



NATIONAL
PROVIDENT

NATIONAL PROVIDENT PENSION SCHEME

INVESTMENT STATEMENT

PREPARED AS AT 30 NOVEMBER 2011
FOR THE PURPOSES OF THE SECURITIES ACT 1978

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978.)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

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

What sort of investment is this?	4
Who is involved in providing it for me?	5
How much do I pay?	5
What are the charges?	5
What returns will I get?	6
What are my risks?	8
Can the investment be altered?	8
How do I cash in my investment?	9
Who do I contact with inquiries about my investment?	9
Is there anyone to whom I can complain if I have problems with the investment?	9
What other information can I obtain about this investment?	10

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets.

For more information about investing, go to <http://www.fma.govt.nz>

Financial advisers can help you make investment decisions

Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check—

- the type of adviser you are dealing with:
- the services the adviser can provide you with:
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at <http://www.fspr.govt.nz>

You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

1. What sort of investment is this?

This Investment Statement relates to membership of the National Provident Pension Scheme (the “Pension Scheme”), which is registered as a superannuation scheme under the Superannuation Schemes Act 1989.

The only persons who may become members of the Pension Scheme are:

- (a) those who become entitled to be paid a pension under a Contributors Scheme (as defined below) on or after 1 May 1999; and
- (b) those who are already receiving a pension under a Contributors Scheme when the Board of Trustees of the National Provident Fund (“the Board”), as trustee of the Contributors Scheme, decides to transfer all such persons (and the liability to pay their pensions) to the Pension Scheme.

The amount of a benefit payable to a person, who is transferred from a Contributors Scheme to the Pension Scheme, is identical to the benefit which would otherwise be payable to him or her under the relevant Contributors Scheme.

At the date of this Investment Statement, “Contributors Scheme” is one of the following

National Provident schemes:
Pension National Scheme
Lump Sum National Scheme
Meat Industry Scheme
Meat Industry Related Trades Scheme
Ships’ Officers Scheme
Pension Cash Accumulation Scheme
Lump Sum Cash Accumulation Scheme
National Superannuation Scheme for Farm Workers
Post-60 Scheme
Staff Pension Scheme
Level Premium Scheme

and in relation to a member, “Contributors Scheme” means the Contributors Scheme under which he or she was a contributor (or under which his or her pension entitlement arose).

The Board may in the future decide to include other National Provident schemes as “Contributors Schemes” for this purpose.

When a person and the liability to pay his or her pension is transferred to the Pension Scheme:

- (a) assets with a value as determined by the Board (having considered the advice of the Actuary) to meet the pension are transferred from the Contributors Scheme to the Pension Scheme; and
- (b) the person automatically becomes a member of the Pension Scheme.

The Board must not transfer any person and the liability to pay his or her pension to the Pension Scheme unless it is satisfied, having considered the advice of the Actuary, that:

- (a) the terms of the person’s pension under the Pension Scheme are not materially and adversely different from the person’s current entitlement; and
- (b) the transfer of assets to the Pension Scheme is fair and equitable to that person and to all members and beneficiaries of the Contributors Scheme materially affected by the transfer, and all members and beneficiaries of the Pension Scheme.

... the trustee of the Pension Scheme is the Board of Trustees of the National Provident Fund

2. Who is involved in providing it for me?

The Board is the trustee of the Pension Scheme.

The address of the Board (and its principal place of business in New Zealand) is:

Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011
Telephone: (04) 499 6999

The address of the Board may change from time to time without notice to members. The Board's address is available online under the "Contact Us" tab at www.npf.co.nz.

The Board has appointed Datacom Employer Services Limited ("Datacom") to administer the Pension Scheme and Annuitas Management Limited ("Annuitas") to act as the Board's executive office.

