

National Bank
Term Fund

Investment Statement



ANZ Investment Services (New Zealand) Limited is the issuer/manager of The National Bank Term Fund. The New Zealand Guardian Trust Company Limited is the trustee of the Fund. The National Bank of New Zealand, part of ANZ National Bank Limited is the distributor of units in the Fund. Units in the Fund do not represent deposits or other liabilities of ANZ National Bank Limited. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither ANZ National Bank Limited nor any of its related companies, nor The New Zealand Guardian Trust Company Limited or any other person guarantees (either partially or fully) ANZ Investment Services (New Zealand) Limited or the capital value or performance of any products issued by them.

This document is an Investment Statement for the purposes of the Securities Act 1978. This Investment Statement is dated and has been prepared as at 20 August 2010. It is an important document and should be read in its entirety.

1. 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 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.

2. What sort of investment is this?

2.1 This Investment Statement contains an offer for investors to subscribe for units in the National Bank Term Fund ("**Fund**"). The Fund is a unit trust under the Unit Trusts Act 1960. Each unit in the Fund confers on the holder a proportionate undivided beneficial interest in the Fund, determined in accordance with the Trust Deed. No unit confers any interest in any particular part of the Fund, and no investor is entitled to require the transfer to him or her of any of the investments of the Fund.

2.2 The Fund has elected to be a Portfolio Investment Entity ("PIE") for the purposes of the Income Tax Act 2007. What this means for investors is described in the section headed "What returns will I get?".

2.3 The objective of the Fund is to provide investors with a pre-tax return similar to the return on a term deposit with The National Bank. To achieve this, the Fund will invest solely in New Zealand dollar term deposits with The National Bank. The interest rates payable on the Fund's term deposits with The National Bank will be set by The National Bank from time to time. Neither the Manager nor the Trustee will be involved in setting the interest rates. The interest rate may change at any time without notice.

2.4 Units in the Fund will be divided into separate classes. Each class will consist of units in the Fund that have the same specified rate of return, regardless of whether the units are issued at different times and whether or not they have different terms to maturity. You can obtain information about the currently available classes through your local branch of The National Bank or online at www.nationalbank.co.nz.

2.5 The Manager may from time to time offer units in a class for subscription. Each class will be identified by the rate of return specified for the class. The Manager may cease offering units in a particular class at any time without notice.

2.6 Each investor in a class must select from the options made available by the Manager from time to time the term that will apply to his or her investment. Investors will be able to select from the options made available to them from time to time by the Manager whether to have distributions paid to them in cash or added to their investment.

2.7 The National Bank has agreed with the Manager to permit investors who have a transactional account with The National Bank to use The National Bank's Online Banking Service for the following purposes:

- to check the value of their investment in the Fund (the value shown will not include accrued but unpaid distributions and applications for units made with uncleared funds); and
- to subscribe for units in a class (other than their initial investment in the Fund).

2.8 The use of The National Bank's Online Banking Service for any of the above purposes is subject to The National Bank's Conditions of Use of its Online Banking Service (including the fees and charges which apply for the use of the Online Banking Service). The Conditions of Use may change from time to time without notice. The Conditions of Use are available on www.nationalbank.co.nz. The National Bank's Online Banking Service may be suspended at any time without notice.

- 2.9 The fact that the value of an investor's investment in the Fund is displayed on The National Bank's Online Banking Service does not mean that the investor's investment in the Fund is a deposit or other liability of The National Bank (or any other part of ANZ National Bank Limited) or that The National Bank (or any other part of ANZ National Bank Limited) guarantees (either partially or fully) the capital value or performance of the investment. Nor does it mean that an investor has any interest in any particular term deposit made by the Fund with The National Bank, or any right to require the transfer to him or her of any particular term deposit made by the Fund with The National Bank.
- 2.10 A request using The National Bank's Online Banking Service for funds to be transferred electronically from an investor's transactional account with The National Bank to the Fund constitutes an application by the investor to the Manager (via its agent, The National Bank) to subscribe for units in a class of the Fund. Any such request is subject to all the terms and conditions of the Trust Deed which apply to subscriptions for units in a class of the Fund.
- 2.11 The initial subscription for units in the Fund cannot be made using The National Bank's Online Banking Service. How to apply for an initial subscription of units in the Fund is described in the section headed "How much do I pay?".

Application of the Crown Guarantee to the Fund

- 2.12 The Fund will not receive the benefit of any guarantee under a Crown retail deposit scheme after 12 October 2010. Accordingly, none of the information in this Investment Statement describing the application of the Crown Guarantee to the Fund is applicable to an investor's investment in the Fund after that time.
- 2.13 The Fund only invests in deposits guaranteed under the New Zealand deposit guarantee scheme. However, as mentioned in the paragraph above, this will cease to be the case after 12 October 2010.
- 2.14 ANZ National Bank Limited has a guarantee under a Crown retail deposit guarantee scheme, being a guarantee that expires on 12 October 2010 ("Crown Guarantee"). By Deed of Nomination dated 18 March 2009 (as amended by deeds dated 20 November 2009 and 27 November 2009) ("Deed of Nomination"), the Trustee has the benefit of the Crown Guarantee in respect of the Fund as a "creditor" under the Crown Guarantee.
- 2.15 Under the Crown Guarantee, the Crown guarantees to the Fund (subject to the terms of the Crown Guarantee and Deed of Nomination):
- (a) payment of all principal and interest on the Fund's deposits with ANZ National Bank Limited which fall due and payable during the period commencing 12:01am on 12 October 2008 and expiring 12:01am on 12 October 2010 ("Guarantee Period"); and
 - (b) if an insolvency-type Default Event (as defined in the Crown Guarantee) occurs during the Guarantee Period, the payment of the principal and interest on the Fund's deposits with ANZ National Bank Limited outstanding at the date of that Default Event.
- 2.16 The Crown is not required to pay any amount of indebtedness not paid by ANZ National Bank Limited to the Fund until the day which is 14 days after the due date of that indebtedness.
- 2.17 Certain investors are not entitled to receive the benefit of the Crown Guarantee. Only Relevant Persons (as defined in the Deed of Nomination) are eligible to receive the benefit of the Crown Guarantee. This means that, for instance, an investor that is a Related Party, controlled by a Related Party, or is a Financial Institution (as defined in the Crown Guarantee) will not receive the benefit of the Crown Guarantee (although if they hold their interest in the Fund as a bare trustee the beneficiary of that bare trust will be entitled to receive the benefit of the Crown Guarantee if they would otherwise be eligible for the Crown Guarantee).
- 2.18 No amount paid or payable by the Crown under the Crown Guarantee in relation to the Fund can be paid to (or otherwise made available for the benefit of) a Unit Holder who is not a Relevant Person. Subject to limited exceptions, any deposit made by the Fund with ANZ National Bank Limited after the occurrence of an Event of Default (as defined in the Crown Guarantee) will not receive the benefit of the Crown Guarantee.
- 2.19 The Crown's obligation to pay any amount under the Crown Guarantee is subject to the Trustee giving a notice of claim (in respect of the Fund) to the Crown in accordance with the Crown Guarantee, and to the Crown satisfying itself as to the amount of the claim and any other matters the Crown considers reasonably appropriate.
- 2.20 Under the Crown Guarantee the Crown may (in its sole discretion) decline to accept liability for any amount of interest on or in respect of any indebtedness to the extent that the interest accrues after the date by which the Crown reasonably considers adequate time has elapsed for the relevant eligible creditor to submit a claim under the Crown Guarantee.

