

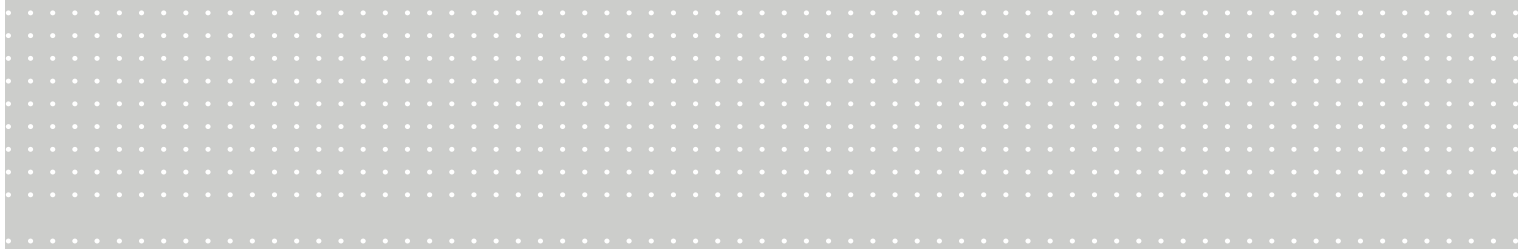
1 April 2010

ASB Superannuation Master Trust

INVESTMENT STATEMENT



Follow the golden rules of investing.
Have a long term investment
horizon and diversify your funds.





Important

This document is an Investment Statement for the purposes of the Securities Act 1978. It was prepared as at 1 April 2010.

A prospectus has been registered under that Act containing an offer of the securities to which this Investment Statement relates (“the Prospectus”), and a copy is available upon request.

Neither the Trustee, the Promoters, the Manager (or any other manager), any underlying investment manager, ASB Bank Limited or its subsidiaries (the “Banking Group”), the Commonwealth Bank of Australia, nor any other company in the Commonwealth Bank of Australia Group, nor any of their board members or directors (as the case may be), nor any other person or party, guarantees the securities offered in this Investment Statement (including the repayment of any capital invested) or the performance of those securities (including any of the investments or returns made in respect of the securities). The securities offered in this Investment Statement do not represent bank deposits or liabilities of either of the Banking Group or the Commonwealth Bank of Australia Group, and are subject to investment risk including loss of income and principal invested.



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:

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

> Engaging 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 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.

> ASB Investment Advisers

ASB Bank Limited ("ASB") is not a promoter (as defined in the Securities Regulations 1983) of the ASB Superannuation Master Trust (unless otherwise stated in a Supplemental Investment Statement in relation to a particular offer on the basis of a Superannuation Admission Deed), however it is involved in its marketing and distribution.

ASB offers you access to a nationwide team of friendly, professional ASB Investment Advisers. These advisers are a dedicated, specialist team who will help you to achieve your investment and retirement goals. Their investment advice is complimentary and you are under no obligation to invest. They are supported by a nationwide team of Branch Investment Specialists who assist with investment enquiries.

To arrange an appointment with an ASB Investment Adviser or a Branch Investment Specialist, call us on **0800 ASB RETIRE** (0800 272 738) during business hours or email us at **retire@asb.co.nz**

1. What sort of investment is this?

The ASB Superannuation Master Trust (“Superannuation Scheme”) is a superannuation scheme which is registered under the Superannuation Schemes Act 1989 and is established for the principal purpose of:

- > providing retirement benefits to individuals; and
- > receiving and dealing with the funds of other registered superannuation schemes and KiwiSaver schemes.

The Superannuation Scheme is governed under an umbrella trust, which is known as the ASB Master Trust. The Trust Deed for the ASB Master Trust also governs a registered KiwiSaver scheme (known as the ASB KiwiSaver Scheme).

Except so far as required for the purposes of any tax legislation:

- (a) the Superannuation Scheme is a separate scheme from the ASB KiwiSaver Scheme; and
- (b) the assets of the Superannuation Scheme are not available to meet the liabilities of the ASB KiwiSaver Scheme, and vice versa.

This Investment Statement relates only to an offer of membership of the Superannuation Scheme.

The trustee of the umbrella trust is Public Trust (referred to in this Investment Statement as the “Trustee”). By virtue of this appointment, Public Trust is trustee of both the Superannuation Scheme and the ASB KiwiSaver Scheme.

ASB Group Investments Limited (referred to in this Investment Statement as the “Manager” and “ASB Group Investments”) and its directors are promoters of the Superannuation Scheme. ASB Group Investments also provides administration and investment management services to the Superannuation Scheme.

As at the date of this Investment Statement, the Superannuation Scheme is a qualifying recognised overseas pension scheme and is able to accept transfers from United Kingdom pension schemes on behalf of Ordinary Members.

What is the nature of the Superannuation Scheme?

The Superannuation Scheme is a retirement investment scheme that offers flexible savings options, low fees and a range of diversified investment choices.

The Superannuation Scheme allows investors to pool their savings into a selection of investment funds (“Superannuation Investment Funds”). The Superannuation Investment Funds are operated by the Trustee who accepts contributions from a number of investors, and then collectively invests those contributions in specified asset classes. The assets of the Superannuation Investment Funds are held in the name of the Trustee (or a custodian appointed by the Trustee), on behalf of all the investors in the relevant Superannuation Investment Funds.

Your investment in this Superannuation Scheme is measured in “Units” in the various Superannuation Investment Funds. When contributions are made in respect of you, you are effectively ‘buying’ a number of Units at what is known as a “Unit Value”. As the investments made by a Superannuation Investment Fund rise or fall in value, so too does the value of each individual Unit.

A pooled investment is a simple and effective way to diversify your savings across a wide range of different investments. It allows you to do this in a manner which most individuals would not be able to achieve on their own.

Who can join the Superannuation Scheme?

You may be offered membership in the Superannuation Scheme as an individual (either as a “Specified Superannuation Member” or an “Ordinary Member”), as the trustee of a superannuation scheme registered under the Superannuation Schemes Act 1989, or as the trustee of a KiwiSaver scheme registered under the KiwiSaver Act 2006 (other than the trustee of the ASB KiwiSaver Scheme). Specified Superannuation Members, Ordinary Members and Trustee Members are collectively referred to as “Superannuation Member” in this Investment Statement.

Specified Superannuation Members

You may be offered membership in the Superannuation Scheme as a Specified Superannuation Member, if you have a relationship with an entity such as a company or society, and that person or organisation (“Participant”) has entered into an agreement with the Trustee (at that time) of the Superannuation Scheme (termed a “Superannuation Admission Deed”) for the purpose of providing you with the opportunity to participate as a Superannuation Member in the Superannuation Scheme.

The Superannuation Admission Deed will contain terms and conditions particular to the offer of membership made to you, and also to other individuals to whom the person or organisation wishes the Trustee to offer membership.

No offer of interests in the Superannuation Scheme made on the basis of a Superannuation Admission Deed may be made unless the Superannuation Admission Deed is available, free of charge, to Specified Superannuation Members and prospective Specified Superannuation Members on request to the Participant, as provided for in this Investment Statement and/or the relevant Supplemental Investment Statement.

For every Specified Superannuation Member, this Investment Statement must be read in conjunction with the relevant accompanying supplement (“Supplemental Investment Statement”). The Supplemental Investment Statement sets out relevant additional information that is particular to the offer of membership to a Specified Superannuation Member in this Superannuation Scheme. You must read this information carefully before applying to become a Specified Superannuation Member.

Ordinary Members

The Trust Deed for the ASB Master Trust (insofar as it relates to the Superannuation Scheme) makes provision for the Trustee to offer membership to individuals who are not necessarily related to any particular entity, and who wish to invest in the Superannuation Scheme principally for the purpose of obtaining retirement benefits.

Individuals who invest in the Superannuation Scheme in this manner are called Ordinary Members.

Information particular to the offer of membership in this Superannuation Scheme to Ordinary Members is contained in this Investment Statement.

Trustee Members

The trustee of a superannuation scheme that is registered under the Superannuation Schemes Act 1989 or of a KiwiSaver scheme that is registered under the KiwiSaver Act 2006 (excluding the trustee of the ASB KiwiSaver Scheme), may apply to become a Superannuation Member of the Superannuation Scheme in its capacity as trustee of that registered superannuation scheme or KiwiSaver scheme. The application cannot be accepted unless the trustee has first entered into a Trustee Deed with the Trustee. That trustee will become a Trustee Member of the Superannuation Scheme, upon acceptance by the Trustee of that trustee’s application for membership. The terms and conditions governing that trustee’s membership, are as set out in the Trust Deed for the ASB Master Trust (insofar as it relates to the Superannuation Scheme), the Prospectus and the relevant Trustee Deed. This Investment Statement does not relate to membership of the Superannuation Scheme as a Trustee Member.

How do I join?

Specified Superannuation Members

To apply to become a Specified Superannuation Member, you (and if required by the Trustee, the person that has arranged for your membership in the Superannuation Scheme), must complete the application form that accompanies, and refers to, this Investment Statement and the Supplemental Investment Statement. The application form should be returned to ASB Group Investments Limited, FreePost Authority No. ASB, PO Box 35, Shortland Street, Auckland 1140.

Ordinary Members

To apply to become an Ordinary Member, you must complete the application form that accompanies, and refers to, this Investment Statement. The application form should be returned to ASB Group Investments Limited, FreePost Authority No. ASB, PO Box 35, Shortland Street, Auckland 1140. If you are transferring an amount into the Superannuation Scheme from a United Kingdom pension scheme, you must also complete the Transfer Request Application Form.