Datacom's address, at which it can be contacted in relation to the Pension Scheme, (and its principal place of business in New Zealand for the administration of the Scheme) is:

Level 6
South Tower
Datacom House
68 Jervois Quay
Wellington 6011

or at P O Box 1036
Wellington 6140
Telephone: 0800 628 776

The address of Datacom may change from time to time without notice to members. Datacom's address is available online under the "Contact Us" tab at www.npf.co.nz.

Annuitas' address (and its principal place of business in New Zealand) is:

Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011
Telephone: (04) 499 6999

History of the Pension Scheme

The Pension Scheme was established on 1 May 1999 under the National Provident Fund Restructuring Amendment Act 1997, for the purpose of paying pensions arising from the Contributors Schemes.

3. How much do I pay?

... nothing to pay

You do not pay anything to the Pension Scheme. As mentioned above, at the time you become a member of the Pension Scheme, assets with a value as determined by the Board (having considered the advice of the Actuary) to meet your pension are transferred from the Contributors Scheme to the Pension Scheme.

.... there are no charges payable by you in respect of the Pension Scheme

4. What are the charges?

No charges are payable by you in respect of the Pension Scheme.

Fees and expenses are paid from the Pension Scheme to Datacom (the Scheme administrator), the actuary and the auditor of the Pension Scheme, and the Board's accountants, solicitors, and other advisers.

The total fees payable to the Scheme administrator for the administration of all National Provident schemes are set by an agreement between the Board and the Scheme administrator. Of these total fees, those charged to the Pension Scheme are determined by membership numbers and the number of administrative transactions undertaken by the Scheme administrator.

The Board pays fees to Annuitas for acting as its executive office. These fees are based on Annuitas' costs and the proportion of the total services it performs which are provided to the Board.

The Pension Scheme invests only in the National Provident Global Asset Trust (of which the Board is also the trustee). The Global Asset Trust holds assets on behalf of the National Provident schemes. The assets are managed by investment managers and held on behalf of the Global Asset Trust by custodians. Fees and expenses are paid by the Global Asset Trust to the investment managers and custodians, and to various consultants.

The remuneration of Board members and expenses incurred in carrying out the Board's affairs are paid from the Pension Scheme, other National Provident schemes and the Global Asset Trust.

As the above fees and expenses are paid from the Pension Scheme and the Global Asset Trust they affect the investment earnings of the Pension Scheme.

5. What returns will I get?

Your returns from the Pension Scheme will be in the form of a pension, the amount of which is determined under the trust deed of the Contributors Scheme of which you were a member (or under which your pension entitlement arises).

The age at which you become eligible for a benefit and the proportion of the benefit which you can or must take as a pension varies from Contributors Scheme to Contributors Scheme.

However, you may not elect to receive a pension from any of the Contributors Schemes if it would be less than an amount, determined by the Board from time to time (the "minimum pension"). In this case, your benefit will be paid as a lump sum from the Contributors Scheme, and you will not become a member of the Pension Scheme.

... read the options letter enclosed

When you become entitled to elect to receive a benefit under the Contributors Scheme, you will be sent an options letter by the Scheme administrator. A copy of that options letter is enclosed with this Investment Statement and you should read it for a more detailed explanation of the benefits available to you, and calculations of the actual amounts involved. (If an options letter is not enclosed, you can request one from the Scheme administrator.)

Pension for spouse or nominee

Under some of the Contributors Schemes, provided each pension would not be less than the minimum pension, the member may elect, at retirement, to surrender a portion of his or her pension in order to provide a pension for his or her spouse or (for members who joined the Contributors Scheme after 1 April 1980) nominee, either immediately or after the member's death.

The liability to pay any such pension will be transferred to the Pension Scheme, together with the liability to pay the member's pension.

Minimum payment

Under some of the Contributors Schemes, the total value of the pension payments which the member is entitled to receive, will not be less than:

- the member's own contributions and earnings on those contributions, and/or
- the present value of the pension payments for the first five years.