- 2.21 The Crown is entitled to limit its liability to the Fund in the event that the terms of the Fund's deposits with ANZ National Bank Limited are varied or supplemented under the terms of, or in contemplation of entry by ANZ National Bank Limited into, a compromise or arrangement with any creditors of ANZ National Bank Limited.
- 2.22 The New Zealand deposit guarantee scheme imposes a deposit coverage cap of \$1 million per eligible individual investor (but the actual amount payable to an individual investor will be determined by the Crown in accordance with the relevant terms of the Deed of Guarantee and Deed of Nomination).
- 2.23 In certain circumstances, the Fund may lose the benefit of the Crown Guarantee. This may occur in the event of non-compliance by the Fund with the terms of the Deed of Nomination.
- 2.24 Further information about the deposit guarantee scheme as well as the most recent audited statement of financial position of the Crown, is available, free of charge and at all reasonable times, on the website of the Treasury at www.treasury.govt.nz.

3. Who is involved in providing it for me?

- 3.1 The name of the Fund is the "National Bank Term Fund". The Fund is constituted by the trust deed dated 5 December 2008 (as amended on 11 February 2009) between the Manager and the Trustee (described below) ("Trust Deed"). The Fund has been in operation since that date.

Manager

- 3.2 ANZ Investment Services (New Zealand) Limited is the manager of the Fund. Its registered address is:
- Level 6
1 Victoria Street
PO Box 540
Wellington 6011
- 3.3 As at the date of this Investment Statement the directors of ANZ Investment Services (New Zealand) Limited are:
- John Robert Body
Steven Montgomery Fyfe
Kerri-Ann Thompson
- The directors of the Manager may change from time to time.

Administration Manager

- 3.4 The Manager has appointed ANZ National Bank Limited to perform certain registry and administration services in relation to the Fund. Its address is:
- Level 5
170-186 Featherston Street
PO Box 1791
Wellington 6011
- 3.5 The services provided by ANZ National Bank Limited are provided on arm's length terms and conditions and at fair value.

Trustee

- 3.6 The New Zealand Guardian Trust Company Limited is the trustee of the Fund. Its address is:
- 3rd Floor
Guardian Trust House
15 Willeston Street
PO Box 913
Wellington 6011
- The Trustee has appointed Fund Nominees Limited as its custodian in relation to the Fund.

Promoters

- 3.7 ANZ National Bank Limited is the promoter of the Fund. Its address is:
- Level 6
1 Victoria Street
PO Box 540
Wellington 6011
- 3.8 All directors of ANZ National Bank Limited are also promoters of the Fund. As at the date of this Investment Statement the directors of ANZ National Bank Limited, and their respective principal places of residence, are:
- Sir Dryden Spring of Matamata, New Zealand
Norman Michael Thomas Geary of Auckland, New Zealand
Dr Donald Thomas Brash of Auckland, New Zealand
Michael Roger Pearson Smith of Melbourne, Australia
Peter Ralph Marriott of Melbourne, Australia
John Frederick Judge of Auckland, New Zealand
Shayne Cary Elliott of Melbourne, Australia
Dr Jennifer Anne Fagg of Wellington, New Zealand.
- The directors of ANZ National Bank Limited may change from time to time.

3.9 All of the directors of ANZ National Bank Limited may be contacted at:

C/- ANZ National Bank Limited
Level 6
1 Victoria Street
PO Box 540
Wellington 6011

3.10 The National Bank is a part of ANZ National Bank Limited. A current list of directors of ANZ National Bank Limited is available at www.anz.co.nz/about-us.

Activity

3.11 The principal activity of the Manager is acting as the manager of unit trusts. The Manager has been carrying on this activity since 17 September 1990.

4. How much do I pay?

Investment amounts

- 4.1 An investment in the Fund is made by subscribing for units in a particular class of the Fund. The issue price for a unit is fixed at \$1. The issue price is payable by an investor at the time he or she invests in the class. The minimum initial investment in each class is \$5,000. Any subsequent investments in the Fund must also be in minimum amounts of \$5,000. The Manager may cease offering units in a particular class at any time without notice.
- 4.2 The Manager will cease accepting subscriptions if at any time the net asset value per unit, as calculated in accordance with the Trust Deed, falls below \$1.
- 4.3 The minimum number of units which must be held in each class of the Fund after the initial investment has been made is 1.
- 4.4 No investor is permitted to hold more than 20% of the units in a class of the Fund, or such other percentage as may be determined by the Manager from time to time. Units in a class of the Fund held by persons associated with a particular investor are aggregated with the units held by that investor for the purpose of determining compliance with the 20% limit.
- 4.5 The Manager is able to vary the minimum initial investment, the maximum investment and the minimum holding requirements from time to time. The Manager is able to refuse any application for units at its discretion, including where to accept an application would threaten or cause the Fund to become ineligible to be a PIE.

