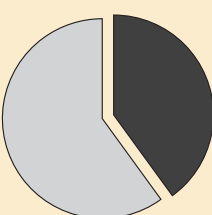
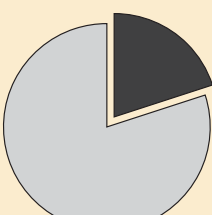
This enables investors to access an even larger number of industries and companies than they could within Australasia alone.

We believe that one of the most effective strategies is to invest in a fund which seeks to mirror the performance of the world share market as a whole, by tracking the world share market indices. This means that investors benefit from the diversification offered by larger, offshore markets over time.

The objective of the World Shares exposure in EasyFunds is to track, as closely as possible the performance of the MSCI World Index (as adjusted for a 50% currency hedge into NZ dollars). This is made up of shares in companies listed on major world share markets.

ASB Group Investments has appointed Vanguard Investments Australia to advise in relation to the selection of Global Shares.

> EasyFunds – Investment Funds

Suggested investment strategy and asset allocations	EasyFunds
<p>EasyFund Defensive</p>  <p>■ 80% Income Asset □ 20% Growth Asset</p>	<ul style="list-style-type: none"> 25% Cash 25% NZ Fixed Interest 30% World Fixed Interest 9% Australasian Shares 11% World Shares
<p>EasyFund Conservative</p>  <p>■ 70% Income Asset □ 30% Growth Asset</p>	<ul style="list-style-type: none"> 21% Cash 21% NZ Fixed Interest 28% World Fixed Interest 8% Global Property 10% Australasian Shares 12% World Shares
<p>EasyFund Moderate</p>  <p>■ 60% Income Asset □ 40% Growth Asset</p>	<ul style="list-style-type: none"> 12% Cash 21% NZ Fixed Interest 27% World Fixed Interest 9% Global Property 14% Australasian Shares 17% World Shares
<p>Easyfund Balanced</p>  <p>■ 40% Income Asset □ 60% Growth Asset</p>	<ul style="list-style-type: none"> 5% Cash 16% NZ Fixed Interest 19% World Fixed Interest 10% Global Property 20% Australasian Shares 30% World Shares
<p>EasyFund Growth</p>  <p>■ 20% Income Asset □ 80% Growth Asset</p>	<ul style="list-style-type: none"> 2% Cash 6% NZ Fixed Interest 12% World Fixed Interest 10% Global Property 25% Australasian Shares 45% World Shares

