

DATED

2007

(as amended and restated on 1 September 2016)

ASB GROUP INVESTMENTS LIMITED

(as Manager)

- and -

TRUSTEES EXECUTORS LIMITED

(as Supervisor)

ASB INVESTMENT FUNDS CONSERVATIVE TRUST

ESTABLISHMENT DEED

THIS DEED is made on

2007

BETWEEN

ASB GROUP INVESTMENTS LIMITED (the “**Manager**”); and

TRUSTEES EXECUTORS LIMITED (the “**Supervisor**”)

INTRODUCTION

- A. The Manager and the Supervisor are parties to a Trust Deed dated 17 October 1997 as amended by Deeds of Amendment dated 27 April 1999, 23 March 2007 and 29 June 2007 and as amended and restated on 13 September 2013 and 1 September 2016 (“**Trust Deed**”) which sets out the terms and conditions on which units in trusts managed by the Manager will be offered for subscription to the public.
- B. The Trust Deed provides that each trust is to be established by the Manager and the Supervisor entering into an Establishment Deed setting out the specific terms and conditions relating to that trust.
- C. The Manager and the Supervisor have established a trust known as the ASB Investment Funds Conservative Trust (“**Trust**”) formerly known as the EasyFund Conservative Trust.
- D. The Supervisor and the Manager have entered into this deed (“**Deed**”) for the purpose of establishing the Trust and the terms and conditions applicable to it.

IT IS AGREED as follows:

1 INTERPRETATION

- 1.1 In this Deed all terms defined in the Trust Deed which are not separately defined in this Deed shall have the same meanings where used in this Deed and, unless the context otherwise requires:

“**Distribution Date**” means the last days of March and September or if such a day is not a Business Day, the immediately preceding Business Day or such other day which the Manager may determine (in consultation with the Supervisor) and which has been notified to the Unitholders by not less than 3 months’ notice;

“**Distribution Period**” means a period of 6 months (or such other period as the Manager may determine and which has been notified to the Unitholders by not less than 3 months’ notice) commencing on the day following a Distribution Date, or, in the case of the first Distribution Period, on the date of this Deed, and ending on the next Distribution Date;

“**Net Income**” means, in respect of any Distribution Period, the gross income of the Fund during that Distribution Period (including, for the avoidance of doubt, any unrealised capital gains or losses earned or incurred by the Fund during that Distribution Period, as the case may be), adjusted by:

- (a) subtracting all expenses of the Fund during that Distribution Period, determined in each case on an accruals basis;
- (b) subtracting the after tax value of all unrealised capital gains earned by the Fund during that Distribution Period; and
- (c) adding on the after tax value of all unrealised capital losses incurred by the Fund during that Distribution Period,

and may include any Net Income from a prior Distribution Period which pursuant to clause 6.1 of this Deed, has not been distributed in a prior Distribution Period provided no income shall be recognised or deductions shall be made to or from the amount determined as Net Income for changes in value of Units which results from treating Units as liabilities.

2 CREATION OF TRUST

2.1 Deposit of Moneys

The Manager has deposited the sum of \$10.00 with the Supervisor to be held upon the trusts created by this Deed and the Trust Deed and upon deposit of such sum the Trust was deemed to have been established.

2.2 Scheme

The Trust shall form part of the Retail Scheme.

3 INVESTMENT POLICY

3.1 Objective

The Investment Objective of the Trust is as set out in the SIPO for the Scheme (as amended from time to time).

3.2 Authorised Investments

For the purposes of this Trust, "Authorised Investments" means the authorised investments for the Trust as set out in the SIPO for the Scheme (as amended from time to time).

4 VALUATION OF THE FUND AND CALCULATION OF UNIT PRICES

4.1 Valuation Days

The Fund shall be valued for each Business Day. However, the Manager may, in its discretion, value the Fund more frequently. The Manager may value the Fund less frequently only in situations where, for reasons beyond the Manager's control, valuation is impossible or impracticable for the day in question. Each valuation will apply from the time of valuation until immediately prior to the time of the next valuation and shall be rounded down to four decimal places.

4.2 Time of Valuation

The Net Asset Value of the Fund will be calculated as at such time on each Valuation Day as the Manager determines.

4.3 Exit Price

The Exit Price of a Unit calculated in respect of each Valuation Day shall equal the Net Asset Value on that day divided by the Number of Units on Issue on that day.