How to invest

- 4.6 An investor's initial investment in the Fund is made by completing the application form, made available by the Manager at branches of The National Bank, and at the same time making payment for the investment.
- 4.7 Payment may be made by personal cheque, direct credit or any other method acceptable to the Manager. Cheques should be marked "Not Transferable" and be made payable to "Fund Nominees Limited – Subscription Account".
- 4.8 If an investor fails to make a payment, or a payment is dishonoured or reversed, no units will be issued in respect of that payment, and any units issued in reliance on that payment will be cancelled. In addition, redemptions will be permitted only if the funds subscribed by investors for such units constitute cleared funds.
- 4.9 Subscription moneys received by the Manager will be held on trust for the applicant until units are allotted or the subscription moneys are repaid (if the application is rejected). No amounts held on trust pending allotment will earn interest. If the Manager decides to reject any application for units (in whole or in part) it will return, or direct the Trustee or the nominated person to return, the subscription moneys (or part of them, if the application is rejected in part) to the applicant without interest.
- 4.10 All subscription moneys received by the Manager become subject to the trusts created by the Trust Deed upon receipt by the Manager. The Manager will pay all subscription moneys into a separate bank account or accounts that is, or are, the property of the Trustee or a nominated person within 7 days of receipt.
- 4.11 Each account into which subscription moneys are paid:
- will be the property of the Trustee or a nominated person;
 - will be designated so that they are clearly recognised as being accounts of the Fund; and
 - may be designated in such other manner as the Manager (acting reasonably) requires (including, without limitation, by reference to the name of an investor).

- 4.12 In no circumstances shall any investor have any interest in any such account whatsoever, and no investor shall be entitled to require the transfer to him or her of any moneys standing to the credit of any such account.
- 4.13 Subsequent investments in the Fund may be made by any of the methods described above.
- 4.14 If an investor has a transactional account with The National Bank, further investments in the Fund may be made by electronic transfer from the investor's transactional accounts with The National Bank using The National Bank's Online Banking Service.
- 4.15 An initial investment in the Fund is made by completing an application form made available for that purpose by the Manager. By signing the application form an investor will be bound by the terms and conditions of the Trust Deed, the registered prospectus for the Fund, this Investment Statement and any terms (including any agreements and acknowledgements made by the investor) in that application form. In the event of any inconsistency between the terms in the application form and any of the documents mentioned above, the terms of the application form will prevail.
- 4.16 Each investment you make will be confirmed by way of a confirmation letter (and any inaccuracies must be raised with the Manager within 10 working days of receipt of the confirmation).
- 4.17 The Trustee is not involved in, and is not responsible in any way for, the application or confirmation process (and any enquiries on this process should be directed to the Manager).
- 4.18 The table below summarises how investments can be made:

When can investments be made

- 4.19 Subject to complying with the minimum and maximum investment restrictions described above, investors can subscribe for units in a class for so long as the Manager is offering units in the class.
- 4.20 There is no cooling off period for the Fund which means that once an investor has made an investment in the Fund, any withdrawals must occur in accordance with the process described in the section entitled "How do I cash in my investment?" below.

5. What are the charges?

- 5.1 There are no entry charges payable in relation to the Fund.
- 5.2 The Manager may require an investor to pay an early redemption fee if a unit held by the investor is redeemed before its scheduled redemption date for any reason. The early redemption fee will be equal to any costs, losses, expenses or liabilities sustained or incurred by the Fund as a result of the Manager realising any investment of the Fund (in this case breaking a term deposit it has made with The National Bank) to enable the redemption of the unit to occur before its scheduled redemption date.
- 5.3 Each investor irrevocably authorises the Manager to deduct the early redemption fee from amounts which are payable to the investor on or following the early redemption. This is described below under "Early redemption" in the section "What returns will I get?".

	Available Methods	Time frame via branch or telephone	Time frame via The National Bank's Online Banking Service
Initial Investment	Complete the application form made available by the Manager at branches of The National Bank. Payment can be made by direct credit, by presenting a cheque, or any other method acceptable to the Manager.	Applications are processed on the day they are received if that day is a business day or as soon as reasonably practicable thereafter. Cheques may take up to 3 business days to clear.	Not applicable.
Additional Investments	Additional applications can be made via The National Bank's Online Banking Service (if the investor has a transactional account with The National Bank), by telephone, or at a branch of The National Bank.	The application will be processed on the day the application is received if that day is a business day or as soon as reasonably practicable thereafter.	Applications will be processed on the day of receipt (in the case of linked National Bank accounts), or the business day following receipt (in the case of nonlinked accounts), or as soon as reasonably practicable thereafter.