Superannuation Investment Funds

The Superannuation Scheme currently has nine Superannuation Investment Funds that are open to investment, each with a unique risk/return profile. The Superannuation Investment Funds offered are either diversified Superannuation Investment Funds that invest in a pre-set mix of asset classes including cash, fixed interest, property and shares (“Diversified Investment Funds”) or Superannuation Investment Funds that invest in single asset classes (“Single Sector Investment Funds”).

The Superannuation Investment Funds available through the Superannuation Scheme are outlined on the following pages. Not all Superannuation Investment Funds are available to all Superannuation Members. The application form (in respect of Ordinary Members) and the Supplemental Investment Statement (in respect of Specified Superannuation Members) outlines the Superannuation Investment Funds available to you.

The investment asset mixes of the Diversified Superannuation Investment Funds are described on the following pages. These investment asset mixes represent the target investment asset mixes that the Trustee will aim to maintain as far as practically possible.

You should also be aware that the matters outlined in these summaries can change from time to time. In particular, the Trustee in consultation with the Manager can change the objectives and policies (including the market indices and the investment asset mixes). This flexibility is required to ensure that these Superannuation Investment Funds, which are long term investment vehicles, can adapt to changes in the investment environment. While it is intended that the investment asset mix of each Superannuation Investment Fund will remain in line with the benchmark, from time to time depending on market conditions and the Manager’s ability to invest or divest in accordance with minimum trading restrictions, the actual asset allocations may differ from the benchmark. The Manager will take reasonable steps to return the Superannuation Investment Fund to benchmark in a manner that is as efficient as possible. The Manager will also hold a portion of each Superannuation Investment Fund in cash for liquidity purposes.

In this Investment Statement:

- > a reference to a Superannuation Investment Fund investing in assets or asset classes means the Superannuation Investment Fund invests in those assets or asset classes either directly or indirectly, including through managed funds; and
- > underlying investment manager means a person to whom the Manager has subcontracted management of the assets of a Superannuation Investment Fund or a manager or sub-manager of a managed fund to which the Superannuation Investment Fund has significant direct or indirect exposure.

The underlying investment managers may change from time to time without notice to you.

The Superannuation Investment Funds listed in this Investment Statement are referred to individually and collectively in this document as the “Superannuation Investment Fund(s)”.

Diversified Investment Funds

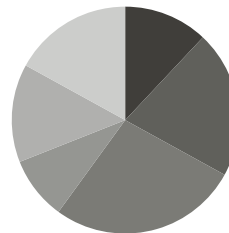
ASB Conservative Fund

Objective: To provide investors with moderate capital growth over the medium to long-term.

The ASB Conservative Fund aims to achieve this objective by investing in a high proportion of diversified income assets (New Zealand cash deposits and New Zealand and world fixed interest securities) and a low proportion of diversified growth assets (global property, Australasian and world share investments).

In particular, the ASB Conservative Fund aims to track closely the investment performance of selected market indices by investing in the following asset classes, in the proportions noted.

Asset Class	Asset Mix
■ NZ Cash	12%
■ NZ Fixed Interest	21%
■ World Fixed Interest	27%
■ Global Property Shares	9%
■ Australasian Shares	14%
■ World Shares	17%



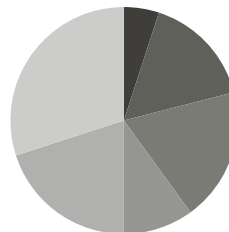
ASB Balanced Fund

Objective: To provide investors with long-term capital growth.

The ASB Balanced Fund aims to achieve this objective by investing in a relatively high proportion of diversified growth assets (global property, Australasian and world share investments) and a lower proportion of diversified income assets (New Zealand cash deposits, New Zealand and world fixed interest securities).

In particular, the ASB Balanced Fund aims to track closely the investment performance of selected market indices by investing in the following asset classes, in the proportions noted.

Asset Class	Asset Mix
■ NZ Cash	5%
■ NZ Fixed Interest	16%
■ World Fixed Interest	19%
■ Global Property Shares	10%
■ Australasian Shares	20%
■ World Shares	30%



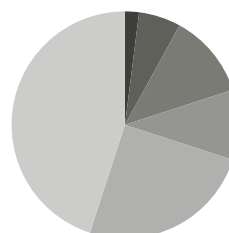
ASB Growth Fund

Objective: To provide investors with higher capital growth over the medium to long-term.

The ASB Growth Fund aims to achieve this objective by investing in a high proportion of diversified growth assets (global property, Australasian and world share investments) and a lower proportion of diversified income assets (New Zealand cash deposits, New Zealand and world fixed interest securities).

In particular, the ASB Growth Fund aims to track closely the investment performance of selected market indices by investing in the following asset classes, in the proportions noted.

Asset Class	Asset Mix
■ NZ Cash	2%
■ NZ Fixed Interest	6%
■ World Fixed Interest	12%
■ Global Property Shares	10%
■ Australasian Shares	25%
■ World Shares	45%



Single Sector Funds

ASB NZ Cash Fund

The ASB NZ Cash Fund seeks to provide investors with competitive returns consistent with a low risk investment strategy. The ASB NZ Cash Fund aims to track the performance of the ANZ 90 Day Bank Bill Index as closely as practicably possible. The ASB NZ Cash Fund is managed by the Manager.

ASB NZ Fixed Interest Fund

The ASB NZ Fixed Interest Fund seeks to provide investors with competitive returns consistent with a conservative investment strategy involving exposure to quality medium to longer term fixed interest securities. The ASB NZ Fixed Interest Fund is also managed by the Manager.

The ASB NZ Fixed Interest Fund invests in a portfolio of New Zealand Government fixed interest securities that seeks to provide returns consistent with the performance of the ANZ NZ Government Stock Index as closely as practicably possible. It also holds a portfolio of New Zealand corporate fixed interest securities, that seeks to provide returns consistent with the performance of the ANZ A-Grade Corporate Bond Index.

ASB World Fixed Interest Fund

The ASB World Fixed Interest Fund seeks to provide investors with competitive returns through a conservative investment strategy involving exposure to quality medium to longer term world fixed interest securities.

The ASB World Fixed Interest Fund aims to achieve this by providing returns that reflect the performance of the Citigroup World Government Bond Index as closely as practicably possible. State Street Global Advisors Australia Limited and Vanguard Investments Australia Limited are the underlying investment managers of the ASB World Fixed Interest Fund through such investment.

In addition, at some time in the future the Trustee (in consultation with the Manager) may choose to invest a proportion of the ASB World Fixed Interest Fund in world corporate bonds.

The Manager may take out currency hedging to New Zealand dollars from time to time in respect of the investments of the ASB World Fixed Interest Fund.

ASB Global Property Shares Fund

The ASB Global Property Shares Fund seeks to generate investment returns by investing in a range of listed property securities across world markets.

The ASB Global Property Shares Fund aims to achieve this by providing returns that reflect the performance of the UBS Global Real Estate Investors Index as closely as practicably possible. Vanguard Investments Australia Limited is the underlying investment manager of the ASB Global Property Shares Fund through such investment.

The Manager may take out currency hedging to New Zealand dollars from time to time in respect of the investments of the ASB Global Property Shares Fund.

ASB Australasian Shares Fund

The ASB Australasian Shares Fund seeks to generate investment returns by investing in a range of Australian and New Zealand listed equities.

The ASB Australasian Shares Fund aims to achieve this by providing returns that 50% reflect the performance of the NZX50 Index and 50% reflect performance of the S&P/ASX200 Index as closely as practicably possible. Colonial First State Asset Management (Australia) Limited is the underlying investment manager of the ASB Australasian Shares Fund through such investment.

The Manager may take out currency hedging to New Zealand dollars from time to time in respect of the investments of the ASB Australasian Shares Fund.

ASB World Shares Fund

The ASB World Shares Fund seeks to generate investment returns by investing in a range of equities across world markets.

The ASB World Shares Fund aims to achieve this by providing returns that reflect the performance of the MSCI World (ex Australia) Index as closely as practicably possible. Vanguard Investments Australia Limited is the underlying investment manager of the ASB World Shares Fund through such investment.

The Manager may take out currency hedging to New Zealand dollars from time to time in respect of the investments of the ASB World Shares Fund.

2. Who is involved in providing it for me?

The name of the Superannuation Scheme is the ASB Superannuation Master Trust. The Superannuation Scheme is a defined contribution superannuation scheme that is registered under the Superannuation Schemes Act 1989, and was established on 27 June 2000. The Superannuation Scheme is currently governed under an umbrella trust, which is known as the ASB Master Trust. A Trust Deed for the ASB Master Trust between the Trustee and ASB Group Investments dated 30 March 2007, as amended from time to time, governs the Superannuation Scheme as well as the ASB KiwiSaver Scheme (“Trust Deed”).

The Superannuation Scheme is divided into a number of Superannuation Investment Funds, as set out in section 1 ‘What sort of investment is this?’. Each of the Superannuation Investment Funds is established under a separate deed (“Establishment Deed”).

Trustee, Administration Manager and Promoter

Public Trust is the trustee of the Superannuation Scheme. Public Trust is a statutory corporation established under the Public Trust Act 2001.

Public Trust can be contacted at the registered office of Public Trust at Level 10, 141 Willis Street, Wellington 6011.

ASB Group Investments is the Administration Manager, Investment Manager and a promoter of the Superannuation Scheme. The principal place of business of ASB Group Investments is Sovereign House, 33-45 Hurstmere Road, Takapuna, North Shore City 0740.

