



NATIONAL
PROVIDENT

PROVIDENT PERSONAL SUPERANNUATION PLAN

INVESTMENT STATEMENT

PREPARED AS AT 1 DECEMBER 2009
FOR THE PURPOSES OF THE SECURITIES ACT 1978

ENGAGING AN INVESTMENT ADVISER

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including –

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include –

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

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

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?	4
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?	9
How do I cash in my investment?	10
Who do I contact with enquiries about my investment?	10
Is there anyone to whom I can complain if I have problems with the investment?	11
What other information can I obtain about this investment?	11
Who is eligible to join the Plan?	12

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

1. What sort of investment is this?

This Investment Statement relates to membership of the Provident Personal Superannuation Plan (“the Plan”), which is offered to eligible persons (“contributors”) - see page 12. The Plan is part of the National Provident Lump Sum Cash Accumulation Scheme (“the Scheme”). The Scheme is a flexible, personal, retirement savings plan, which is registered as a superannuation scheme under the Superannuation Schemes Act 1989.

2. Who is involved in providing it for me?

The trustee of the Scheme is the Board of Trustees of the National Provident Fund (“the Board”).

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 Board has appointed Datacom Employer Services Limited (“Datacom”) to administer the Scheme. Employees of Annuitas Management Limited (“Annuitas”) act as the Board’s executive office. The Board owns 50% of the shares in Annuitas.

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

Level 4
Sovereign House
34 Manners Street
Wellington 6011
or at P O Box 1036
Wellington 6140
Telephone: 0800 628 776

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 Scheme

The Scheme was established in 1983 under section 38A of the National Provident Fund Act 1950 and, until 1991, operated through an omnibus fund called the National Provident Fund.

The National Provident Fund was restructured under the National Provident Fund Restructuring Act 1990 (“the Act”) on 1 April 1991 and, at that time, the terms of the Scheme then in force were set out in a trust deed under section 45 of that Act.

On 1 May 1999, all pensions then being paid under the Scheme were transferred to the National Provident Pension Scheme (“the Pension Scheme”). All pensions becoming payable after that date are also paid from the Pension Scheme.

... your initial contribution must be at least \$5,000

3. How much do I pay?

You may make contributions to the Plan of any amount and at any time you choose, but your initial contribution must be at least the minimum amount specified by the Board from time to time (the “minimum amount”) (currently \$5,000).

After your initial contribution, you may make further contributions either by cheque or by automatic payment.

Your contributions should be sent to Datacom (the Scheme administrator) at its address set out above.

You may elect to suspend or cease your contributions at any time. This gives you the flexibility to change your commitments as your financial situation changes.

You may not make any further contributions after you reach the age of 65.

If, at any time, your Total Credit (account balance) is less than the minimum amount the Board may pay your Benefit Credit (see page 6) to you and you will then cease to be a member of the Plan. Before making such a payment the Board is required to give you at least 6 months’ notice and may not make such a payment if you increase your Total Credit to the minimum amount within this period.

4. What are the charges?

The Board may charge an administration fee in respect of contributions. However, the Board’s current policy is not to charge such a fee.

Fees and expenses relating to the operation of the Scheme are paid from the Scheme to the Scheme administrator, the actuary and the auditor of the 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 superannuation schemes are set by an agreement between the Board and the Scheme administrator. Of these total fees, those charged to the Scheme are determined by membership category, 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 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 superannuation 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 Scheme, other National Provident superannuation schemes and the Global Asset Trust.

As the above fees and expenses are paid from the Scheme or the Global Asset Trust, they affect the amount of earnings of the Scheme available to be credited to you (see page 7).

... there are currently no charges in respect of contributions

5. What returns will I get?

Your returns from the Scheme are in the form of one of the following benefits -

- Retirement benefit
- Death benefit
- Permanent incapacity benefit

Each of these benefits is based on your Benefit Credit in the Plan, which is your Total Credit (your contributions, plus earnings and any reserve distributions during your membership of the Plan) plus an equitable share, as determined by the Board, of any positive reserves in the Scheme at the time you elect to receive a benefit. Your share of the reserves will not include reserves accumulated within the Scheme before you joined.