- 5.4 The fees of the Trustee are paid by the Manager. The Manager is paid a fee by The National Bank. Neither the Trustee's fee nor the Manager's fee are paid out of the Fund unless, in the case of the Trustee's fee only, the Manager fails to pay the Trustee's fee.
- 5.5 The Manager is entitled to introduce new charges payable in relation to the Fund at any time, provided it gives 1 month's prior notice to investors. A description of the type of charges that the Manager is able to introduce is set out in the prospectus for the Fund. As at the date of this Investment Statement, the Manager has no intention of introducing any new charges.
- 5.6 If you use The National Bank's Online Banking Service or any other service made available by The National Bank in connection with the Fund, you may be charged a fee. You can obtain a list of services for which a fee is charged by contacting your local branch of The National Bank or online at www.nationalbank.co.nz. If you are charged a fee, the fee will be paid by you either by:
- the fee being debited to your nominated account; or
 - the Manager redeeming such number of your units in the Fund that will generate proceeds in an amount to pay the fee, and paying the proceeds to The National Bank on your behalf (this method of payment will be used unless you have directed otherwise).
- 5.7 The Trustee and the Manager are entitled to be reimbursed out of the assets of the Fund (in the case of the Trustee to the extent not paid or reimbursed by the Manager) for all expenses, costs and liabilities incurred by them respectively acting as Trustee or Manager except for those arising out of wilful default or wilful breach of trust on the part of the Manager or the Trustee (as the case may be).
- 5.8 If a claim is made on the Fund by the Trustee or Manager (including for example, any failure by the Manager to pay the Trustee's fees), this may affect the Fund's ability to make payments to investors. The fee paid to the Manager by The National Bank is intended to be sufficient to enable the Manager to pay the fees, costs and expenses that would normally be incurred by the Fund in the ordinary course of its business.
- 6.2 The objective of the Fund is to provide investors with a pre-tax return similar to the return on a term deposit with The National Bank. To achieve this, the Fund will invest solely in New Zealand dollar term deposits with The National Bank. The interest rates payable on the Fund's term deposits with The National Bank will be set by The National Bank from time to time. Neither the Manager nor the Trustee will be involved in setting the interest rates. The interest rates may change at any time without notice. The income and capital of the Fund will be distributed proportionately to investors of each class according to the specified rate of return of each class and in accordance with the Trust Deed. You can obtain information about the currently available classes through your local branch of The National Bank or online at www.nationalbank.co.nz.
- 6.3 Distributions will be made to investors on a quarterly basis, on each 31 March, 30 June, 30 September and 31 December, and on the scheduled redemption date of an investor's units (each a "Distribution Date").
- 6.4 A distribution will also be made to an investor if all (but not some only) of his or her units in a class that have the same scheduled redemption date are redeemed before their scheduled redemption date. The distribution in these circumstances will be made on the date of the early redemption of the units.
- 6.5 Investors will be able to select from the options made available by the Manager from time to time whether to have distributions paid to them in cash or added to their existing investment.
- 6.6 The amount distributed to each investor in a class will be the amount determined by the Manager to be the investor's share in the net income of the Fund which is available to be distributed to investors of the particular class.
- 6.7 All distributions to an investor in a class will be made by way of the issue of additional units in the class (although an investor can elect in advance to have these additional units immediately redeemed so that he or she receives a cash payment on the Distribution Date). The number of additional units in the class that an investor receives as a distribution will be adjusted (by the cancellation of units) to reflect tax paid or payable by the Fund on income attributable to the investor. More detail on how this occurs is set out below.

6. What returns will I get?

- 6.1 The information set out in this section should be read in conjunction with the information set out in the section headed "What are my risks?" below, as well as the information regarding the application of the New Zealand deposit guarantee scheme set out in the section entitled "What sort of investment is this?" above. The factors described in those sections could reduce or eliminate the returns intended to be derived from the Fund.
- 6.8 On each Distribution Date, the Manager shall in relation to each class, in accordance with the Trust Deed:
- (a) determine the net income of the Fund that has accrued during the quarter ending on the Distribution Date which is available to be distributed to investors of the class in accordance with the distribution policy of the Fund ("Available Income");

- (b) allocate the Available Income to each investor of the class proportionately according to the Available Income accrued on each day and the number of units of the class held by the investor on each day during the quarter;
 - (c) distribute to each investor an amount equal to the Available Income allocated to the investor by way of the issue of additional units in the class (the number of such additional units to be calculated by dividing the Available Income allocated to that investor by the issue price);
 - (d) determine for each investor the amount of any adjustment to be made pursuant to section HM 48 of the Income Tax Act 2007 to reflect tax paid or payable by the Fund on income attributed to the investor at the investor's prescribed investor rate under the PIE tax regime ("Adjustment Amount"); and
 - (e) cancel units held by each investor in the class for no consideration in a number equal to the Adjustment Amount for that investor.
- 6.9 If all (but not part only) of an investor's units in a class that have the same scheduled redemption date are redeemed before their scheduled redemption date, the Manager shall, on the date of early redemption:
- (a) determine the net income of the Fund that has accrued during the period from (and including) the previous Distribution Date to (but excluding) the early redemption date which is available to be distributed to investors of the class in accordance with the distribution policy of the Fund ("Available Income");
 - (b) allocate the Available Income to the investor proportionately according to the Available Income accrued on each day and the number of units of the class that have the same scheduled redemption date held by the investor on each day during the period specified in paragraph (a) above;
 - (c) distribute to the investor an amount equal to the Available Income allocated to the investor by way of the issue of additional units in the class (the number of such additional units to be calculated by dividing the Available Income allocated to that investor by the issue price);
 - (d) determine for the investor the amount of any adjustment to be made pursuant to section HM 48 of the Income Tax Act 2007 to reflect tax paid or payable by the Fund on income attributed to the investor at the investor's prescribed investor rate under the PIE tax regime ("Adjustment Amount"); and
 - (e) cancel units held by the investor in the class for no consideration in a number equal to the Adjustment Amount for that investor.
- 6.10 An early redemption fee may be payable if an investor redeems his or her units in a class before their scheduled redemption date.
- 6.11 All units issued as a distribution to investors shall, when issued, rank *pari passu* in all respects with all other units in the relevant class of the Fund, and shall have the same scheduled redemption date as the units in respect of which the distribution is made (unless those units are immediately redeemed to provide a cash payment to the investor on the Distribution Date). All such units must be issued in accordance with the Securities Act (Dividend Reinvestment) Exemption Notice 1998, to the extent the Manager is relying on that Exemption Notice. In particular, the Manager must cease distributing returns to investors as additional units in the Fund if, at any time, it has information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of units if the information were publicly available.
- 6.12 Investors will not be entitled to share in any income of the Fund which has accrued either before they invest in the Fund or after they redeem from the Fund.

Redemption at maturity

- 6.13 Subject to the restrictions described in the section below under "Suspending redemptions", each unit in a class, together with each additional unit (if any) that will be issued to the investor as a distribution on the scheduled redemption date, will be redeemed on the scheduled redemption date of the unit by the payment to the investor of the Redemption Amount. The "Redemption Amount" of a unit is the amount determined by the Manager to be the lesser of:
- (a) \$1; and
 - (b) the net asset value of a unit in the Fund calculated in accordance with the Trust Deed.

Early redemption

- 6.14 The Manager has no obligation to redeem a unit prior to its scheduled redemption date. However the Manager may agree to do so at the request of an investor. Any such request must comply with the requirements set out in the section headed "How do I cash in my investment?" under "Redemption requests".