The directors of ASB Group Investments are also promoters in terms of the Securities Act and Securities Regulations 1983. The directors of ASB Group Investments as at the date of this Investment Statement are S B McRobie, K C McDonald and C A McGrath. The directors of ASB Group Investments may change from time to time.

The principal place of residence of each of the directors of ASB Group Investments is Auckland, New Zealand. You may contact ASB Group Investments, or any of the directors of ASB Group Investments, by writing to them at the following address:

ASB Group Investments Limited, Level 28, ASB Bank Centre, 135 Albert Street (PO Box 35, Shortland Street), Auckland 1140, New Zealand.

You may also contact ASB Group Investments by calling (09) 377 8930.

ASB is involved in the marketing and distribution of the Superannuation Scheme, but is not a promoter of the Superannuation Scheme (unless otherwise stated in a Supplemental Investment Statement in relation to a particular offer on the basis of a Superannuation Admission Deed) as defined by the Securities Regulations 1983.

In certain cases, an organisation or company who enters into a Superannuation Admission Deed (and members of its board, its directors or officers) will also be a promoter of the Superannuation Scheme in terms of the offer of membership to employees or associated persons of that organisation or company. In accordance with the Securities Act (Multiple Participants Superannuation Schemes) Exemption Notice 1998, this is disclosed in the relevant Supplemental Investment Statement.

No guarantors

Neither the Trustee, the promoters, the Manager (or any other manager), any underlying investment manager, ASB Bank Limited or its subsidiaries (the “Banking Group”), the Commonwealth Bank of Australia, nor any other company in the Commonwealth Bank of Australia Group, nor any of their board members or directors (as the case may be), nor any other person or party, guarantees the securities offered in this Investment Statement (including the repayment of any capital invested) or the performance of those securities (including any of the investments or returns made in respect of the securities). The securities offered in this Investment Statement do not represent bank deposits or liabilities of either of the Banking Group or the Commonwealth Bank of Australia Group, and are subject to investment risk including loss of income and principal invested.

It is impossible to predict the future returns and past returns are no indication of future performance. Returns may be negative and a Superannuation Member may receive less than is invested.

3. How much do I pay?

Specified Superannuation Members' contributions

If the Trustee accepts your application and you become a Specified Superannuation Member of the Superannuation Scheme, you will be required to make contributions to the Superannuation Scheme as set out in the Supplemental Investment Statement.

The Supplemental Investment Statement will state the level of contributions you are required to make, and the intervals at which you will pay that contribution. The Supplemental Investment Statement may contain minimum allowable investment amounts and may also specify a minimum frequency of contributions.

Unless the Supplemental Investment Statement states otherwise, you are able to make contributions above the required amount, either by deduction from your salary or bank account, or in lump sum amounts. Lump sum contributions can be made by cheque made payable to ASB Superannuation Master Trust. For any lump sum contributions, you will need to complete a Lump Sum Deposit Form. Direct Debit Forms and Lump Sum Deposit Forms are available by calling **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing **retire@asb.co.nz**

Employer contributions

If the Trustee accepts your application and you become a Specified Superannuation Member of the Superannuation Scheme, your employer may also make contributions to the Superannuation Scheme on your behalf. Any contributions your employer is required to make, will be set out in the Supplemental Investment Statement.

In some circumstances, at your request, you may enter into an agreement with your employer whereby your employer will agree to the payment of employer contributions on your behalf, which are not defined by the Supplemental Investment Statement. Generally, these types of contributions will be in lieu of normal salary payments.

Contributions made by you and/or your employer will generally stop once you reach your normal retirement date as defined in the Supplemental Investment Statement. In addition, with the consent of the Trustee, you may suspend, reduce, or stop making contributions as permitted in the Supplemental Investment Statement. If your employer is making contributions on your behalf, your employer may also suspend, reduce or stop making contributions after notifying you and the Trustee.

Locked-in contributions

In some cases you may also have a lock-in facility available to you. This will allow some employer contributions (subject to a cap) to the Superannuation Scheme for your benefit to be exempt from Employer's Superannuation Contribution Tax ("ESCT"). If this facility is available to you, the applicable terms will be set out in the Supplemental Investment Statement. Where this facility is offered to you, in order to obtain a withholding tax exemption through the Superannuation Scheme, you will be required (under the relevant legislation) to agree to a lock-in of certain future contributions. Other contributions can continue being paid to the Superannuation Scheme on the same basis as is set out in the Supplemental Investment Statement.

Ordinary Members' contributions

If the Trustee accepts your application and you become an Ordinary Member of the Superannuation Scheme, you will be required to make contributions to the Superannuation Scheme as set out below:

Minimum Lump Sum	\$1,000
Minimum Additional Lump Sum	\$200
Minimum Regular Contribution	\$50 per month or \$25 per fortnight

Regular contributions can be made by direct debit from your bank account or with consent of your employer by deduction from your salary. Lump sum contributions can be made by cheque made payable to ASB Superannuation Master Trust. For any lump sum contributions, you will need to complete a Lump Sum Deposit Form. Direct Debit Forms and Lump Sum Deposit Forms are available by calling **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing retire@asb.co.nz

What happens to contributions?

Once the Trustee has accepted your application, it will open two principal types of accounts, being a Superannuation Cash Account and a Superannuation Account, in your name for each type of contribution received (for example, Specified Superannuation Member and employer contributions).

Your Superannuation Cash Account will record details of each contribution received by type and the payment of any fees from the contributions which are not deducted from the Superannuation Investment Funds, such as administration fees (as described in section 4 'What are the charges?').

Your Superannuation Account will record the details of each investment of your contributions (after any fees and taxes are deducted) by contribution type in the Superannuation Investment Funds, in accordance with the Superannuation Investment Strategy you have selected.

If the Supplemental Investment Statement states that a lock-in facility is available, and you have elected to make locked-in contributions, the Trustee will open up two other types of accounts, being a Locked-in Cash Account and a Locked-in Account, in your name in respect of all locked-in contributions received in respect of you. Any locked-in contributions that you make to the Superannuation Scheme will be kept separate and credited to a different account in your name than other contributions made to the Superannuation Scheme by or on your behalf.

Your Locked-in Account will record the details of each investment of your locked-in contributions (after any fees and taxes are deducted) by contribution type in the Superannuation Investment Funds, in accordance with the Superannuation Investment Strategy you have selected.

Your Locked-in Cash Account will record details of each locked-in contribution received and the payment of any fees from the locked-in contributions which are not deducted from the Superannuation Investment Funds, such as administration fees in respect of the locked-in contributions (as described in section 4 'What are the charges?').

The Superannuation Cash Account and any Locked-in Cash Account earn interest on their cash balance, credited at a frequency determined by the Trustee from time to time, provided that the method of allocating interest to your Locked-in Cash Account must always be by way of a credit to your Locked-in Cash Account. The rate at which interest is credited is determined by the Trustee. As at the date of this Investment Statement, the rate of interest credited is in line with ASB's on-call rates.

Superannuation Investment Strategy

You are required to specify a Superannuation Investment Strategy for your investment in the Superannuation Scheme. Your Superannuation Investment Strategy determines how much of each contribution made by you will be allocated to one or more of the Superannuation Investment Funds available under the Superannuation Scheme.

If you are a Specified Superannuation Member, the various Superannuation Investment Funds available will have been agreed under the relevant Superannuation Admission Deed. They will be disclosed in both the Supplemental Investment Statement and accompanying application form.

If you are an Ordinary Member, you are able to invest into any one of the Superannuation Investment Funds noted on pages 6 to 8 of this Investment Statement.

The Trustee will invest your contributions to the Superannuation Scheme in accordance with your chosen Superannuation Investment Strategy.

For example, assume your chosen Superannuation Investment Strategy was to invest as follows:

20% in the ASB NZ Cash Fund;
15% in the ASB NZ Fixed Interest Fund;
15% in the ASB World Fixed Interest Fund;
35% in the ASB World Shares Fund; and
15% in the ASB Australasian Shares Fund.

If you made a contribution to the fund of \$100 (net of fees and taxes payable, and moneys paid to your Superannuation Cash Account) the Trustee would invest that \$100 in accordance with your Superannuation Investment Strategy so that:

\$20 would be invested in the ASB NZ Cash Fund;
\$15 in the ASB NZ Fixed Interest Fund;
\$15 in the ASB World Fixed Interest Fund;
\$35 in the ASB World Shares Fund; and
\$15 in the ASB Australasian Shares Fund.

Minimum Cash Account balance

You will be required to keep a minimum balance in your Superannuation Cash Account, and any Locked-in Cash Account of an amount as set by the Trustee from time to time. If your Superannuation Cash Account or Locked-in Cash Account balance falls below any minimum amount set by the Trustee, the Trustee may withdraw from your Superannuation Account, or as the case may be your Locked-in Account (both representing your investments in the Superannuation Investment Funds), and deposit in your Superannuation Cash Account (or as the case may require, Locked-in Cash Account) an amount necessary to bring the relevant balance to the level required by the Trustee.

Failure to make contributions

If you do not make a required contribution, or a contribution which you have made is dishonored, then, to the extent that the Trustee has already recognised this contribution in your Superannuation Cash Account, Locked-in Cash Account, Superannuation Account or Locked-in Account, the Trustee will amend those accounts accordingly.

If you fail to contribute as you have agreed, it may affect the terms and conditions of your membership in the Superannuation Scheme. If you are a Specified Superannuation Member, how the terms and conditions of your membership may be affected, will be specified in the Supplemental Investment Statement relevant to your membership.