EasyFund Defensive

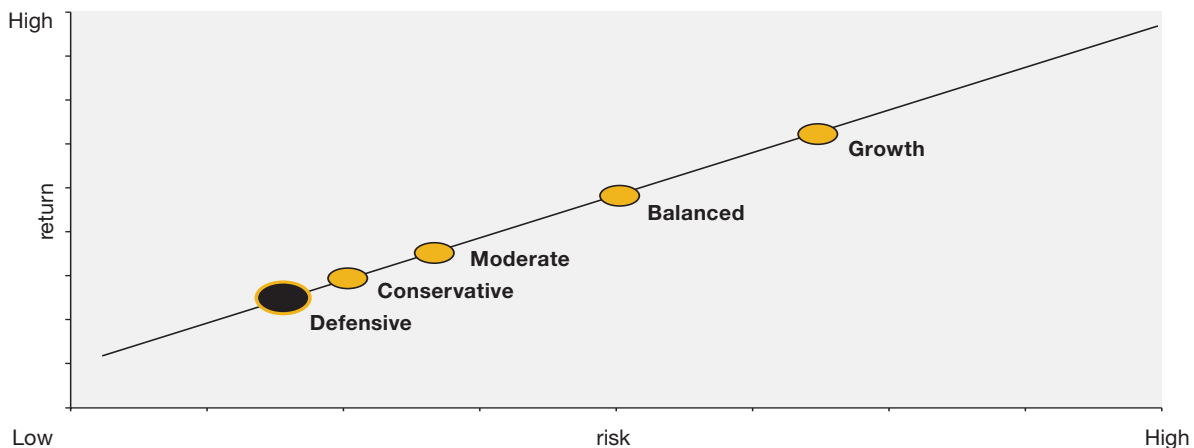
Recommended timeframe 3 years minimum

Objective

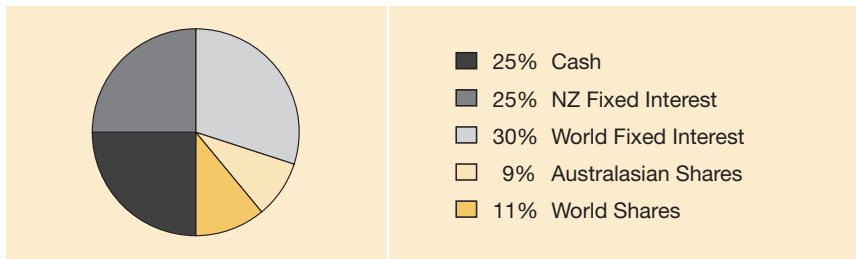
To provide investors with conservative capital growth over the short to medium term using an index-tracking investment style by investing in a relatively high proportion of income assets (cash and fixed interest), and in a lower proportion of diversified growth assets (shares).

Investors in EasyFund Defensive have a regular withdrawal option that if selected, allows you to make regular fortnightly or monthly redemptions.

Risk Profile



EasyFund Defensive suits cautious investors with a short to medium investment time horizon. You are only willing to have a relatively low percentage of your assets in growth assets (shares), and want your investment to have a major emphasis on income assets such as cash and fixed interest. You accept that at times, your investment may not grow as fast as inflation.



Fees

Management Fee 0.90%*

An annual Management fee is deducted and payable to the Manager, for investment management and other functions of maintaining this fund. The Management fee is set from time to time, but can be no greater than 3% of the gross asset value of this fund, unless the Establishment Deed is first amended to allow a greater percentage.

Trustee Fee 0.06%*

The Trustee is paid as a % of the gross asset value, an annual fee for Trustee and custodial services. The Trustee is also able to charge special fees to reflect additional services provided. The Trustee fee is scaled based on the overall money held in EasyFunds. 0.06% is the maximum % charged.

Service Fee 0.45%**

The Service fee is a one off charge that is deducted from all moneys invested in this fund (including regular contributions), and is payable to the Manager. The service fee is set from time to time by the Manager and can be no greater than 3% of the application moneys received, in relation to this fund unless the Establishment Deed is first amended to allow a greater percentage.

There is no fee for switching between Funds or for exiting EasyFunds.

* As a percentage of the gross asset value of this fund.