- 6.15 Subject to the restrictions described in this section below under "Suspending redemptions", if the Manager agrees to redeem a unit prior to its scheduled redemption date, it shall procure that, on the date fixed by the Manager for the early redemption of that unit, the investor is paid:
- (a) in the case of the early redemption of all units held in a class that have the same scheduled redemption date by an investor, an amount equal to the Redemption Amount less the early redemption fee arising from the early redemption; and
 - (b) in the case of the early redemption of some (but not all) of the units held in a class that have the same scheduled redemption date by an investor, the Redemption Amount (the early redemption fee arising from the early redemption will be deducted from the distribution made to the investor on the next Distribution Date).

Suspending redemptions

- 6.16 The Manager is able to suspend redemptions from a class of the Fund if, because of the occurrence of certain events or circumstances specified in the Trust Deed, the Manager forms the opinion in good faith that it is not practicable or would be prejudicial to the interests of investors to permit redemptions from that class. This is described in more detail in the prospectus for the Fund and the Trust Deed.

Key factors that determine returns

- 6.17 The key factors that will determine returns on an investment in the Fund will be:
- the rate of return received by the Fund on its term deposits with The National Bank;
 - the term of the investment;
 - whether the investment is held to maturity;
 - the financial performance of The National Bank; and
 - the effect of taxes.
- 6.18 It is not possible to quantify as at the date of this Investment Statement the exact amount of returns an investor will receive from investing in the Fund, and therefore no such amount can be promised by the Manager.

General information about taxes

- 6.19 Returns to investors are likely to be affected by taxes.

General

- 6.20 The following is a general summary of the New Zealand tax implications of an investment in the Fund. It does not deal with all relevant considerations and possible situations. This summary is based on the Manager's understanding of tax legislation (current and proposed) and interpretation of tax legislation as at the date of this Investment Statement. Tax legislation, its interpretation and the rates and basis of taxation are subject to change. Prospective investors should obtain their own independent tax advice in relation to their own situation prior to investing in the Fund.

Portfolio Investment Entities

- 6.21 The Fund has elected to be a Portfolio Investment Entity or "PIE". The tax rules relating to PIEs effectively allow the Fund to pay tax on behalf of its investors at each investor's prescribed investor rate or "PIR" (with a maximum tax rate of 30%, reducing to 28% with effect from 1 October 2010).
- 6.22 This occurs because the Fund's tax liability is calculated by reference to the tax rates advised by its investors and the amount of income allocated to each investor, as explained further below.

Choosing the tax rate for your PIE

- 6.23 Each investor must determine his or her PIR and notify the Manager of that rate and provide his or her IRD number. The PIR that an investor notifies to the Manager will be used to calculate the amount of tax to be paid by the Fund in respect of income of the Fund that is allocated to the investor. It is important that each investor notifies the Manager of his or her correct PIR. If an investor provides an incorrect PIR to the Manager, Inland Revenue may require the Fund to disregard that PIR and instead use a PIR that Inland Revenue considers appropriate in respect of income allocated to that investor. In addition, if an investor provides a PIR that is too low, the investor will be required to file a tax return and pay tax on income allocated to him or her by the Fund at the investor's marginal tax rate, which may be higher than the maximum PIR. The investor may also be subject to penalties and interest charges by Inland Revenue. If an investor provides a PIR that is too high, the investor will not be able to claim a refund for any excess tax paid by the Fund in respect of income allocated to him or her.
- 6.24 Legislation has recently been enacted to change the available PIR rates with effect from 1 October 2010. This Investment Statement reflects the current PIRs and PIRs from 1 October 2010. An investor's notified PIR will automatically be shifted to the appropriate new PIR on 1 October 2010 where an investment is made prior to 1 October 2010.

6.25 The following table is intended to help an investor determine his or her correct PIR:

Type of investor	PIR until 30 September 2010	PIR from 1 October 2010
<ul style="list-style-type: none"> Individuals who are tax resident in New Zealand and who had, in either of the two income years (usually the period 1 April to 31 March) immediately before the tax year (a "tax year" is the period 1 April to 31 March) to which the PIR applies, both: <ul style="list-style-type: none"> – taxable income of \$14,000 or less; and – taxable income plus income allocated by PIEs of \$48,000 or less. 	12.5%	10.5%
<ul style="list-style-type: none"> Individuals who are tax resident in New Zealand and do not qualify for the 12.5% PIR (10.5% PIR from 1 October 2010), and who had, in either of the two income years (usually the period 1 April to 31 March) immediately before the tax year (a "tax year" is the period 1 April to 31 March) to which the PIR applies, both: <ul style="list-style-type: none"> – taxable income of \$48,000 or less; and – taxable income plus income allocated by PIEs of \$70,000 or less. Trustees (excluding trustees of charitable trusts) that choose to be subject to the 21% PIR (17.5% PIR from 1 October 2010). 	21%	17.5%
<ul style="list-style-type: none"> Individual investors who do not qualify for the 12.5% or 21% PIR (10.5% or 17.5% PIR from 1 October 2010) Trustees (excluding trustees of charitable trusts) that choose to be subject to the 30% PIR (28% PIR from 1 October 2010) Non-New Zealand tax residents. 	30%	28%
<ul style="list-style-type: none"> Companies, PIEs and superannuation funds Trustees that do not choose to be subject to the 21% or 30% PIR (17.5% or 28% PIR from 1 October 2010) Charities. 	0%	0%

6.26 If in doubt, prospective investors should seek their own independent tax advice on their applicable PIR.

6.27 If an investment in the Fund is made by two or more persons jointly, the correct PIR is the highest PIR applicable to any of the joint investors. All joint investors in the Fund are required to provide their PIR and IRD numbers to the Manager.

6.28 If an investor has provided a 0% PIR, the investor will be a "zero-rated investor" and the Fund will not pay any tax in respect of income allocated to the investor. Each zero-rated investor will be required to calculate and pay his or her own tax in respect of income allocated to the investor by the Fund.

6.29 An investor can notify the Manager of any change to his or her PIR at any time. That notification will be effective from the start of the quarter in which the notification is made.

6.30 If an investor does not notify the Manager of his or her PIR, tax will be paid in respect of income allocated to the investor at the maximum PIR.

6.31 An investment in the Fund may not be appropriate for investors that have a PIR that is higher than their marginal rate.

Allocation of income and payment of tax by the Manager on behalf of the Fund

6.32 The taxable income of the Fund will be allocated to the investors in the Fund in accordance with the tax rules relating to PIEs on a daily basis. The tax payable on the taxable income allocated to each investor (other than zero-rated investors) at the investor's PIR will be paid by the Manager on behalf of the Fund on a quarterly basis.