If either, or both, of the above apply to you, details will be set out in the options letter referred to above and the liability to pay the minimum amount will be transferred to the Pension Scheme, together with the liability to pay your pension.

Key factors affecting your benefit

Your benefit is determined under the Contributors Scheme of which you were a member (or under which your pension entitlement arises) and, while not quantifiable at the date of this Investment Statement, will be quantifiable at the time you become a member of the Pension Scheme. Depending on which of the Contributors Schemes you transferred from, the key factors which influence the starting amount of your benefit could include -

- the amount of the contributions made by you (or by the member in relation to whom your benefit entitlement arises), and by your (or that member's) employer (if any);
- the earnings rate applied by the Board from time to time and up to the date you elect to receive a benefit;
- the amount of any reserves credited to your account by the Board;
- whether the Contributors Scheme has positive reserves at the time you elect to receive a benefit and whether there has been an increase in the reserves of the Contributors Scheme during your period of membership (or the period of membership under which your entitlement arises); and
- the actuarial assumptions used to determine the amount of the pension.

The Board has discretion under the Pension Scheme trust deed to increase, from time to time, pension benefits being paid by the Pension Scheme. Its ability to do so will primarily be affected by the solvency position (funding level) of the Pension Scheme, being the amount by which its assets exceed its liabilities from time to time.

Taxes

Under current law, benefits are not taxed in the hands of the recipient.

Payment of benefits

The Board, in its capacity as trustee of the Pension Scheme, is the body legally liable to pay benefits under the Pension Scheme. Pensions are paid at 4 weekly intervals, or as the Board may direct.

Crown guarantee

Benefits payable under the Pension Scheme are guaranteed by the Crown by virtue of section 60 of the National Provident Fund Pension Restructuring Act 1990, as applied by section 19, and Schedule 1 of the National Provident Fund Restructuring Amendment Act 1997. This guarantee is not subject to any conditions, and is not secured by a mortgage or other charge.

... *benefits are not taxed*

... *benefits payable are Crown guaranteed*

6. What are my risks?

Because:

- as mentioned above, the benefits payable under the Pension Scheme are guaranteed by the Crown;
- as referred to below, the Pension Scheme may not be wound up unless there will be sufficient proceeds available to pay to each member an amount equal to the present value of that member's future benefits; and
- as referred to above, under some of the Contributors Schemes the total value of the pension payments which you will receive will not be less than the amount of your own contributions to the Contributors Scheme plus earnings on those contributions;

there is only a small risk that you will not receive your benefits in full or that you will receive less than the amount of your own contributions to the Contributors Scheme.

What if the Pension Scheme is wound up?

The Pension Scheme may be wound up only at the direction of the Minister of Finance after consultation with the Board.

Members will not be liable to pay money to any person as a result of the Pension Scheme being insolvent or wound up.

On a winding up, the assets of the Pension Scheme, less the reasonable costs of the winding up, will be allocated, upon realisation, on a pro-rata basis among members. The Pension Scheme may not be wound up unless there will be sufficient proceeds available (after the payment of the reasonable costs of the winding up) to pay to each member an amount equal to the present value of that member's future benefits, as determined by the Board based on the recommendation of the Actuary.

On a winding up, each pension being paid or becoming payable will be secured from a life insurance company or another registered superannuation scheme (including, but not limited to, a National Provident scheme). Alternatively, a member may elect to receive a lump sum equal to the assets allocated as above.

The payment of any creditors and the reasonable costs of the winding up will rank ahead of the claims of members. The claims of all members will rank equally among themselves in the winding up.

7. Can the investment be altered?

The trust deed of the Pension Scheme contains a clause allowing amendment of the deed by the Board. However, the Superannuation Schemes Act 1989 and the trust deed protect each member's rights and interests by requiring his or her consent to any amendment which, among other things, would have the effect of adversely affecting his or her benefits.

An Act of Parliament may authorise amendment of the Pension Scheme trust deed without the need to obtain members' consents.