** As a percentage of the application moneys received in relation to this fund.

EasyFund Conservative

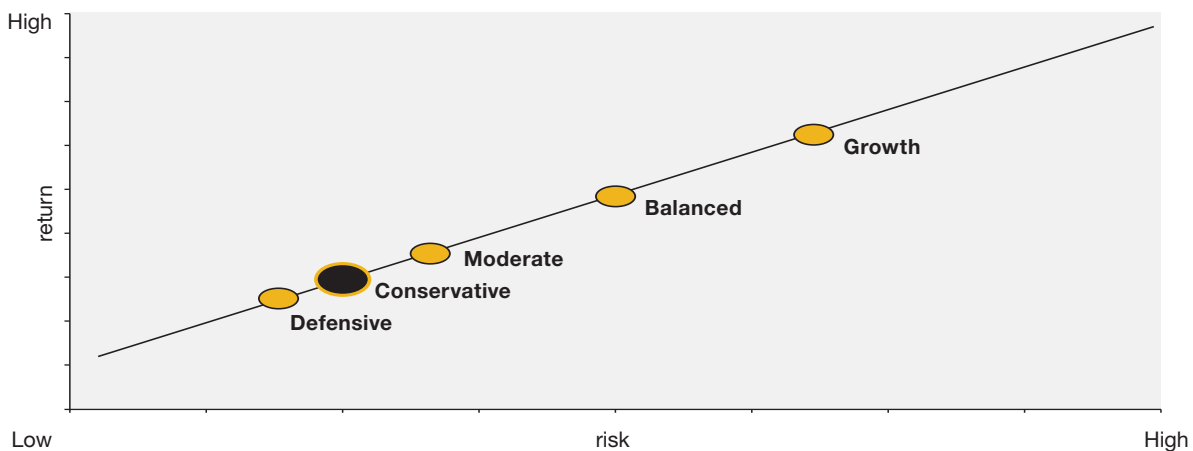
Recommended timeframe 5 years minimum

Objective

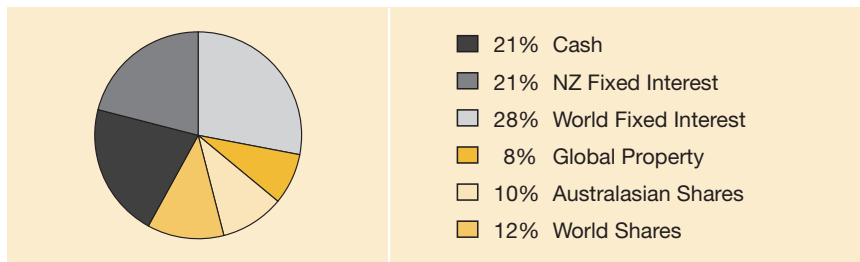
To provide investors with conservative to moderate capital growth over the medium to long term using an index-tracking investment style by investing in a relatively high proportion of diversified income assets (cash and fixed interest), and in a lower proportion of diversified growth assets (shares and property).

Investors in EasyFund Conservative have a regular withdrawal option that, if selected allows you to make regular fortnightly or monthly redemptions.

Risk Profile



EasyFund Conservative suits investors looking for some growth but who wish to remain cautious. You have a medium to long term investment time horizon. You will be willing to have a major portion of your investment allocated to income assets (cash and fixed interest) with the balance allocated to growth assets (shares and property). In achieving that, you are willing to accept some volatility in your investments.



Fees

Management Fee 1.00%*

An annual Management fee is deducted and payable to the Manager, for investment management and other functions of maintaining this fund. The Management fee is set from time to time, but can be no greater than 3% of the gross asset value of this fund, unless the Establishment Deed is first amended to allow a greater percentage.

Trustee Fee 0.06%*

The Trustee is paid as a % of the gross asset value, an annual fee for Trustee and custodial services. The Trustee is also able to charge special fees to reflect additional services provided. The Trustee fee is scaled based on the overall money held in EasyFunds. 0.06% is the maximum % charged.

Service Fee 0.45%**

The Service fee is a one off charge that is deducted from all moneys invested in this fund (including regular contributions), and is payable to the Manager. The service fee is set from time to time by the Manager and can be no greater than 3% of the application moneys received, in relation to this fund unless the Establishment Deed is first amended to allow a greater percentage.

There is no fee for switching between Funds or for exiting EasyFunds.

* As a percentage of the gross asset value of this fund.