Retirement benefit

The normal retirement age for the Plan is any age after 50. However, if you have been contributing to the Plan (or to any other National Provident scheme) for at least 3 years, you may take your retirement benefit before turning 50. You may choose to take your retirement benefit in any of the following ways:

- take your Benefit Credit in the Plan as a lump sum;
- convert the whole of your Benefit Credit to a pension;
- take up to 25% of your Benefit Credit as a lump sum and convert the rest to a pension;
- use up to half of your Benefit Credit (after deduction of any lump sum) to purchase a pension for your nominee and convert the rest to a pension for yourself;
- use your Benefit Credit (after deduction of any lump sum) to purchase a joint pension for yourself and your nominee; or
- take your Total Credit in the Plan in instalments of an amount and frequency determined by the Board, provided that the Total Credit remaining in the Plan after the payment of an instalment may not be less than the minimum amount. (No withdrawal may be made from the Plan which would result in a Total Credit remaining in the Plan of less than the minimum amount). Current Board policy allows two withdrawals per year, each of at least \$1,000.

You may not elect to receive a pension for you or your nominee if that pension would not be more than an amount decided by the Board from time to time (the “minimum pension”) (currently \$1042.86 per annum), or if your Benefit Credit is less than a certain amount (currently \$15,000). In that case the Benefit Credit will be paid as a lump sum.

Your pension, and any pension payable to your nominee, will be paid from the Pension Scheme.

If you or your nominee die while in receipt of a pension (not being a joint pension) and within 5 years of commencement of that pension, or, in the case of a joint pension both you and your nominee die within 5 years of the commencement of that pension, the Board will pay an amount equal to the present value of the total of the pension instalments that would have been payable from the date of death to the end of that 5-year period. This amount will also be paid from the Pension Scheme.

Death benefit

If you die, before otherwise receiving a benefit under the Plan, the Board will pay your Benefit Credit (or the balance of your Benefit Credit) to your surviving nominee, or if there is no surviving nominee, to your estate. If your Benefit Credit is to be paid to your nominee, your nominee may choose to take your Benefit Credit as a lump sum, or leave it in the Plan to attract earnings, and withdraw it at a later date. If you have not nominated a nominee, your Benefit Credit will be paid as a lump sum to your estate.

A ‘surviving nominee’ is a person who has been nominated by you and accepted by the Board at the time of your death.

... you normally retire at age 50 or after 3 years' membership

... you can nominate who receives your death benefit

... a nomination form is enclosed with this Investment Statement

Permanent incapacity benefit

If the Board accepts you are permanently incapacitated before you reach age 60 and before otherwise electing a benefit under the Plan, you may elect a retirement benefit as outlined above.

Transfer to Pension Scheme

As noted above, all pensions becoming payable under the Scheme will be paid from the Pension Scheme. When the liability to pay a pension is transferred to the Pension Scheme the Board will also transfer assets, with a value as determined by the Board (having considered the advice of the Actuary), to meet the liability transferred.

Key factors affecting these benefits

The key factors, which influence the amount of these benefits, are -

- the amount of the contributions made by you;
- 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 during your membership of the Scheme;
- taxes on the investment earnings of the Scheme;
- whether the 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 Scheme during your membership;
- in the case of a pension, the actuarial assumptions used to determine the amount of the pension.

Earnings

The Scheme's funds are invested in a fixed interest unit fund of the Global Asset Trust.

The Global Asset Trust, on behalf of the fixed interest unit fund, invests in New Zealand debt securities such as Government stock, bank bills, company debentures, and short term deposits.

The earnings from these investments, after payment of the fees, expenses and tax of the unit fund (including the fees and expenses paid to the investment managers and custodians - see page 5), are credited to the Scheme.

From time to time (and subject to the minimum earnings rate - see below) the Board declares an earnings rate for the Scheme and the period for which that rate is to apply. The earnings rate generally reflects the returns of the Scheme from the fixed interest unit fund of the Global Asset Trust, less fees, expenses and tax (the "investment return"). Earnings at the rate declared by the Board are credited to each contributor's Total Credit. Any positive investment return remaining after the earnings rate has been credited to the contributors' Total Credits will be credited to the Interest Fluctuation Reserve of the Scheme. At the date of this Investment Statement, the Board's policy is (when possible) to build and maintain a level in the Interest Fluctuation Reserve which will enable it to credit the minimum earnings rate in years in which the investment return is less than the minimum earnings rate.