4.4 Market Value of Investment

The Market Value of any Investment as at any Business Day means:

- (a) in respect of any Investment listed on any Exchange, the closing bid price quoted for the last sale of that Investment on that Exchange on or before 5pm on that Business Day provided, however, that if there shall have been no such sale by 5pm on that Business Day or on the four Business Days preceding that Business Day then at the closing bid price quoted for such securities; or, if such quotations are not available, will be valued as determined in good faith by the Manager of the Trust. In instances where the price determined above is deemed not to represent fair market value (for example, if the price of a security listed on an Exchange is fixed by reason of a limit on the daily price change, and the Manager determines that, because of unusual and material changes affecting the issuer, the quoted price does not reflect the value of the security), the price will be determined in such manner as the Manager may prescribe; and
- (b) in respect of Investments not listed on any Exchange, the amount most recently determined by the Manager, in a manner agreed upon between the Manager and the Supervisor or, failing such agreement, determined by a valuer or other suitably qualified person approved by the Manager or, if no such amount has been agreed upon or determined, the cost (as determined by the Manager) to the Trust of acquiring that Investment.

5 MINIMUM INVESTMENT

5.1 Minimum Amount

The minimum initial amount that can be invested in the Trust shall be such amount as is determined from time to time by the Manager. The Manager may accept applications for amounts less than the minimum initial amount. The Manager may also, from time to time, determine minimum amounts for regular contributions applicable to Unitholders in the Trust and the minimum number or value of Units that must be held by every Unitholder in the Trust. The minimum amounts determined under this clause may, if the Manager so decides, be determined in such a way that the Unitholder's investments in more than one trust are aggregated for the purpose of determining whether the minimum is met.

6 CALCULATION OF ENTITLEMENTS

6.1 Distributions

On each Distribution Date the Net Income of the Trust during the Distribution Period ending on such Distribution Date or such part (if any) of the Net Income as the Manager

determines in its absolute discretion shall be divided by the Number of Units on Issue to determine the gross Entitlement per Unit which shall be distributed to each Unitholder in respect of each Unit held by the Unitholder on the Distribution Date. If the Trust is a PIE, distributions made to Unitholders may be subject to adjustment in accordance with clause 14.3(b) of the Trust Deed. Notwithstanding the above, the Manager may determine that the Trust shall not distribute any Entitlements for an indefinite period or for such period as the Manager may determine from time to time.

6.2 Expenses to be Taken into Account

In determining the Net Income of the Trust for any period there shall be taken into account all income due and receivable and all costs, charges and expenses due or accrued including without limiting the generality of the foregoing:

- (a) all fees, costs and disbursements payable hereunder to the Manager and the Supervisor;
- (b) valuation fees payable in respect of any valuation made pursuant to this Deed;
- (c) all costs and expenses incurred in respect of Investments;
- (d) all costs and expenses incurred in repairing and maintaining Authorised Investments;
- (e) all depreciation of Investments (if the Manager determines such should be charged against income) of an amount determined by the Manager;
- (f) all costs and disbursements incurred in connection with this Deed or in connection with the Fund or the administration of the Fund and chargeable against income;
- (g) due allowance for prepayments, doubtful debts and bad debts;
- (h) any taxes or duties paid or payable by or in respect of the Trust provided that if the Trust is a PIE, the Manager in its absolute discretion considers it appropriate to reflect such amounts;
- (i) such other provisions as the Manager deems necessary to bring to account in order that the Net Income for the particular period may fairly represent the results of the Trust for that period; and
- (j) the reasonable fees and expenses of the Auditor in connection with the audit of the Trust,

provided that no income shall be recognised or deductions made to or from the Net Income of the Trust for changes in the value of Units which results from treating Units as liabilities.

6.3 Allowable Expenses

If any question shall arise as to whether any money or property constitutes income or not or whether any expense is chargeable against income or not, such question shall be determined by the Manager who shall do so by construing this Deed and having regard to proper and accepted accounting principles and practices generally applied to trusts in New Zealand (with any modifications which in the opinion of the Manager should be made in determining such matters).

6.4 **Period for Distribution**

Following calculation of the Entitlement per Unit pursuant to clause 6.1 the Entitlements shall be distributed by the Manager as soon as practicable (but no later than 2 months) after the Distribution Date together with an income distribution statement.