** As a percentage of the application moneys received in relation to this fund.

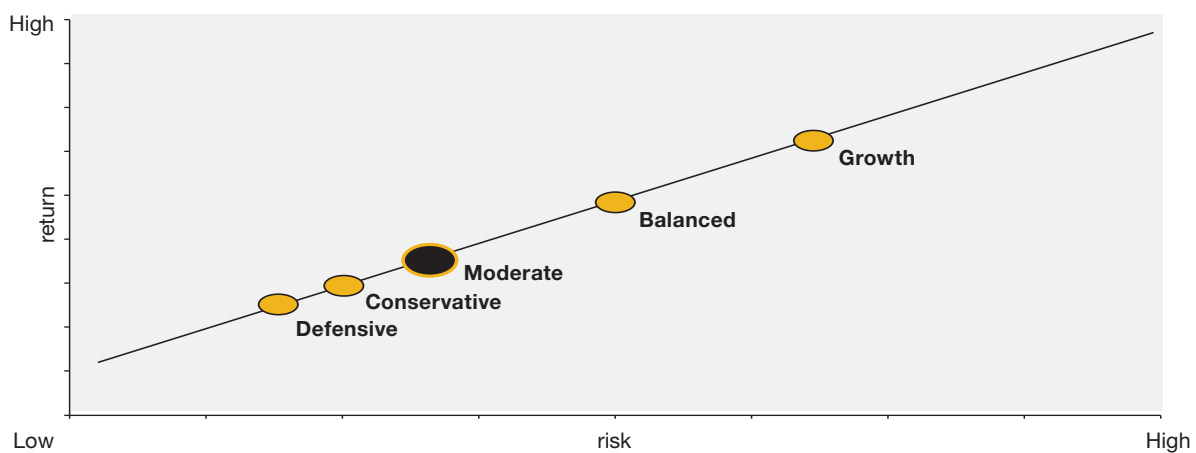
EasyFund Moderate

Recommended timeframe 5 years minimum

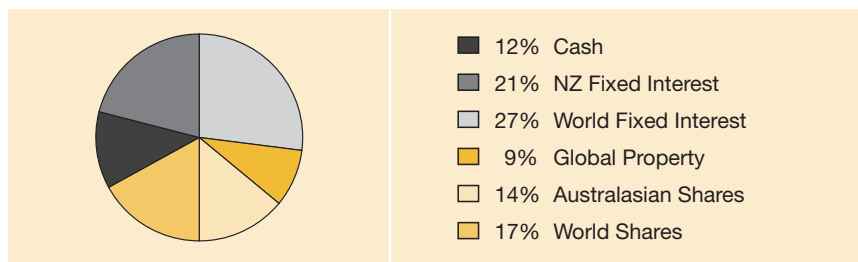
Objective

To provide investors with moderate capital growth over the medium to long term using an index-tracking investment style by investing in a relatively high proportion of diversified income assets (cash and fixed interest), and in a lower proportion of diversified growth assets (shares and property).

Risk Profile



EasyFund Moderate suits investors with a medium to long investment time horizon. You would like to see your investment stay ahead of inflation, but are not prepared to experience significant fluctuations in investment returns to achieve this. You may prefer to have a higher allocation of income assets than growth assets.



Fees

Management Fee 1.05%*

An annual Management fee is deducted and payable to the Manager, for investment management and other functions of maintaining this fund. The Management fee is set from time to time, but can be no greater than 3% of the gross asset value of this fund, unless the Establishment Deed is first amended to allow a greater percentage.

Trustee Fee 0.06%*

The Trustee is paid as a % of the gross asset value, an annual fee for Trustee and custodial services. The Trustee is also able to charge special fees to reflect additional services provided. The Trustee fee is scaled based on the overall money held in EasyFunds. 0.06% is the maximum % charged.

Service Fee 0.45%**

The Service fee is a one off charge that is deducted from all moneys invested in this fund (including regular contributions), and is payable to the Manager. The service fee is set from time to time by the Manager and can be no greater than 3% of the application moneys received, in relation to this fund unless the Establishment Deed is first amended to allow a greater percentage.

There is no fee for switching between Funds or for exiting EasyFunds.

* As a percentage of the gross asset value of this fund.