4. What are the charges?

The following types of charges are, or may be, payable by you in respect of your investment in the Superannuation Scheme.

Trustee Fee

The Trustee is currently paid an annual fee from the Superannuation Investment Funds of the Superannuation Scheme (“Trustee Fee”). The manner in which the Trustee Fee is to be paid is determined by agreement between the Trustee and ASB Group Investments. The Trustee and ASB Group Investments can agree to alter the amount of the Trustee Fee, or the rate at which it is paid, at any time. Superannuation Members will be notified in writing at least four weeks prior to any increase in the Trustee Fee.

As at the date of this Investment Statement, the Trustee Fee in respect of each Superannuation Investment Fund is 0.02% gross per annum (plus any GST and any other taxes) of the gross value of the relevant Superannuation Investment Fund (as defined in the Trust Deed). This Trustee Fee is payable from the assets of each Superannuation Investment Fund to the Trustee, and is calculated daily and payable monthly in arrears. There is no maximum level of the Trustee Fee.

Fund Management Fee

The Manager is entitled to be paid a fee from each Superannuation Investment Fund (“Fund Management Fee”) for the fund management services provided to the Superannuation Scheme. The Fund Management Fees are payable from the assets of each Superannuation Investment Fund, and are calculated daily as a percentage of the gross value of the relevant Superannuation Investment Fund, and are currently payable monthly in arrears.

The current Fund Management Fee in respect of each Superannuation Investment Fund, is set out in the table below:

Diversified Investment Funds	Fund Management Fee (gross per annum)	Single Sector Investment Funds	Fund Management Fee (gross per annum)
ASB Conservative Fund	0.34%	ASB NZ Cash Fund	0.20%
ASB Balanced Fund	0.34%	ASB NZ Fixed Interest Fund	0.35%
ASB Growth Fund	0.34%	ASB World Fixed Interest Fund	0.35%
		ASB Global Property Shares Fund	0.35%
		ASB World Shares Fund	0.35%
		ASB Australasian Shares Fund	0.35%

GST (if any) and any other taxes are additional to the Fund Management Fee disclosed in the above table.

Administration Fees

You may also be required to pay an account administration fee (“Administration Fee”). The Administration Fee is paid to the Manager for the administration services it performs for the Superannuation Scheme.

Specified Superannuation Members

The Administration Fee payable (if any) will be set out in the Supplemental Investment Statement that accompanies, and refers to, this Investment Statement. The Administration Fee will be subtracted from your Superannuation Cash Account or Locked-in Cash Account unless stated otherwise in the Supplemental Investment Statement.

Ordinary Members

The Administration Fee for Ordinary Members is a maximum of 0.65% gross per annum of the total value of your Interest in the Superannuation Scheme. The Administration Fee will be deducted from your Superannuation Cash Account monthly and is calculated on the daily average balance of your Interest in the Superannuation Scheme unless otherwise agreed between you and the Trustee of the Superannuation Scheme. There is no maximum level of the Administration Fee.

Other fees

No other fees are currently charged to Superannuation Members. However, under the Trust Deed the Trustee may charge certain other fees such as retirement withdrawal fees.

Other expenses of the Superannuation Scheme

In addition to the fees described in this section, the Trustee is entitled to be reimbursed under the Trust Deed (insofar as it relates to the Superannuation Scheme) for all costs, charges and expenses incurred in connection with the operation, administration and marketing of the Superannuation Scheme, including costs relating to the formation of the Superannuation Scheme, the acquisition of assets, and costs relating to taxes, interest, and professional fees. The Trustee is entitled to be reimbursed out of the funds of the Superannuation Scheme or the underlying Superannuation Investment Funds. The Trustee is currently reimbursed for costs and expenses relating to the audit of the Superannuation Scheme, legal fees and the cost of producing the Superannuation Scheme's Annual Report and Investment Certificates.

The Superannuation Investment Funds may invest in other managed funds in which fees and expenses may be charged in respect of these funds, which may affect the returns to investors in the Superannuation Investment Funds. If charged, these fees and expenses will be reflected in the Unit Value of the relevant Superannuation Investment Funds.

Tax relief on expenses

The Superannuation Scheme may claim tax relief on its expenses to the extent permitted under income tax legislation. (For further information please refer to the Taxation Summary under section 5 'What returns will I get?')

Review of fees

The Trustee is entitled to review the level of fees payable from time to time, and to increase or reduce them accordingly. You will be notified in writing four weeks before any fee or charge that you are either liable to pay, or which may affect your returns, is introduced or increased.

Payment of fees

The Fund Management Fees and the Trustee Fee, are deducted from each Superannuation Investment Fund and, therefore, will affect the Unit Value (which is explained in section 5 'What returns will I get?').

If a Retirement Benefit fee or a Withdrawal Benefit fee is payable, these will be deducted from the amount of the benefit before it is paid to you. The other fees referred to above (if applicable), may be deducted from your Superannuation Cash Account or Locked-in Cash Account and will, therefore, affect their value.

Indemnities given by Specified Superannuation Members and Ordinary Members

The Superannuation Schemes Act 1989 requires that superannuation schemes registered under that Act be principally for the provision of retirement benefits. Consequently it is very important that the reason you are a Specified Superannuation Member or Ordinary Member in the Superannuation Scheme is to save and help provide for your retirement.

If you are a Specified Superannuation Member or an Ordinary Member, and you apply to be a Superannuation Member of the Superannuation Scheme or apply to make a contribution other than for the principal purpose of obtaining retirement benefits, it may affect the Superannuation Scheme as a whole.

For example, it may result in the Superannuation Scheme losing a tax benefit or incurring a larger tax liability. You will be required to indemnify the Trustee, the Superannuation Scheme and every other Superannuation Member, for any loss, cost or expense that results from your application to be a Superannuation Member or from your payment of contributions (other than for the principal purpose of obtaining retirement benefits), to the Superannuation Scheme, provided that this indemnity does not apply to the loss of a tax benefit or incurring a larger tax liability as a result of the ASB Master Trust losing its Portfolio Investment Entity status as a result of your application to be a Superannuation Member or from your payment of contributions.

In addition, if you have received any payment from the Superannuation Scheme that has not been principally to help fund your retirement, you may be required to pay the Trustee an amount equal to every payment that the Trustee has made to you, if the Government Actuary believes this is necessary to protect the Superannuation Scheme's status as a registered superannuation scheme, or to preserve any other benefit.

5. What returns will I get?

The Superannuation Investment Funds offered in the Superannuation Scheme are 'pooled' funds. The contributions you invest in a Superannuation Investment Fund entitle you to a share of that Superannuation Investment Fund, which is calculated in Units. The Unit Value is the price you pay or receive when you want to invest Units in, or redeem Units from, a Superannuation Investment Fund. The Unit Value on a given day is determined by dividing the value of the Superannuation Investment Fund on that day by the number of Units on issue.

The amount of the return on contributions made in respect of you will be reflected as an increase or decrease in a Superannuation Investment Fund's Unit Value. A Unit Value incorporates both capital growth and capital loss of the assets in a Superannuation Investment Fund, as well as any income earned after payment of expenses and taxes (excluding any PIE tax - see Tax Summary later in this section). The Trustee is legally liable to reflect such returns in the Unit Value. You should also note the currency risks and hedging policy described in section 6 'What are my risks?'

You should be aware that no percentage rate of return is or has been guaranteed by any party. The key factor determining the returns of each Superannuation Investment Fund, will be the investment performance of the assets purchased by each Superannuation Investment Fund in accordance with the investment objectives set by the Trustee (in consultation with the Manager) for each Superannuation Investment Fund.

The following factors will also affect the amount of the return:

- > the amount of the charges referred to under section 4 'What are the charges?';
- > taxation (refer to the Taxation Summary later in this section); and
- > the number of Units you have, and the Unit Values at which you invest or redeem Units in a Superannuation Investment Fund.

How do I find out the value of my investment?

There are a number of ways you can easily find out the current value of your investment. You can:

- > Check your balance online at www.asb.co.nz;
- > Phone us on **0800 ASB RETIRE** (0800 272 738) during normal business hours; or
- > email us at retire@asb.co.nz

Your Interest in the Superannuation Scheme at any time is the total of the dollar value of your Superannuation Account and/or Locked-in Account plus your Superannuation Cash Account and/or Locked-in Cash Account (if any) balance at that time.

As the Trustee (on the direction of the Manager) has elected Portfolio Investment Entity status for the ASB Master Trust your Interest in the ASB Superannuation Master Trust Scheme will be increased or decreased from time to time to reflect the payment of tax on income allocated to you, or the receipt of tax refunds in respect of tax credits or losses allocated to you. For further information please refer to the Taxation Summary later in this section.

Access to your investment

In certain circumstances, the withdrawal of employer contributions (plus investment earnings on those contributions) may be subject to Fund Withdrawal Tax ("FWT") of 5%. Further information on FWT is available under the Taxation Summary later in this section. Pre-retirement withdrawals of amounts transferred from the United Kingdom may give rise to tax implications in the United Kingdom.