6.33 The amount of tax on the taxable income of the Fund allocated to an investor will be reflected by the cancellation of units in the Fund held by that investor equal in value to the amount of the tax liability.

6.34 When an investor redeems part or all of his or her investment in the Fund, a tax liability may arise in respect of income that is derived in the period up to the time of redemption, and that is allocated to the investor in respect of the part of the investment being redeemed. The amount of that tax liability may be deducted from the amount payable to the investor and will then be paid by the Manager to Inland Revenue. To the extent that tax in respect of that income is not paid by the Manager the investor may be required to pay that amount directly to Inland Revenue.

- 6.35 An investor can be liable to indemnify the Trustee or the Manager for tax on income that is allocated to him or her where that tax has been paid by or on behalf of the Manager to Inland Revenue but has not been funded by the cancellation of units of the investor.

Tax information for investors

- 6.36 The Manager will provide a statement containing details of income allocated to each investor and tax paid by the Manager in respect of that income shortly after:
- (a) the end of each tax year to each investor; and
 - (b) the winding up of the Fund to each investor.

Interfund Data

- 6.37 The Fund, which is a PIE, will not provide daily Investment Savings and Insurance interfund data to investors that are themselves PIEs and PIE investor proxies or "PIPs", unless otherwise agreed with the Manager. Investors who are PIEs and PIPs will be provided, along with all other investors, with the statements for investors, as described above.

Other

- 6.38 Reserves or retentions are not likely to affect returns to investors.
- 6.39 The Manager will be legally liable to pay any returns on the Fund. The Manager's obligations in respect of the Fund and the performance of the Fund are not guaranteed by the Trustee, Fund Nominees Limited, The National Bank, any other part of ANZ National Bank Limited, or any other person.

7. What are my risks?

- 7.1 An investment in the Fund involves risks, including those described in this section. You should carefully consider the risk factors in this section in light of your personal circumstances and seek professional advice from your accountant, lawyer or other professional adviser before deciding whether to invest in the Fund.
- 7.2 An investment in the Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. The major risks to investors are an inability to recover some or all of their investment in the Fund and/or failure by the Fund to pay returns. The principal reasons this could occur are set out below.

Risk on The National Bank

- 7.3 The Fund invests solely in New Zealand dollar term deposits with The National Bank. Any event or circumstance affecting the ability of The National Bank (such as the insolvency, receivership, liquidation or statutory management of the bank) to pay interest on, or repay the principal amount of, the Fund's investment will correspondingly affect the Fund's ability to make payments to investors.

- 7.4 Although the Fund will invest in term deposits with The National Bank, an investment in the Fund does not represent a deposit or other liability of The National Bank, or any other part of ANZ National Bank Limited. Neither The National Bank, or any other part of ANZ National Bank Limited, nor any other person, guarantees (either partially or fully) the capital value or performance of an investment in the Fund.
- 7.5 Like any other business, ANZ National Bank Limited is exposed to the effects of an adverse change in the economy and general business conditions, including increased competition. In addition, as a financial institution, ANZ National Bank Limited is exposed to the risks described below that reflect the nature of its business and the environment in which it operates. Failure to manage these risks could have an adverse effect on the financial performance, reputation and solvency of ANZ National Bank Limited. However, ANZ National Bank Limited considers that these risks would need to be extreme in their impact before they would result in the insolvency or statutory management of ANZ National Bank Limited.

Credit risk

- 7.6 As a financial institution ANZ National Bank Limited is exposed to the risks associated with lending and extending credit to customers and other parties. Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, could expose ANZ National Bank Limited to increased risk that those customers and other parties will default, causing loss to ANZ National Bank Limited.

Liquidity and funding risk

- 7.7 Liquidity risk is the risk that ANZ National Bank Limited has insufficient capacity to fund increases in assets, or is unable to meet its payment obligations as they fall due, including repaying depositors, or maturing wholesale debt. Liquidity risk is inherent in all banking operations due to the timing mismatch between cash inflows and cash outflows, and is closely managed by ANZ National Bank Limited.

Litigation risk

- 7.8 From time to time ANZ National Bank Limited may be subject to major litigation, regulatory actions, or other legal proceedings which, if determined against ANZ National Bank Limited, may result in costs, losses or other adverse effects.

Market risk

- 7.9 Market risk is the risk to ANZ National Bank Limited's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, equity prices and indices prices of commodities, debt securities and other financial contracts including derivatives. Losses arising from these risks may have a material adverse effect on ANZ National Bank Limited.

Operational risk

- 7.10 ANZ National Bank Limited is exposed to operational risks, such as risks arising from process or human error or failure, fraud, systems failure, breach of security and breaches of laws or ANZ National Bank Limited's internal policies.
- 7.11 In addition, ANZ National Bank Limited is exposed to operations failings by third-party providers, including outsourcing, to natural disasters, political, security and social events and to failings in the financial services sector.

Regulatory change risk

- 7.12 Changes to laws, regulations, codes of practice or policies, or the way they are applied, could affect ANZ National Bank Limited in substantial and unpredictable ways. These may include increasing required levels of bank liquidity and capital adequacy, limiting the types of financial services and products that ANZ National Bank Limited can offer and/or increasing the ability of non-banks to offer competing financial services and products, as well as changes to accounting standards, taxation laws and prudential regulatory requirements.
- 7.13 In addition, ANZ National Bank Limited's failure to comply with laws, regulations or codes of practice could result in the imposition of sanctions by regulatory agencies and compensatory action by affected persons, and could damage ANZ National Bank Limited's reputation.

More information

- 7.14 ANZ National Bank Limited's latest General Disclosure Statement contains more information on the risks ANZ National Bank Limited faces in carrying on its business as a registered bank, and the steps ANZ National Bank Limited takes to mitigate these risks. A copy of the latest General Disclosure Statement can be obtained, free of charge, from ANZ National Bank Limited's head office at Level 6, 1 Victoria Street, Wellington 6011 or at www.nationalbank.co.nz/about.