** As a percentage of the application moneys received in relation to this fund.



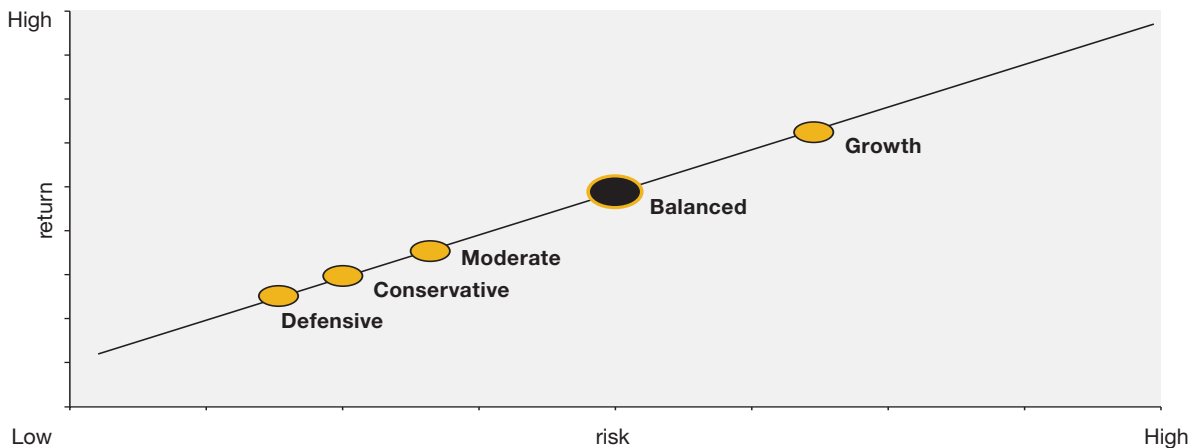
EasyFund Balanced

Recommended timeframe 5 years minimum

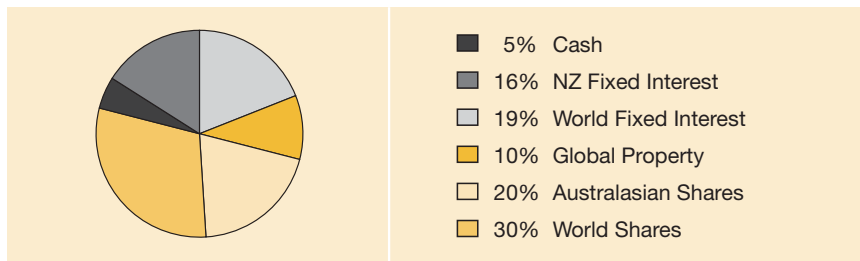
Objective

To provide investors with long term capital growth using an index-tracking investment style by investing in a relatively high proportion of diversified growth assets (shares and property), and in a lower proportion of diversified income assets (cash and fixed interest).

Risk Profile



EasyFund Balanced will suit investors seeking capital growth on their investment. You accept that in achieving the capital growth required you will be faced with some fluctuations in investment returns from time to time, and there will on occasions be negative returns. You are willing to accept a higher allocation of growth assets than income assets.



Fees

Management Fee 1.10%*

An annual Management fee is deducted and payable to the Manager, for investment management and other functions of maintaining this fund. The Management fee is set from time to time, but can be no greater than 3% of the gross asset value of this fund, unless the Establishment Deed is first amended to allow a greater percentage.

Trustee Fee 0.06%*

The Trustee is paid as a % of the gross asset value, an annual fee for Trustee and custodial services. The Trustee is also able to charge special fees to reflect additional services provided. The Trustee fee is scaled based on the overall money held in EasyFunds. 0.06% is the maximum % charged.

Service Fee 0.45%**

The Service fee is a one off charge that is deducted from all moneys invested in this fund (including regular contributions), and is payable to the Manager. The service fee is set from time to time by the Manager and can be no greater than 3% of the application moneys received, in relation to this fund unless the Establishment Deed is first amended to allow a greater percentage.

There is no fee for switching between Funds or for exiting EasyFunds.

* As a percentage of the gross asset value of this fund.