Retirement Benefits

If you are a "Retired Member", you may request that the Trustee pay you a Retirement Benefit. You will be a Retired Member if:

- > you are aged 50 or over and did not transfer to the Superannuation Scheme from a United Kingdom pension scheme while the Superannuation Scheme is a qualifying recognised overseas pension scheme;

- > you are aged 55 or over and transferred to the Superannuation Scheme from a United Kingdom pension scheme while the Superannuation Scheme is a qualifying recognised overseas pension scheme;
- > you are a Specified Superannuation Member bound by a Superannuation Admission Deed which does not give a meaning to the term Retired Member, and have reached the age of 50; or
- > the Trustee determines that your Retirement Benefit request is for the principal purpose of retirement.

If you are a Retired Member, you, or your personal representative, may make a request for you to be paid a Retirement Benefit. A Retirement Benefit does not comprise any Locked-in balance (if any). Locked-in balances can only be withdrawn in the circumstances outlined in the Supplemental Investment Statement.

You can request part or full payment of your Retirement Benefit, excluding any Locked-in balance (if any). To make a Retirement Benefit request, simply complete a Withdrawal Request Form which can be obtained from the ASB website www.asb.co.nz, by calling **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing retire@asb.co.nz. The Trustee may specify a minimum amount for each Retirement Benefit request, and also a minimum amount which must remain invested to maintain an open account in the Superannuation Scheme.

Your completed request for payment should be sent to ASB Group Investments Limited, FreePost Authority No. ASB, PO Box 35, Shortland Street, Auckland 1140.

Withdrawal Benefits

Ordinary Members

You may make a request to the Trustee to withdraw all or part of your investment (“Withdrawal Benefit”). As at the date of this Investment Statement, unless you are withdrawing all of your investment in the Superannuation Scheme, you must retain an investment of at least \$2,000 after the withdrawal.

If you are an Ordinary Member, but not yet a Retired Member, then you may only be paid a Withdrawal Benefit if the Trustee considers:

- > you have suffered undue hardship;
- > you have suffered a serious mental or physical injury or illness resulting in material permanent incapacity;
- > you are permanently emigrating from New Zealand; or
- > your request for a Withdrawal Benefit is reasonable in all the circumstances.

If the value of your Interest in the Superannuation Scheme would be \$2,000 or less after the Withdrawal Benefit is paid, the Trustee may decline your request and ask that you adjust your Withdrawal Request Form.

Specified Superannuation Members

If you are a Specified Superannuation Member but are not yet a Retired Member, you may only be paid a Withdrawal Benefit under the circumstances detailed in the Superannuation Admission Deed relevant to your membership as outlined in the Supplemental Investment Statement. A Withdrawal Benefit cannot comprise any Locked-in balance (if any). Locked-in balances can only be withdrawn in the circumstances outlined in the Supplemental Investment Statement.

If the Superannuation Admission Deed relevant to your membership does not give any detail regarding the circumstances in which a Withdrawal Benefit will be paid, then you may only be paid a Withdrawal Benefit under the circumstances outlined above under the heading ‘Ordinary Members’.

On becoming entitled to a benefit as outlined in this section of the Investment Statement, you may elect to transfer all or part of your total Interest in the Superannuation Scheme to another registered superannuation scheme or KiwiSaver scheme.

To make a Withdrawal Benefit request, simply complete a Withdrawal Request Form which can be obtained from the ASB website www.asb.co.nz, by calling **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing retire@asb.co.nz

Your completed request for payment should be sent to ASB Group Investments Limited, FreePost Authority No. ASB, PO Box 35, Shortland Street, Auckland 1140.

Payment of benefits

Payments of Retirement and Withdrawal Benefits will be paid out of your investment in the Superannuation Investment Funds in accordance with your Superannuation Investment Strategy, unless you and the Trustee agree otherwise, or the Trustee otherwise determines (for example where a Superannuation Investment Fund is closed or where payments would cause the requirements for Portfolio Investment Entity to be breached). Where your benefit is a full withdrawal it will also include the remaining amount in your Superannuation Cash Account (or Locked-In Cash Account, where applicable).

It is intended that payments of benefits will normally be made within seven days of your request. The actual dates on which, and frequency with which, the benefits from the Superannuation Scheme are due and paid are unknown. Payments will usually be made by direct credit to your nominated bank account. The Trustee is legally liable to pay your benefit but has delegated the performance of this function to the Manager.

Death

If you die, the Trustee will only recognise your legal personal representative as having an interest in your investment in the Superannuation Scheme (excluding your locked-in portion (if any)). In respect of the locked-in portion (if any) of a Superannuation Member's Interest, in the event that the Superannuation Member dies, the Trustee will pay to the Superannuation Member's legal personal representative an amount that is equal to the value of the locked-in portion of the relevant Superannuation Member's Interest at the date on which the personal representative's application is accepted or, if the requirements of section 65 of the Administration Act 1969 are met, pay to the relevant person any sum of money authorised by that section, subject to that Act.

If you die intestate, the Trustee may in its complete discretion make a payment from the Superannuation Scheme of an amount (determined by the Trustee in its complete discretion) to any natural person (excluding a locked-in amount).

Suspension of payment of benefits

Payments will normally be made by the Trustee as soon as possible. However, the Trustee may suspend the payment of Retirement Benefits and/or Withdrawal Benefits, if the Trustee considers that such a suspension is in the general interests of all Superannuation Members, or if it is not practicable to pay such benefits.

Taxation summary

Specified Superannuation Member and Ordinary Member contributions

Contributions deducted directly from your salary or wage, are subject to PAYE or income tax.

Employer contributions

Generally, any contributions made by an employer are subject to ESCT. This withholding tax is generally payable at a rate of 33%, but in some cases it may be deducted at a lower rate at the employer's election. Your employer can confirm the rate of withholding tax it will deduct from any employer contributions.

Locked-in contributions

If in accordance with the terms of the Supplemental Investment Statement you have elected to "lock-in" some or all future contributions made to the Superannuation Scheme for your benefit, then some employer contributions (subject to a cap) to the Superannuation Scheme for your benefit may be exempt from ESCT.

Otherwise ESCT is deducted before employer contributions are sent to the Trustee for crediting to your account.

Investment income

The income earned by the Superannuation Investment Funds will be taxed as explained below.

The fair dividend rate ("FDR") method will apply to the calculation of taxable income to the extent that a Superannuation Investment Fund invests in shares or units issued by non-New Zealand resident companies or unit trusts (excluding shares in companies and units in unit trusts (if any) which are taxed in Australia as Australian resident companies and included on an approved ASX index).

Under FDR the taxable income of a Superannuation Investment Fund each year from those share or units mentioned in the paragraph above will be equal to 5% of the daily average market value of the investment for that income year. Any dividends or profits from the sale of those shares or units will not be subject to tax. No tax deduction may be claimed for any losses in respect to those shares or units. Foreign tax credits, withheld from income earned from those shares or units may be available to offset any tax payable.

Capital gains and losses from New Zealand shares and certain Australian shares and units (those not subject to FDR, as noted above) will not be subject to tax. Any dividends from these investments will be subject to tax.

Income and capital gains from other investments will be subject to tax.

Where the Superannuation Scheme invests in a Portfolio Investment Entity, income and capital gains earned by the underlying Portfolio Investment Entity will be taxed in the same way as if they had been derived by the Superannuation Scheme directly.

PIE regime

The Superannuation Scheme is a Portfolio Investment Entity ("PIE").

Under the PIE legislation the Trustee will calculate the amount of taxable income (or loss) of each Superannuation Investment Fund and your Superannuation Cash Account which is attributable to you each day. This amount will be determined taking into account the number of Units you hold in each Superannuation Investment Fund and your Superannuation Cash Account each day and the taxable income (or loss) (after allowing for the Trustee Fee, Fund Management Fee, other costs and expenses and formation losses) of the Superannuation Investment Fund on that day. The Administration Fee which is deducted from your Superannuation Cash Account will be subtracted from the amount of the taxable income or loss attributed to your Interest in the Superannuation Scheme. The taxable income attributed to you in respect of each Superannuation Investment Fund and the Superannuation Cash Account will be taxed at the tax rate selected by you, known as your Prescribed Investor Rate ("PIR").

The Trustee will also attribute to you daily any tax that has already been deducted at the source of the income (tax credits) and any other amounts required to prepare an individual daily tax calculation for you.

Your Prescribed Investor Rate

Your Prescribed Investor Rate (“PIR”) is the rate at which the taxable income attributed to you in a PIE will be taxed.

Your PIR can be determined as follows:

(See page 31 for a chart to assist you with calculating your PIR)

New Zealand tax resident individuals	
If in either of the two tax years (ending 31 March) immediately before the tax year in question, you had:	Your PIR is
taxable income of \$14,000 or less and taxable income plus PIE income of \$48,000 or less.	12.5%
taxable income of \$14,000 or less and taxable income plus PIE income of more than \$48,000 but not more than \$70,000.*	21%
taxable income of more than \$14,000 but not more than \$48,000 and taxable income plus PIE income of \$70,000 or less.*	21%
Or, if over both of the last two tax years to 31 March you had:	Your PIR is
taxable income of more than \$48,000.*	30%
taxable income plus PIE income of more than \$70,000.*	30%
Non New Zealand tax resident individuals	
If you are not a New Zealand tax resident individual.	30%

Examples of non-PIE taxable income:	Examples of PIE taxable income:
<ul style="list-style-type: none"> > Salary, wages, bonuses, commission, NZ Super, student allowances, parental leave, tips and gratuities; > Rent; > Royalties; > Withholding payments; > Dividends; and > Interest. 	<ul style="list-style-type: none"> > Taxable income from a PIE compliant KiwiSaver scheme; and taxable income from other PIE compliant managed funds. <p>Deductions are available for PIE losses.</p>

* In December 2009 legislation was passed to amend the PIR rates with effect from 1 April 2010. That legislation contained a number of errors in relation to the PIR rates. As at the date of this Investment Statement the Manager understands that it is intended that remedial legislation be passed to correct those errors with retrospective effect from 1 April 2010. The PIR rates in the table reflect the rates that are intended to apply from 1 April 2010, once the remedial legislation has been passed.