6.5 **Special Distributions**

Notwithstanding any other provision of this Deed or the Trust Deed, the Manager may make a special distribution of Net Income from the Trust to Unitholders where the Manager determines that such a special distribution is in the best interests of the Unitholders. The Entitlement per Unit shall be determined by dividing the total amount to be distributed by way of special distribution by the Number of Units on Issue at the date of the special distribution, and shall be distributed (subject to any adjustment under clause 14.3(b) if the Trust is a PIE) to each Unitholder in respect of each Unit held by the Unitholder on the date of the special distribution. No advance notice of a special distribution need be given to Unitholders.

6.6 **Adjusted Price**

To the extent that, on a Distribution Date or the date of a special distribution, any part of the Net Income of the Trust which the Manager determines to distribute on that Distribution Date, or as a special distribution, as the case may be, is reflected in the Trust's Entry and Exit Price, the Entry and Exit Price for Units in the Trust shall reduce accordingly after the Distribution Date, or the date of the special distribution, as the case may be.

7 **REINVESTMENT OF NET ENTITLEMENTS**

7.1 Unitholders who have elected to reinvest their net Entitlements will receive, subject to the provisions of clause 6 above, further Units pursuant to this clause 7. Each Unitholder shall be deemed to have elected to forego any right to participate in any distribution of net Entitlements and to have elected instead to receive further Units unless the Manager shall have received from that Unitholder not later than 1 month prior to the end of a Distribution Period a notice revoking that Unitholder's deemed election (the "**Revocation Notice**") in respect of that Distribution Period and subsequent Distribution Periods. Any Revocation Notice shall be effective until it is revoked by notice in writing to the Manager provided that any such notice given within one month prior to the end of a Distribution Period shall not be effective until the next succeeding Distribution Period. The Manager shall be entitled to impose such further conditions or requirements not inconsistent with this Deed as the Manager thinks fit in relation to the operation of the aforementioned election provisions.

8 **SWITCHING**

8.1 Switching from this Trust to other Trusts constituted under the Trust Deed will be available at the discretion of the Manager upon request by a Unitholder. The Manager may, at its discretion, not apply the Service Fee and/or the Transaction Allowance in the case of all Switches or Switches meeting criteria specified by the Manager.

9 WINDING UP

9.1 Supervisor's Duties

Subject to the applicable requirements of the FMCA, upon the winding up of the Trust the Supervisor is obliged to:

- (a) sell all the Investments of the Trust;
- (b) pay all the Liabilities of the Trust; and
- (c) distribute the Fund as realised (after payment of costs and expenses) amongst the respective Unitholders in proportion to the number of Units they hold.

10 FEES

10.1 Manager's fees

The Manager's fees in relation to the Trust are:

- (a) a Service Fee per Application of an amount determined from time to time by the Manager not exceeding 3% of the Application moneys received plus any Goods and Services Tax and any similar tax payable in respect of that fee;
- (b) a management fee of an amount determined from time to time by the Manager not exceeding 3% per annum of the Gross Asset Value of the Trust, which fee shall be calculated daily and paid quarterly in arrears plus any Goods and Services Tax and any similar tax payable in respect of that fee; and
- (c) such other fees relating to Exit Requests, Switches, transfers pursuant to clause 9 of the Trust Deed, or the establishment of Standing Applications as the Manager determines in accordance with clause 25.3 of the Trust Deed.

10.2 Waivers

No other fees are payable to the Manager. The Manager may waive part or all of any fees in accordance with clause 25.3 of the Trust Deed.

10.3 Supervisor's Fees

- (a) The Supervisor is entitled to be paid or retain as remuneration for its services as Supervisor an annual fee as may be agreed in writing from time to time between the Supervisor and the Manager provided that the annual fee payable to the Supervisor will not be less than \$20,000 across all ASB Investment Funds Trusts.
- (b) Such fee is to be calculated daily and paid quarterly in arrears from the gross income of the Trust or, insofar as that may be insufficient, from the capital of the Trust.
- (c) The Supervisor may also charge special fees in accordance with clause 24.3 of the Trust Deed.

11 TRANSACTION ALLOWANCE

11.1 There is a Transaction Allowance per Application of an amount determined from time to time by the Manager not exceeding 3% of the Application moneys received.

12 TRUST DEED

12.1 Except as modified by the terms of this Deed, all the terms and conditions set out in the Trust Deed shall apply to the Trust.

EXECUTED AS A DEED

by

ASB Group Investments Limited

by:

Signature of director

Signature of director

Name of director

Name of director

Signed by Trustees Executors Limited

Authorised Signatory

Authorised Signatory

Name

Name

Witness Signature

Witness Signature

Witness Name

Witness Name

Occupation

Occupation

Address

Address