*... amendments
authorised by Act of
Parliament*

8. How do I cash in my investment?

You have no right to withdraw from or transfer out of the Pension Scheme.

No right to sell or mortgage

There is no right to sell, assign, charge, borrow against, transfer, or obtain payment of a member's interest in the Pension Scheme.

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

*... Scheme administrator
contact details*

Your Pension Scheme's administrator is Datacom, whose staff will be pleased to assist you with any enquiries you may have regarding the terms of the Pension Scheme.

They can be contacted at either of the following addresses:

Level 6
South Tower
Datacom House
68 Jervois Quay
Wellington 6011

or at P O Box 1036
Wellington 6140

or by calling tollfree between 8.30am and 5.00pm on business days on: 0800 628-776.

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

*... complaints to the
Scheme administrator*

Any complaints about the Pension Scheme should, in the first instance, be made to Datacom at the following address:

Level 6
South Tower
Datacom House
68 Jervois Quay
Wellington 6011

or at P O Box 1036
Wellington 6140

or by calling tollfree between 8.30am and 5.00pm on business days on: 0800 628-776.

or

the Board

Complaints can also be made to the Secretary, Board of Trustees of the National Provident Fund.

Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011

Telephone: (04) 499 6999

The Board is exempt from any requirement under the Financial Service Providers

If you would like to know more about NPF in general, or if you would like to view or download copies of the Pension Scheme's full financial statements, or the Pension Scheme's trust deed, rather than receive a copy in the mail, please visit the NPF website www.npf.co.nz

You have the right to inspect a range of documents

(Regulation and Dispute Resolution) Act 2008 to be a member of a dispute resolution scheme and, as such, there is no approved dispute resolution scheme to which complaints about the Pension Scheme can be made.

If you feel that the Pension Scheme is not operating in accordance with (or is not meeting the requirements of) the Superannuation Schemes Act 1989 or any regulations made under that Act, or that the financial position, security of benefits or management of the Pension Scheme is inadequate, then you may complain to the Financial Markets Authority at:

Financial Markets Authority
Level 8, Unisys House
56 The Terrace
PO Box 1179
Wellington 6140
Telephone: 04 472 9830
Facsimile: 04 472 8076

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

Regular information

Each year you will be sent a copy of the Pension Scheme's annual report.

Information that you may request

This Investment Statement sets out only a summary of some of the terms of the Pension Scheme. Full details are contained in the Pension Scheme's trust deed. If you wish to view the trust deed for the Pension Scheme, or the Contributors Scheme of which you are or were a contributor (or under which your pension entitlement arises) please visit the NPF website www.npf.co.nz or call the Scheme administrator. Copies of those trust deeds may be purchased from the Scheme administrator for \$10 each.

You have the right to view a copy of the report of a triennial actuarial examination of the Pension Scheme required under the Superannuation Schemes Act 1989 at the Scheme administrator's office.

You may also request the Scheme administrator at any time to provide you with -

- a copy of the most recent annual report for the Pension Scheme;
- a statement of the interest, mortality, and other assumptions and bases of calculation used by the Actuary for the purposes of a triennial actuarial examination of the Pension Scheme;
- a copy of the most recent investment statement relating to the Pension Scheme; and
- any information required to be disclosed by the Privacy Act.

Other information

Other information about the Pension Scheme is available in the most recent annual report (which incorporates the financial statements) for the Pension Scheme. Copies are available, free of charge, on request from the Scheme administrator or from the NPF website – www.npf.co.nz.

Requests to the Scheme administrator for information should be made in writing to the address set out on page 9 or by calling tollfree between 8.30am and 5.00pm on business days on 0800 628 776.

*If you require further information on any aspect of the Scheme,
please contact the Scheme administrator
tollfree between 8.30am and 5.00pm on business days on
0800 628 776
or write to Freepost 1060, P O Box 1036, Wellington 6140.*