If you do not provide the Manager with your PIR and your IRD number, then any taxable income attributable to you for the applicable tax year will be taxed at the rate of 30%.

Once the Manager has deducted tax from your Interest in the Superannuation Scheme should you change your PIR the Manager will not reassess the tax already deducted during the current tax year. The new PIR will apply to all untaxed income attributed to your Interest in the Superannuation Scheme.

If your PIR increases you must inform the Manager. If your PIR increases and you do not advise the Manager before tax is paid on income from the Superannuation Scheme, then you will need to include on your income tax return information about the taxable income attributed to you that was taxed at a lower rate. This may result in you being liable to pay any difference in tax payable directly to Inland Revenue together with any interest and penalties determined by tax legislation. The Manager will provide you with the relevant information for your income tax return.

If your PIR does not change during a tax year, or decreases, any taxation deducted from your Superannuation Account or Superannuation Cash Account will be a final tax, meaning that you will not need to file an income tax return as a result of receiving such taxable income, or need to pay any further taxes, provided you have elected the correct PIR for your personal circumstances. There is also no impact on eligibility for family assistance, student loan repayment obligations or child support payment obligations as a result of investing in a PIE and being attributed with a share of the PIE's taxable income.

For further information on PIRs and how to calculate your PIR please refer to the chart on page 31 of this Investment Statement. Additional information can also be obtained by calling **0800 ASB RETIRE** (0800 272 738) during normal business hours, by emailing retire@asb.co.nz, or from www.asb.co.nz or www.ird.govt.nz

Adjustment of your investment and payment of tax

The tax year for the Superannuation Scheme runs from 1 April to 31 March. Generally, the Manager (on behalf of the Trustee) will pay the tax on taxable income earned by you in a Superannuation Investment Fund for that year, shortly after 31 March. The Trustee will meet this tax payment by cancelling Units in the Superannuation Investment Funds in which you invest or debiting your Superannuation Cash Account. This may occur before the tax is required to be paid. The Manager (on behalf of the Trustee) will pass the tax deducted in respect of your investment in the Superannuation Scheme, and provide certain information about your investment in the Superannuation Scheme, to Inland Revenue.

During the year, should you:

- > withdraw from the Superannuation Scheme (either in part or full);
- > switch part or all of your investment in one or more of the Superannuation Investment Funds (as described under section 7 'Can the investment be altered?');
- > transfer to another superannuation scheme; or
- > sell Units during the year for any other reason,

the Manager will deduct any tax payable on your taxable income from your interest in the relevant Superannuation Investment Fund.

If you are owed a tax rebate, the Manager on behalf of the Trustee will apply to Inland Revenue for a rebate of the tax loss or excess tax credits (except in the case of any excess credit for foreign tax). The Manager will in most cases provide you with additional Units to the value of the tax loss or excess tax credits. In other cases, you may receive a cash payment to your Superannuation Cash Account.

Valuation of Superannuation Investment Funds

When calculating the aggregate asset value of the Superannuation Investment Funds, the Trustee may consider including the value of losses (which may include deferred tax losses or "tax assets") which the Trustee reasonably expects over time will be recovered by the relevant Superannuation Investment Fund. Tax assets included in the calculation of the Unit Value, are valued in a manner determined by the Trustee from time to time. When the Trustee is valuing tax losses for the purpose of determining Unit Values in respect of the Superannuation Scheme it shall have regard to the Superannuation Scheme's stated policies (if any) from time to time and tax legislation.

Fund Withdrawal Tax

Where withdrawals are made from the Superannuation Scheme and the amount withdrawn arises from contributions made by an Ordinary Member or Specified Superannuation 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 of 5% of the amount withdrawn. In that case the Trustee's policy is to deduct that amount from the withdrawal.

Generally, FWT will not apply in the following situations:

- > If an Ordinary Member or Specified Superannuation Member's taxable income and employer contributions are less than \$70,000 per annum in each of the four years prior to the year in which the withdrawal is made. A proportional reduction is available where the \$70,000 threshold is met in any of the four years prior to the year of the withdrawal.
- > Withdrawals made under situations of significant financial hardship.
- > Withdrawals required to settle a dissolution of marriage or separation of spouses under the Property (Relationships) Act 1976 (or any successor legislation).
- > Withdrawals made where an Ordinary Member or Specified Superannuation Member ceases employment because of injury, disablement or death.

- > Withdrawals made to fund administration costs, and/or the costs of insurance benefits.
- > Withdrawals used to purchase an annuity or pension which will be paid over 10 years or more.
- > In relation to employer contributions made prior to 1 April 2000 and any continuing after that date which have not increased as a percentage of salary.
- > In relation to any increase in employer contributions made pursuant to a deed or contract entered into prior to 1 April 2000.
- > On withdrawing funds from a superannuation scheme where the employee has ceased employment, and where the employee has been employed by a company for two or more years, and employer contributions received on behalf of the employee have not increased by more than 50% in the current and preceding two income years, and the employer contributions that are part of the withdrawal do not exceed \$5,000 for each of the income years the employer contributions have been made.
- > Transfers from one registered superannuation scheme to another.
- > Withdrawals on partial retirement or to pay superannuation fund administration costs.

The FWT legislation is detailed and may have different or further consequences than those described in general terms above. You should seek independent professional tax advice before withdrawing funds from the Superannuation Scheme.

Overseas tax

Where you are subject to tax in any jurisdiction outside of New Zealand, any benefit payable from the Superannuation Scheme to you may be subject to tax in that jurisdiction, depending on your circumstances.

The Superannuation Scheme is currently a qualifying recognised overseas pension scheme (“QROPS”). Under current law, UK tax relief continues to apply in respect of any amount transferred to a QROPS, provided the various rules prescribed in relation to such transfers are observed. There may be tax implications in the UK where an Ordinary Member who has transferred an amount from a UK pension scheme into the Superannuation Scheme either transfers to a non-QROPS, makes a withdrawal before reaching 55 years of age, or takes more than 25% of their benefit from the Superannuation Scheme as a lump sum.

General

Generally, Withdrawal Benefits and Retirement Benefits that you receive from the Superannuation Scheme have been taxed within the Superannuation Investment Funds (or to you if you are a trustee) and are not taxable ‘in your hands’.

The taxation summary above is based on the Trustee’s understanding of New Zealand tax law in force at the date of this Investment Statement. Neither the Trustee nor the Manager accept any responsibility for the taxation consequences of your investment in the Superannuation Scheme. It is possible that tax law will change in a manner which could adversely affect or benefit the tax treatment of a Superannuation Investment Fund or its investors. For specific taxation advice relevant to your own personal circumstances, you should consult your own professional tax adviser.

6. What are my risks?

The nature of investment markets – understanding risk and return

The risk of negative or lower than expected returns on a Superannuation Investment Fund is referred to as 'investment risk'. All investments carry investment risk. Returns can be positive or negative. This positive and negative movement is called volatility. It is possible that the returns for a particular Superannuation Investment Fund will be insufficient to meet applicable expenses. This means that it is possible that you could receive back less than the total of your investment when you redeem your Units.

When choosing any investment, it is important to establish your objectives, the level of investment risk you are comfortable with and your investment timeframe. We consider that having a diversified portfolio and holding your investment for at least the recommended minimum investment term, are two vital ingredients for a successful investment strategy.

The ASB Investment Guide has further information on risk and return. We recommend investors read and understand the ASB Investment Guide prior to investing. Your ASB Investment Adviser will also be able to discuss investment risk and return with you.

Specific investment sector risks, as well as other risks involved with investing, can be minimised by taking a diversified approach to investing. This involves spreading your savings across several investment sectors.

Cash

Cash is a lower risk investment, and is ideal for short-term requirements and as part of a diversified portfolio to balance more high-risk investments. The main risk with cash is that the return is eroded by inflation, meaning that your purchasing power may not be increasing over time.

Fixed interest

Fixed interest investments are lower risk, suitable for a medium-term time frame. For any particular fixed interest security, the value is subject to interest rate fluctuations and the risk of the borrower not repaying the loan.

Property

Property investments are medium risk, suitable for a long-term time frame. The value of property investments is influenced by a range of factors including demand for the location, the quality of the property, the general economy, market sentiment and, for listed property investments, the sharemarket.

Share investments

Share investments are higher risk, suitable for a long-term time frame. The value of an individual share is influenced by a range of factors including the performance of the company, market sentiment and economic performance of the country or sector. By investing in a range of shares across different industries and countries, the impact of an individual share's performance is lessened.

Currency risk

When investing in international markets, there is a risk that the movement in currency exchange rates will adversely affect the returns of the investment. To reduce the impact of currency movements, the Manager may take out currency hedging (through ASB) to New Zealand dollars from time to time. Currency risk will not be hedged fully at all times.

Performance of the parties

Various parties will be involved in the operation of the Superannuation Scheme including the Trustee, the Manager, and from time to time other underlying administration or investment managers. If any of these parties fail to perform their obligations, it could adversely affect the Superannuation Scheme's Superannuation Members. There is no reason to believe that any such failure will occur.