The Scheme trust deed provides that the earnings rate credited to a contributor each year must not be less than 4% per annum (the "minimum earnings rate").

... earnings from investments are credited to the Scheme

... 4% minimum earnings rate

... *benefits are tax paid* >

Interest Fluctuation Reserve

Your benefit may also be affected by the Scheme's Interest Fluctuation Reserve which may, if the Board so decides, be applied to -

- increase contributors' Total Credits;
- pay the expenses of the Scheme.

Taxes

Tax laws may change from time to time, but under current law -

- your contributions to the Plan are made from your after-tax income, and are not tax deductible;
- the taxable income of the Scheme and the Global Asset Trust is taxed at 30%; and
- you do not pay tax on a benefit received from the Plan (so it is not required to be shown in any income tax return).

If your benefit payment from the Plan includes employer contributions that were first made to another superannuation scheme and were then transferred direct to the Plan within the last two completed income years or during the year of your withdrawal, then that component of your benefit (plus earnings on that amount) may be subject in certain limited circumstances to an additional 5% fund withdrawal tax ("FWT") when withdrawn from the Plan. However, numerous exemptions apply.

In cases of doubt, you should ask the Scheme administrator (see page 10), before withdrawing a benefit from the Plan, for an explanation of how FWT may affect that benefit.

No FWT liability can arise if your benefit from the Plan comprises only your own contributions (plus earnings on those) and any distribution from the Scheme's Interest Fluctuation Reserve.

Payment of benefits

The Board, in its capacity as trustee of the Scheme and the Pension Scheme, is the body legally liable to pay benefits under the Scheme or the Pension Scheme, as the case may be.

Pensions are paid by the Pension Scheme at 4-weekly intervals, or at other intervals as the Board may direct.

A lump-sum payment is made as soon as practicable after the recipient becomes entitled to it.

At the date of this Investment Statement, it is not possible to quantify the amount of any benefit or other payment to you under the Plan.

... *benefits payable are Crown guaranteed* >

Crown guarantee

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

6. What are my risks?

As mentioned above, the benefits payable under the Scheme and the Pension Scheme are guaranteed by the Crown.

It is possible that, if you elect to transfer out of the Plan (see page 10), or if the Scheme is wound up (see below), you will receive less than the amount of your contributions to the Plan.

After the initial contribution of at least the minimum amount, there is no obligation on contributors to contribute any money to the Plan.

... professional investment management

As mentioned above, the earnings on contributions made by you will depend upon the returns made by the fixed interest unit fund of the Global Asset Trust. Returns on those investments will fluctuate from year to year in line with fluctuations in investment markets.

However, the Scheme trust deed provides for a minimum earnings rate to be credited to you (see page 7).

Professional investment management

The Board is responsible for establishing and maintaining the investment policy of the fixed interest unit fund of the Global Asset Trust. The Board's objective is to optimise returns at an acceptable level of risk.

The Board has appointed professional investment managers to manage the assets of the fixed interest unit fund. Investment mandates are set and each investment manager's performance is monitored against the mandate on a regular basis.

Missing Persons

If you do not keep the Board informed of your current address for more than five years you will be classified as a missing person and the Board may (after using reasonable efforts to find your current address) decide to cancel the liabilities of the Plan to you. However, those liabilities will be reinstated if, within 15 years following the date of cancellation, you establish, to the Board's satisfaction, that you are the person to whom those liabilities were owed.

What if the Scheme is wound up?

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

Contributors will not be liable to pay money to any person if the Scheme is wound up.

On a winding up, the net assets of the Scheme, less the reasonable costs of the winding up, will be allocated, upon realisation, on a pro-rata basis to each remaining contributor.

The payment of any creditors and the reasonable costs of the winding up will rank ahead of the claims of contributors and other beneficiaries. The claims of all contributors and beneficiaries will rank equally in the winding up.

It is possible, but unlikely, that on a winding up of the Scheme you may receive less than the amount of your contributions to the Plan plus earnings. This could occur where the total liabilities of the Scheme exceed the total assets of the Scheme.