Liquidity risk

- 7.15 The Manager is not obliged to redeem an investor's units before their scheduled redemption date. If the Manager at its discretion accepts a request by an investor to redeem units before their scheduled redemption date, the Manager is entitled to charge an early redemption fee which the Manager will deduct from the amount payable to the investor. The units will not be listed. There is no established market for the sale of units and in the Manager's opinion none is likely to develop. It may therefore be difficult for an investor to sell his or her units.

Change of law risk

- 7.16 The Fund is based on law in effect in New Zealand as at the date of this Investment Statement. No assurance can be given as to the impact of any possible judicial decision or change to such law after the date of this Investment Statement. In particular, a change in tax laws could affect the Fund's returns.

Risk of losing PIE status

- 7.17 Although the Manager has processes in place to manage compliance with the PIE eligibility requirements, there is a risk that the Fund could lose its PIE status if there is a breach of those requirements which is not remedied within the time permitted by the Income Tax Act 2007. A breach of the PIE eligibility requirements by one class of the Fund may cause the entire Fund to lose its PIE status. No compensation will be made to investors in the event PIE status is lost.

Risk of providing the wrong PIR

- 7.18 If an investor has provided a PIR that is lower than his or her correct PIR the investor will be liable for any consequential tax shortfall and will be required to file a tax return. Investors who provide a PIR that is higher than their correct PIR will not be able to claim back the excess tax paid.

Risk of a compulsory redemption

- 7.19 The Manager is entitled to procure the redemption of an investor's units in a class if the investor at any time holds more than 20% of the units in the class. This could occur through no fault of the investor if, for instance, other investors redeem their units in the class which results in the investor holding more units than the maximum permitted amount.

Risk of a claim on the Fund

- 7.20 The different classes of the Fund do not constitute separate trust funds. This means that if a liability arises in relation to one class, that liability will be shared across investors of all classes. Under the Trust Deed, the Trustee and the Manager are, subject to certain exceptions set out in the Trust Deed, indemnified by the Fund:
- (a) from and against any and all liabilities, losses and costs incurred by the Trustee or the Manager (including, for example, any failure by the Manager to pay the Trustee's fees) in performing any of their respective duties, or exercising any of their respective powers, under the Trust Deed in relation to the Fund; and
 - (b) from and against all actions, proceedings, claims and demands in respect of any matter or thing relating to the Fund, including all actions in relation to the offer and issue of units in the Fund.

- 7.21 If a claim is made on the Fund by the Trustee or Manager, this may affect the Fund's ability to make payments to investors. The fee paid to the Manager by The National Bank is intended to be sufficient to enable the Manager to pay the fees, costs and expenses that would normally be incurred by the Fund in the ordinary course of its business.
- 7.22 Any of these risks may result in the net asset value per unit falling to below \$1, in which event an investor who redeems units would only receive the net asset value per unit (and not \$1) on redemption.

Risk of suspending redemptions

- 7.23 The Manager is entitled to suspend the right of an investor to redeem his or her investment from a class, including on the scheduled redemption date. The circumstances in which this can occur are described in more detail in the prospectus for the Fund and in the Trust Deed.
- 7.24 If the Manager gives a redemption suspension notice in respect of a class:
- (a) the Manager is relieved of all of its obligations to procure the Trustee to redeem units in that class; and
 - (b) if the suspension continues after the scheduled redemption date of a unit in that class, the Manager in its discretion will determine the rate of return that will apply to the unit from (and including) the scheduled redemption date.

Risk on The National Bank's Online Banking Service

- 7.25 In accordance with The National Bank's Conditions of Use, an investor who uses The National Bank's Online Banking Service:
- (a) will be liable for all loss, including loss suffered by other persons, if the investor acts fraudulently, either alone or together with any other person; and
 - (b) may be liable for some or all loss arising from any security breach, including loss arising from unauthorised transactions, if the investor has caused or contributed to that loss, for example by failing to comply with The National Bank Conditions of Use of its Online Banking Service and in particular, the conditions relating to passwords.
- 7.26 The National Bank's Online Banking Service may be subject to the failure or default of any third party network provider or any system not owned or directly controlled by The National Bank, or any other electronic, telecommunications, power or computer processing failure that could result in a refusal or omission to follow instructions from investors, or other failure to fulfil obligations, including the making of payments to investors.

Risk of the Fund losing the benefit of the Crown Guarantee

- 7.27 In certain circumstances, the Fund may lose the benefit of the Crown Guarantee. This may occur in the event of non-compliance by the Fund with the terms of the Deed of Nomination. Also, the Fund will not receive the benefit of any guarantee under a Crown retail deposit scheme after 12 October 2010.

No liability of Trustee for The National Bank's Online Banking Service or telephone banking transactions

- 7.28 To the maximum extent permitted by law, the Trustee shall have no liability to any person (including any investor) in connection with The National Bank's Online Banking Service or its telephone banking system (including for any transactions effected, or purported to be effected, by or on behalf of investors or The National Bank, by means of such systems).

Consequences of Insolvency

- 7.29 Investors will not be liable to pay any additional money (in excess of the issue price payable to the Manager upon subscription for units in the Fund) to any person in the event of insolvency of the Fund, other than for any tax liability that is attributable to an investor or that is incurred by an investor as a result of notifying the Manager of the wrong PIR or failing to advise the Manager if his or her PIR increases, or under the indemnity (described in the section headed "What returns will I get?" under "General information about taxes – allocation of income and payment of tax by the Manager on behalf of the Fund") to the Trustee or the Manager in respect of tax.
- 7.30 All claims of creditors ranking in priority to the units rank ahead of the claims of holders of units in the event of any liquidation or winding up of the Fund. All holders of units rank equally upon a winding up or liquidation of the Fund, in each case for an equal share per unit of any surplus assets of the Fund, after payment or discharge of all other claims. No other persons currently rank equally with, or in front of such claims.

8. Can the investment be altered?

- 8.1 Other than as set out below, no person (including the Trustee and the Manager) can alter an investor's investment, or the terms of the investment, without the investor's consent.

Alteration of the Trust Deed by investors

- 8.2 Investors in the Fund have a range of powers, exercisable by extraordinary resolution passed at a meeting of those investors. Such powers include the ability to alter the Trust Deed for the Fund, or the terms of the Fund. Further information on these powers is set out in the registered prospectus for the Fund.