QROPS

As at the date of this Investment Statement, the Superannuation Scheme is a qualifying recognised overseas pension scheme ("QROPS"). It is possible that the Superannuation Scheme may lose QROPS status in the future or that the tax relief provided by that status may be varied. Neither the Trustee, ASB Group Investments nor their related parties will be responsible for any tax consequence that may arise.

Risk of not receiving your Interest in the Superannuation Scheme

You may not recover all of your Interest in the Superannuation Scheme if your Interest in the Superannuation Scheme is extinguished or the Superannuation Scheme is wound up.

Due to the risk factors outlined above and due to the effect of fees it is reasonably foreseeable that you may not recover all of your Interest in the Superannuation Scheme if you request a Withdrawal Benefit or you otherwise receive a benefit shortly after joining the Superannuation Scheme.

Insolvency of the Superannuation Scheme

There are no circumstances in which you will or may be liable to pay money to any person as a result of the insolvency of the Superannuation Scheme.

Superannuation Scheme may be wound-up

The Trustee and ASB Group Investments may agree to wind up the Superannuation Scheme. You will be sent a notice of this at least three months before the date of the proposed wind-up. Alternatively, the Government Actuary may order that the Superannuation Scheme be wound-up. If the Superannuation Scheme is put into liquidation or wound-up, the Trustee will meet any liabilities properly incurred or payable by the Superannuation Scheme, including costs relating to the winding up, and will distribute the remaining funds (if any) to the Superannuation Members pro-rata to the number of Units they hold in the various Superannuation Investment Funds.

Claims on the assets of the Superannuation Scheme that will rank ahead of Superannuation Members in the event of the Superannuation Scheme being put into liquidation or being wound up will include any outstanding Trustee expenses (including fees) or liabilities of the Superannuation Scheme, any claims preferred at law, tax and the costs of winding up the Superannuation Scheme.

Superannuation Members will rank equally between themselves and will be paid in accordance with the Trust Deed and/or (in the case of a locked-in interest) the rules set out in the Supplemental Investment Statement.

As at the date of this Investment Statement, neither the Trustee or ASB Group Investments has any intention to wind up the Superannuation Scheme.

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> 7. Can the investment be altered?

There are several ways in which your investment in the Superannuation Scheme can be altered.

Contributions

The Trustee may allow you to make contributions other than in accordance with the application form (in respect of Ordinary Members) or the Supplemental Investment Statement (in respect of Specified Superannuation Members). In addition, the Trustee may require you to make contributions of a different amount and in a different manner to that specified in the application form (in respect of Ordinary Members) or in the Supplemental Investment Statement (in respect of Specified Superannuation Members). However, this requirement would only arise if changes in contributions are imposed by new legislation or government regulation.

Fees

The Trustee may also review the level of fees payable (as described in section 4 'What are the charges?') from time to time, and increase or reduce them accordingly. You will be notified in writing no less than four weeks before any charge or fee for which you are liable to pay, or which may affect your returns, is either introduced or increased.

Switching

Switching is when you choose to transfer all or part of your investment from one Superannuation Investment Fund to another Superannuation Investment Fund. You can switch at any time between any of the Superannuation Investment Funds offered to you as outlined in the application form or the Supplemental Investment Statement, provided that the Trustee has agreed to your request to switch. A switch will be treated as a redemption of your existing Units, and an application for Units in a new Superannuation Investment Fund. There may be taxation consequences when switching Superannuation Investment Funds - refer to the Taxation Summary under section 5 'What returns will I get?'

In addition, you may request to alter your Superannuation Investment Strategy by directing your future contributions to a different Superannuation Investment Fund available to you. The Superannuation Investment Funds available are outlined in the application form (in respect of Ordinary Members) and in the Supplemental Investment Statement (in respect of Specified Superannuation Members). The Trustee has the right to agree or decline such an alteration without giving reasons for its decision.

To request a switch or redirection simply complete an Investment Switch/Redirection Request Form which can be obtained from the ASB website www.asb.co.nz, by calling **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing retire@asb.co.nz

Dissolution, closure or amalgamation of Superannuation Investment Funds

The Trustee may with the Manager's consent decide to dissolve, close or amalgamate Superannuation Investment Funds. You will be given notice of this decision if you have invested in the affected Superannuation Investment Fund.

If the Trustee resolves (with the Manager's consent) to dissolve a Superannuation Investment Fund in which you have invested, the Trustee will adjust your Superannuation Investment Strategy accordingly. The Trustee will notify you of any adjustment to your Superannuation Investment Strategy.

Once a Superannuation Investment Fund has been dissolved, the Trustee will realise the assets of that Superannuation Investment Fund and, following the application of those proceeds to meet claims and expenses relating to that Superannuation Investment Fund, will pay you an amount of the proceeds in proportion to the number of Units which you hold in that Superannuation Investment Fund (excluding any Locked-in balance, which will be transferred in accordance with the rules set out in the Supplemental Investment Statement).

General

The Trustee is able (with the Manager's consent) to vary or amend the provisions of the Trust Deed insofar as it relates to the Superannuation Scheme, any Establishment Deed and/or any Superannuation Admission Deed at any time. However, such changes must be subject to the provisions and restrictions of the Superannuation Schemes Act 1989, including those which protect the interests of all investors within a registered superannuation scheme.

These amendments may have retrospective effect. In particular, the Trustee is required to vary or amend the provisions of the Trust Deed (insofar as it relates to the Superannuation Scheme) to comply with the Superannuation Schemes Act 1989, to correct manifest errors, or to take account of changes in taxation legislation. Any such variations or amendments must comply with the Superannuation Schemes Act 1989.

In addition, the Trustee may alter the terms and conditions set out in the Prospectus, this Investment Statement and/or any Supplemental Investment Statement.

While the Superannuation Scheme is a PIE, the Trustee will have the power (among other things) to switch a person's investment between Superannuation Investment Funds to the extent necessary to preserve the Superannuation Scheme's status as a PIE. It will also have the power to cancel Units or otherwise adjust your Interest in the Superannuation Scheme in order to reflect the payment of tax on income allocated to you.

> 8. How do I cash in my investment?

Apart from the receipt of benefits as described under section 5 'What returns will I get?', (and as detailed below) your Interest in the Superannuation Scheme must not be assigned, charged or passed to any other person.

Interests may be extinguished

Subject to the operation of New Zealand's laws and the terms of the Trust Deed insofar as it relates to the Superannuation Scheme, your Interest in the Superannuation Scheme (excluding any Locked-in balance) will be extinguished if:

- > you do anything, or allow anything to be done, or are subject to any law, which permanently deprives you of the beneficial enjoyment of your Interest in the Superannuation Scheme;
- > the Crown becomes entitled to your Interest (either directly or indirectly);
- > you become bankrupt or die without leaving a will; or
- > the Trustee determines that you have either applied for membership in the Superannuation Scheme, made a contribution, or requested or received a benefit other than for the principal purpose of obtaining retirement benefits.

Where an Interest in the Superannuation Scheme is extinguished the Trustee may make a payment in respect of that Interest to any natural person the Trustee sees fit. If you become bankrupt, the Official Assignee may have a claim against your benefits.

Your Interest in the Superannuation Scheme may be released, assigned or charged to another person if required by any enactment (including a court order under the Property (Relationships) Act 1976).

Transfers of Interests in the Superannuation Scheme

You may only sell or otherwise transfer your Interest in the Superannuation Scheme to another person, or borrow or incur obligations against the security of your Interest in the Superannuation Scheme, with the Trustee's written consent, provided that you cannot sell or otherwise transfer your locked-in Interest except as required by the provisions of any enactment. In the opinion of the Trustee there is no established market for such sales. Any transfer or security will be void if it jeopardises the Superannuation Scheme's status as a registered superannuation scheme, or if it jeopardises any benefits to Superannuation Members as a result of the Superannuation Scheme's status as a registered superannuation scheme or status as a PIE.

There may be taxation consequences of transferring your Interest in the Superannuation Scheme - refer to the Taxation Summary in section 5.

Transfer to the ASB KiwiSaver Scheme

If you are an Ordinary Member, then you may by written notice to the Trustee at any time accepted by the Trustee, transfer part or all of your Interest in the Superannuation Scheme to the ASB KiwiSaver Scheme. If you transfer all of your Interest in the Superannuation Scheme to the ASB KiwiSaver Scheme, then you will cease to be a Superannuation Member. There may be tax consequences of transferring to the ASB KiwiSaver Scheme - refer to the Taxation Summary under section 5 'What returns will I get?'.



9. Who do I contact with enquiries about my investment?

If you have any queries about the ASB Superannuation Master Trust, please write to the Manager:

Client Services Manager
ASB Group Investments Limited
135 Albert Street
FreePost Authority No. ASB
PO Box 35, Shortland Street
Auckland 1140
New Zealand

You can call the Manager on **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing the Manager at **retire@asb.co.nz**



10. Is there anyone to whom I can complain if I have problems with the investment?

Any complaints about your investment should be directed to the Manager, by writing to:

ASB Group Investments Limited
Level 28
ASB Centre
135 Albert Street
PO Box 35, Shortland Street
Auckland 1140
New Zealand

Or you can call the Manager during normal business hours on **0800 ASB RETIRE** (0800 272 738).