7. Can the investment be altered?

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

An Act of Parliament may authorise amendment of the Scheme trust deed without the need to obtain contributors' and beneficiaries' consents.

You can alter the amount of your contributions to the Plan, or cease or suspend contributions at any time (see page 5).

8. How do I cash in my investment?

Withdrawal rights

Except as stated below, you have no right to withdraw your Total Credit before becoming entitled to a retirement, death or permanent incapacity benefit.

If you have been contributing to a National Provident scheme for at least 3 years you are entitled to withdraw your Total Credit in instalments, or your Benefit Credit in full, from the Plan even if you have not reached the age of 50 (see page 6).

You may not withdraw an instalment of your Total Credit from the Plan if this would cause the Total Credit remaining in the Plan to fall below the minimum amount.

Leaving New Zealand

If you permanently leave New Zealand, and that is established to the Board's satisfaction, you can receive your Total Credit.

Transfers

A contributor may elect to transfer from the Plan to another registered superannuation scheme on certain conditions. On transfer the Board will transfer to the new superannuation scheme the contributor's Total Credit in the Plan plus (or minus, if the reserves are then negative) an equitable share, as determined by the Board, of the Scheme's reserves at that time. Your share of the reserves will not include reserves accumulated in the Scheme before you joined. You cannot elect to transfer if you have already elected to receive your Total Credit in instalments.

No right to sell or mortgage

There is no right to sell, assign, charge, borrow against, transfer, or obtain payment of a contributors' Total Credit under the Plan, other than as described above with respect to transfers, or under the paragraph headed "What returns will I get?"

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

Your Scheme's administrator is Datacom, whose staff will be pleased to assist you with any enquiries you may have regarding the terms of the Plan. They can be contacted at the following address:

Level 4
Sovereign House
34 Manners Street
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

... *Scheme administrator* >
contact details

*... complaints to the
Scheme administrator*

or

the Board

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

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

Level 4
Sovereign House
34 Manners Street
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

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

Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011

Telephone: (04) 499 6999

An ombudsman appointed under the Ombudsmen Act 1975 may, on a complaint made by any person, investigate any decision or other action of the Board relating to a matter of administration. However, an ombudsman may not investigate any decision or other action of the Board in its capacity as trustee of the Scheme or the Global Asset Trust.

11. What other information can I obtain about this investment

Regular information

Each year you will be sent a statement of:

- the contributions made by or for you during the preceding year; and
- the earnings credited to you during the preceding year; and
- your Total Credit at the end of the preceding year

and a copy of the Scheme's annual report.

Information that you may request

This investment statement sets out only a summary of some of the terms of the Plan and the Scheme. Full details are contained in the Scheme's trust deed. If you wish to view the trust deed or a copy of the Scheme's full financial statements please visit the NPF website – www.npf.co.nz.

You have the right to view a copy of the report of a triennial actuarial examination of the Scheme required under the Act.

Copies of the trust deed, the Scheme's full financial statements and the most recent triennial actuarial examination of the Scheme required under the Act may be purchased from the Scheme administrator for \$10 each.

*You have the right
to inspect a range of
documents*

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

- an estimate of your benefit;
- a copy of the most recent annual report for the Scheme. The annual report is also available on www.npf.co.nz;
- a statement of the interest and other assumptions and bases of calculation used by the Actuary for the purposes of a triennial actuarial examination of the Scheme;
- a copy of the most recent Investment Statement relating to the Scheme; and
- any information required to be disclosed by the Privacy Act.

Other information

Other information about the Scheme is available in the most recent annual report (which incorporates the financial statements) for the Scheme, a copy of which can be obtained, free of charge, on request from the Scheme administrator.

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

12. Who is eligible to join the Plan?

The Scheme and the Plan were closed to new contributors from 1 April 1991. However, if you were a contributor to:

- the Scheme or the Plan on 31 March 1991, you are eligible to join the Plan, if you are under age 65; or
- another National Provident scheme on 31 March 1991, you are eligible to join the Plan if you are under age 60.

Special conditions affecting eligibility to join the Plan apply to contributors to the National Provident DBP Contributors Scheme, Aircrew Scheme and Old Public Fund Schemes. **Ask the Scheme administrator for details.**

How to join

An application form is enclosed with this Investment Statement. To join, simply complete this form and return it to the Scheme administrator.