** As a percentage of the application moneys received in relation to this fund.



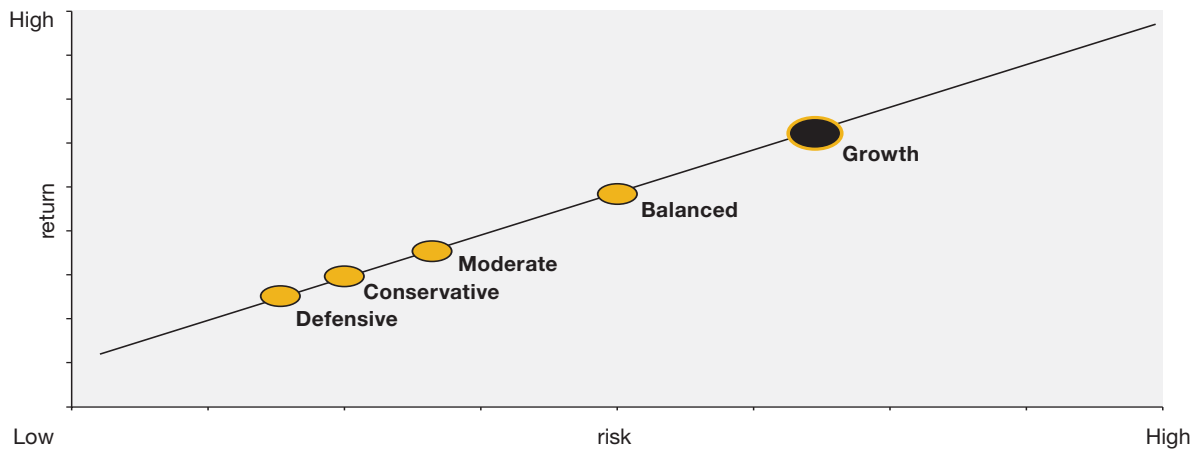
EasyFund Growth

Recommended timeframe 7 years minimum

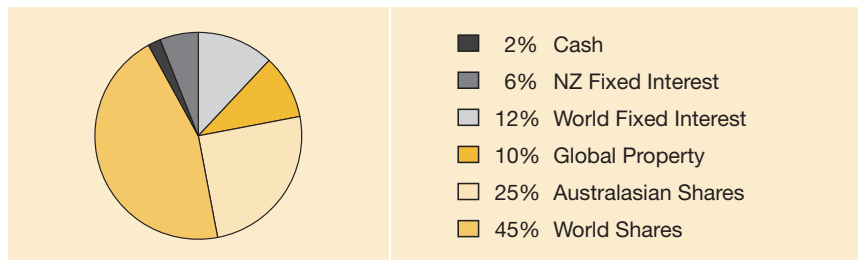
Objective

To provide investors with higher long term capital growth using an index-tracking investment style by investing in a relatively high proportion of diversified growth assets (shares and property), and in a lower proportion of diversified income assets (cash and fixed interest).

Risk Profile



EasyFund Growth will suit long term investors wanting to maximise the return they could achieve with this investment. You understand that the investment you are likely to adopt will include a major emphasis on growth assets (shares and property). You appreciate that this will lead to significant fluctuations in returns over the short to medium term.



Fees

Management Fee 1.15%*

An annual Management fee is deducted and payable to the Manager, for investment management and other functions of maintaining this fund. The Management fee is set from time to time, but can be no greater than 3% of the gross asset value of this fund, unless the Establishment Deed is first amended to allow a greater percentage.

Trustee Fee 0.06%*

The Trustee is paid as a % of the gross asset value, an annual fee for Trustee and custodial services. The Trustee is also able to charge special fees to reflect additional services provided. The Trustee fee is scaled based on the overall money held in EasyFunds. 0.06% is the maximum % charged.

Service Fee 0.45%**

The Service fee is a one off charge that is deducted from all moneys invested in this fund (including regular contributions), and is payable to the Manager. The service fee is set from time to time by the Manager and can be no greater than 3% of the application moneys received, in relation to this fund unless the Establishment Deed is first amended to allow a greater percentage.

There is no fee for switching between Funds or for exiting EasyFunds.

* As a percentage of the gross asset value of this fund.

** As a percentage of the application moneys received in relation to this fund.



Ongoing Service

We understand that on-going service plays a large part in your confidence as an investor. You have a right to expect that your investments will be well managed.

As an investor in EasyFunds, you will receive six monthly statements and a market report (including economic commentary and information on the performance of EasyFunds).

As an EasyFunds client your primary contact will be your Adviser or Branch Specialist. This person will be your first contact for any day to day questions you have about your investments.

Our Advisers and Branch Specialists are supported by our ASB Investments Account Manager Service. They may also contact you to discuss your investment in EasyFunds.

Important Information

Neither the Trustee, ASB Bank Limited, ASB Group Investments, the Commonwealth Bank of Australia nor any other company in the Commonwealth Bank of Australia Group (“the Banking Group”), nor any of their directors, nor any other person guarantees the accuracy of information or opinions contained in this document. This brochure covers a wide range of topics but it is not intended to provide specific investment advice, and should not be substituted for specific advice on your individual situation.

For further specific information and details of the investments in EasyFunds, please refer to the current EasyFunds Investment Statement. The current EasyFunds Investment Statement should be read prior to you investing in EasyFunds.

Please note that investment returns will fluctuate up and down from one period to the next and are not guaranteed in any respect. You may also receive back less than the capital that you have invested.

Neither the Banking Group or any of its directors, nor any other person, guarantees the products referred to in this brochure (including the repayment of any capital) or the performance of those products (including any investment returns). Investments in these products do not represent bank deposits or liabilities of the Banking Group, and are subject to investment risk including the loss of income and principal invested.

* Please note that neither the Banking Group, the Trustee, any Investment Manager or Custodian, nor any other person takes responsibility for your taxation position. It is recommended that you seek your own independent professional tax advice.



Notes