Complaints can also be directed to the Trustee at:

Public Trust
Level 10
141 Willis Street
Te Aro
Wellington 6011

Or you can call Public Trust on (04) 978 4497 during normal business hours, or email Public Trust at enquiry@trustee.co.nz

If you have a complaint that the Superannuation Scheme is not being operated in accordance with the Superannuation Schemes Act 1989, or that the financial position of the Superannuation Scheme, or the security of the Superannuation Scheme's benefits, or the management of the Superannuation Scheme, is inadequate, you can complain to:

Insurance and Superannuation Unit
Ministry of Economic Development
Level 6, 33 Bowen Street
PO Box 10867, The Terrace, Wellington 6143
Phone (04) 913 3651 Fax (04) 913 3652

There is no ombudsman to whom complaints can be made in relation to the Superannuation Scheme.

11. What other information can I obtain about this investment?

There are a number of ways that you, as a Superannuation Member, can find out more about your investments.

- > Phone our retirement savings team on **0800 ASB RETIRE** (0800 272 738) during normal business hours
- > Email: **retire@asb.co.nz**

Prospectus and financial statements

Additional information about the Superannuation Scheme is contained in the Superannuation Scheme's registered Prospectus and financial statements.

A copy of the Prospectus and financial statements can be obtained free of charge by contacting:

- > The retirement savings team on **0800 ASB RETIRE** (0800 272 738) during normal business hours, or by emailing us at **retire@asb.co.nz**;
- > The Manager, ASB Group Investments Limited, PO Box 35, Shortland Street, Auckland 1140, New Zealand.

Financial statements are also available for inspection at the registered office of the Manager.

The following documents relating to the Superannuation Scheme, are filed on the public register at the Ministry of Economic Development and are available for public inspection on the Companies Office website www.companies.govt.nz under "Search the Register"/"Search Other Registers", registration number 1802086:

- > the Prospectus;
- > the financial statements;
- > the Trust Deed for the ASB Master Trust (which governs the Superannuation Scheme);
- > the Establishment Deeds;
- > certain parts of each Superannuation Admission Deed; and
- > the material contracts detailed in Section 9 of the Prospectus.

Annual and six-monthly information

Every six months, shortly after 31 March and 30 September, you will be sent a six month statement of your Interest in the Superannuation Scheme. Every year, you will be sent a copy of the Superannuation Scheme's Annual Report, including the Superannuation Scheme's full or summary financial statements.

Other information available on request

A copy of the Trust Deed, each Establishment Deed, Superannuation Admission Deed, any amendments to those deeds, the most recent Investment Statement and the most recent annual information relating to the Superannuation Scheme and the Superannuation Investment Funds, can be obtained, free of charge, in the same way as you can obtain a copy of the Prospectus and financial statements (see above). You may also request an updated Investment Certificate for the Superannuation Scheme in the same way. The Investment Certificate shows an estimate of your benefit entitlements in relation to the Superannuation Scheme. If you require any other information about the Superannuation Scheme you should make an enquiry as explained in section 9 'Who do I contact with queries about my investment?'

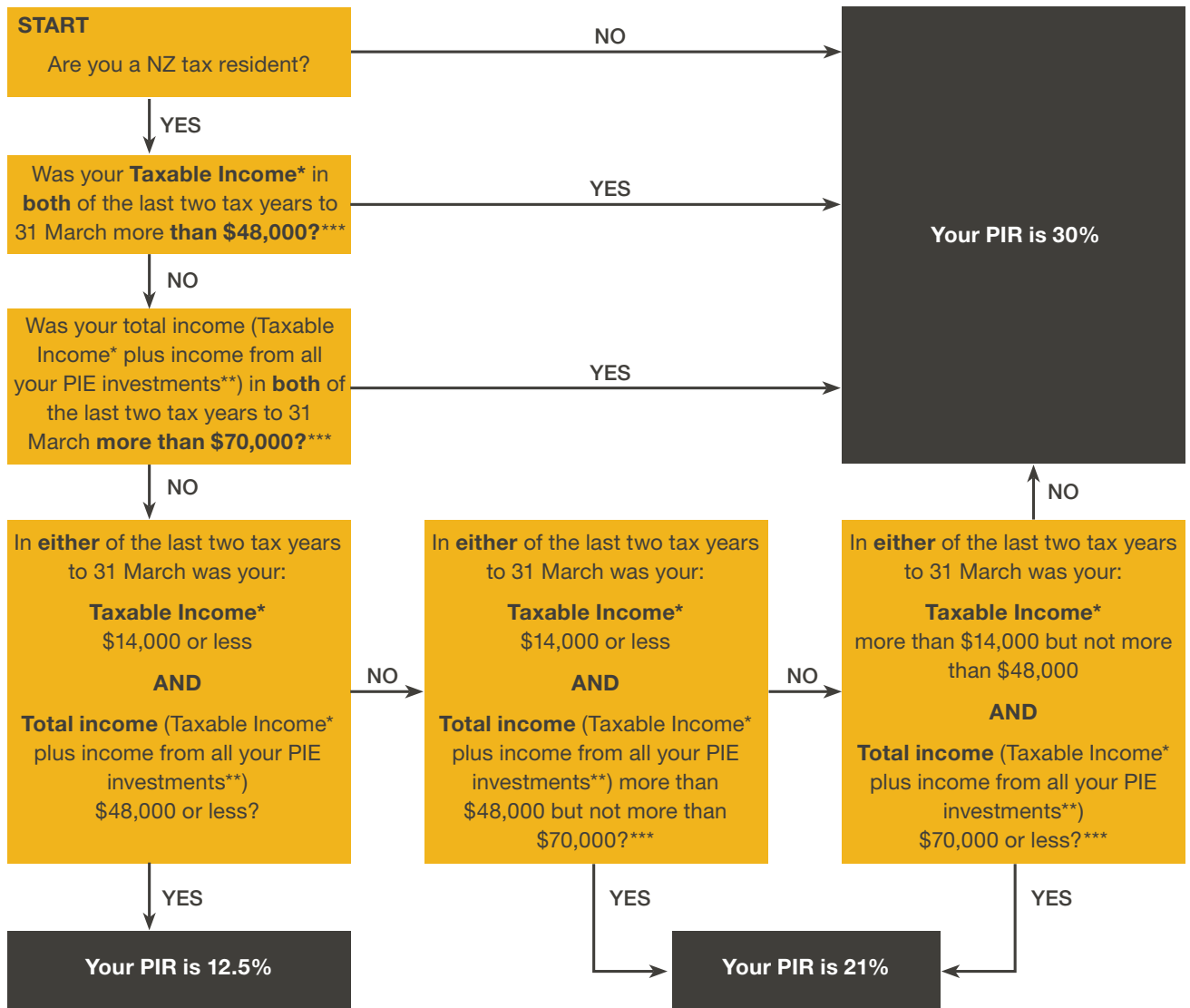
The Prospectus contains further details about your ability to inspect certain documents relating to the Superannuation Scheme.



Calculate your Prescribed Investor Rate (PIR)

To be used by members, or people applying to be a member of a New Zealand registered superannuation scheme or KiwiSaver scheme.

For individuals:



* For an explanation of Taxable Income refer to the following page

** For an explanation of Income from all your PIE investments refer to the following page

*** In December 2009 legislation was passed to amend the PIR rates with effect from 1 April 2010. That legislation contained a number of errors in relation to the PIR rates. As at the date of this Investment Statement the Manager understands that it is intended that remedial legislation be passed to correct those errors with retrospective effect from 1 April 2010. The PIR rates in the chart reflect the rates that are intended to apply from 1 April 2010, once the remedial legislation has been passed.

The information shown on this page does not constitute specific tax advice to any person. ASB Group Investments recommends that investors seek independent advice. Neither the Trustee, nor ASB Group Investments, its related companies, nor their directors, officers or employees accept any liability for any loss or damage of any kind arising out of the use of or reliance on the information provided in the above diagram, including without limitation, any loss of profit or other damage, direct or consequential.

If you don't know your Taxable Income* you can contact Inland Revenue on **0800 227 774** for a summary of earnings or talk to your accountant.

For more information please read the Investment Statement. More information about Portfolio Investment Entities (PIEs) and PIRs can be found at the investment section of **www.asb.co.nz**

Your PIR will be used to calculate tax payable in respect of your PIE investment with ASB.

If you elect a PIR of 12.5%, 21% or 30% and this is the correct rate for your personal circumstances then any tax paid in respect of your PIE investment will be a final tax, meaning that you will not need to file a tax return as a result of receiving such income, or need to pay any further taxes.

If you elect a PIR of 12.5% or 21% you must provide us with your IRD number. Otherwise your PIR will be 30%.

*What is "Taxable Income"?

If you filed an income tax return for either of the last two years, then use the taxable income figure shown in that return. If your only income is from salary and wages then this will be your taxable income. You can request a summary of earnings from Inland Revenue to help you assess your taxable income. For more information see www.ird.govt.nz/income-tax-individual. Below is a list of income items that are included as taxable income:

- A payment from an employer, including salary, wages, bonus, extra emolument, commission or other payment for services, Earnings Related Compensation, Income Tested Benefits, NZ Superannuation, Students Allowances, Certain Pensions and Superannuation, Retiring Allowances, Parental Leave, Tips and Gratuities;
- Withholding payments, Dividends, Interest;
- Rent;
- Royalties;
- Sales of rights;
- Beneficiary income from an estate or trust;
- Income from foreign investments funds;
- Income from controlled foreign companies;
- Income from any business, trade or profession including illegal activities;
- Income from a partnership;
- Income from any undertaking or scheme entered into for the purposes of making a profit.

The income is after allowable deductions and losses.

**What is "Income from all your PIE investments"?

Income from any PIE investments is any income that was allocated to you by a PIE less any loss so allocated. Add this to the Total Income calculated above.