If you wish to nominate a person to receive a benefit if you die while still a contributor to the Plan, please also complete the nomination form on the back of the application form.

In accordance with the Privacy Act, the information supplied on your application form will be used only for the purpose intended.

*If you require further information on any aspect of the Plan,
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.*

PROVIDENT PERSONAL SUPERANNUATION PLAN

APPLICATION TO JOIN

PLEASE USE BLOCK LETTERS

To the Board of Trustees of the National Provident Fund

I have received and read an investment statement dated 1 December 2009 for the Provident Personal Superannuation Plan and I wish to join. I agree to be bound by the terms and conditions of the National Provident Lump Sum Cash Accumulation Scheme Trust Deed which governs the Provident Personal Superannuation Plan.

TITLE (please circle) **Mr** **Mrs** **Ms** **Miss** **Other**

SURNAME

FIRST NAMES

DATE OF BIRTH

DD / MM / YYYY

GENDER (please circle)

Male

Female

ADDRESS

TELEPHONE NUMBERS: **HOME****BUSINESS**

PLEASE SPECIFY WHICH NATIONAL PROVIDENT SCHEME YOU WERE A MEMBER OF AT 31 MARCH 1991

INITIAL CONTRIBUTION (must be at least \$5,000)

\$

BY (Please tick one) >

 CHEQUE ATTACHED(payable to Board of Trustees of
National Provident Fund)> OTHER

YOUR SIGNATURE

DATE

DD / MM / YYYY

Please return completed form to

NPF Schemes Administration, Datacom Employer Services Limited, Freepost 1060, PO Box 1036, Wellington 6140.

If you wish to make further contributions by automatic payment, please attach a completed automatic payment authority.

FOR COMPLETION BY THE SCHEME ADMINISTRATOR

MEMBER CONTRACT NUMBER

ADVISOR NUMBER

PROVIDENT PERSONAL SUPERANNUATION PLAN

PRIVACY STATEMENT

Privacy Act Statement

The personal information you have supplied is being collected by the Board of Trustees of the National Provident Fund (NPF) and Datacom Employer Services Limited (Datacom), as administrator of the schemes governed by NPF, and will be held at the addresses noted below.

The information may be exchanged between NPF and Datacom and may be disclosed to third parties, such as Annuitas Management Limited (provider of executive office/secretariat services to NPF) or agents of or advisers to NPF or Datacom for the purposes of the ongoing management and administration of the National Provident Fund schemes and to enable NPF to fulfill its statutory obligations.

Under the Privacy Act 1993, you have the right to request any personal information which NPF holds about you; you may request correction of the information; you may request that there be attached to the information a statement of any correction sought but not made. We may charge you a fee for the reasonable cost in responding to any of these requests.

Board of Trustees of the National Provident Fund

Level 12, The Todd Building
95 Customhouse Quay
Wellington 6011

NPF Schemes Administration

Datacom Employer Services Limited

Level 4, Sovereign House
34 Manners Street
Wellington 6011

OR

P O Box 1036
Wellington 6140

PROVIDENT PERSONAL SUPERANNUATION PLAN

NOMINATION FORM

PLEASE USE BLOCK LETTERS

Under the provisions of your Scheme Trust Deed you may nominate a person of your choice to receive a death benefit if you die while still a contributor of the Plan.

Please note: If you do not nominate a person, any death benefit will be paid direct to your estate.

To the Board of Trustees of the National Provident Fund.

MEMBER CONTRACT NUMBER

I (please clearly print your full name)

request that in the event of my death, the Board pays the benefit from the Scheme to the person nominated below:

FULL NAME AND ADDRESS
OF NOMINEE:

(only one person may be
nominated)

YOUR SIGNATURE

DATE

DD / MM / YYYY

The Board reserves the right to decline any nomination if the nomination would cause the Scheme to lose its status as a qualifying superannuation scheme for the purposes of section EY11 of the Income Tax Act 2007 or for any other reason.

Please return completed form to

NPF Schemes Administration, Datacom Employer Services Limited, Freepost 1060, PO Box 1036, Wellington 6140.