Alteration by the Trustee and the Manager

- 8.3 In certain circumstances, the Trustee and the Manager have the right to agree to amendments to the Trust Deed without consulting investors in the Fund. This ability is, however, subject to certain protections (for the benefit of investors) as set out in the Trust Deed. Further details of the circumstances in which the Trust Deed may be amended are set out in the registered prospectus for the Fund.
- 8.4 For as long as the Fund is able to benefit from the Crown Guarantee, the Manager may also take all steps it considers necessary or desirable to ensure that the Fund is eligible or continues to be eligible to receive the benefit of the Crown Guarantee and to ensure that the Fund and the Manager comply with the obligations set out in the Crown Deed of Nomination.
- 8.5 The Manager may also change:
- the minimum initial investment, the maximum investment and the minimum holding requirements that apply to the Fund;
 - the distribution policy of the Fund; and
 - the investment objectives and policy of the Fund.
- 8.6 At the date of this Investment Statement, the Manager does not intend to make any of the above alterations to the terms of the Fund.

Winding up

- 8.7 The Fund will wind up on the earliest of the following events:
- the date appointed by the Manager by giving not less than 3 months' written notice (or such shorter period as the Manager considers appropriate, with the approval of the Trustee, if the Manager proposes to distribute the assets of the Fund in specie) to investors and the Trustee;
 - if an extraordinary resolution is passed by investors in the Fund resolving to wind up the Fund; or
 - the date on which the Fund is wound up by operation of law.
- 8.8 On a winding up, the assets of the Fund will be distributed to investors either in cash or in specie.

Alteration by investors

- 8.9 An investor may also alter his or her investment in the Fund. Examples of such alterations include, subject to the restrictions described in this Investment Statement:
- redeeming moneys invested in the Fund; and
 - transferring units in the Fund.

9. How do I cash in my investment?

- 9.1 Each unit held by an investor will, subject to the conditions described above under "Suspending redemptions", be redeemed on its scheduled redemption date. The Manager has no obligation to redeem an investor's units before the scheduled redemption date of those units. However the Manager may, in its discretion, agree to redeem a unit before its scheduled redemption date on the request of an investor. This is described in more detail above in the section headed "What returns will I get?".

Redemption requests

- 9.2 Any request by an investor for the Manager to redeem his or her units before their scheduled redemption date can be made:
- by phone, by calling the Manager on 0800 801 188; or
 - at a branch of The National Bank.
- 9.3 The redemption request must specify the number of units or dollar amount which the investor wants to redeem. If a redemption request is given in respect of all units held in a class that have the same scheduled redemption date by an investor, it shall be deemed to apply also to all additional units (if any) that will be issued to the investor as a distribution in respect of those units on the early redemption date.
- 9.4 A redemption request must not be given if the redemption of the number of units specified in the redemption request would result in the investor holding fewer units in the class that have the same scheduled redemption date than are required to enable the early redemption fee arising from the early redemption to be set-off in full against the next distribution that is payable to the investor.
- 9.5 If an investor gives a redemption request in respect of some only (and not all) of the units held in a class that have the same scheduled redemption date by the investor:
- any entitlement to additional units that has accrued on the units that are redeemed early will be distributed to the investor on the next Distribution Date and not on the date of redemption; and
 - the early redemption fee that arises on the early redemption of the units will be deducted from the distribution that is payable to the investor on the next Distribution Date.
- 9.6 A redemption request may not be revoked.

Redemptions by the Manager

- 9.7 If an investor at any time holds fewer units in a class than the minimum amount, or more units than the maximum amount, the Manager may redeem units in the class held by the investor so that:
- in the case of an investor holding fewer units than the minimum amount, the entire investment of the investor in the class is redeemed; and
 - in the case of an investor holding more units than the maximum amount, the investment of the investor in the class is reduced to the maximum amount.
- 9.8 The early redemption fee described in the section above headed "What are the charges?" may be charged if units are redeemed by the Manager in either of these circumstances.
- 9.9 If the Manager exercises its powers described above and procures the early redemption of a unit, the Manager shall determine the Net Redemption Amount (being the Redemption Amount for the unit less the early redemption fee arising from the early redemption of the unit) of that unit and the Manager may, at its discretion, either:
- (a) pay the Net Redemption Amount to the investor; or
 - (b) reinvest the Net Redemption Amount by subscribing, on behalf of the investor, for a unit of any other class then on offer with a term to maturity that is closest to the remaining term that applied to the unit redeemed, provided that if there are two or more units on offer with the same term to maturity, the Manager will select the unit of the class with the highest specified rate of return.

Sale of units in the Fund

- 9.10 An investor may sell the units he or she holds in a class of the Fund. Any sale of units in a class of the Fund must be made in accordance with the Trust Deed. The Manager may decline to register a transfer of units in a class of the Fund for the reasons set out in the Trust Deed. In the Manager's opinion, there is no established market for such sales.
- 9.11 Under the Trust Deed, if the Manager receives an instrument of transfer the Manager will effect the transfer by:
- (a) cancelling without payment to the transferor the number of units sought to be transferred (less any units cancelled or redeemed for tax reasons); and
 - (b) issuing to the transferee the same number of units as are cancelled.
- 9.12 Before the transfer can be effected, the transferee must either be a Unit Holder or have presented a signed and completed application form at a branch of The National Bank in relation to the transfer.

- 9.13 If an instrument of transfer is given in respect of all units held by an investor, it shall be deemed to apply also to all additional units (if any) that will be issued to the investor as a distribution on the date of transfer.
- 9.14 The Manager shall determine the number of such additional units (if any) in the same manner as if the investor withdrew all of his or her units in the Fund, in the manner described in the section headed "What returns will I get?". No charges are payable to the Manager on the sale of units in the Fund.

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

- 10.1 Inquiries in relation to the Fund may be made to:
- The Product Manager, National Bank Term Fund ANZ Investment Services (New Zealand) Limited
 c/- National Bank Products
 Level 5, National Bank House
 170–186 Featherston Street
 PO Box 781
 Wellington 6011
 Telephone: 0800 801 188
 Fax: 0800 462 872

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

- 11.1 The Manager is bound by the Code of Banking Practice. If you have a complaint about the Fund please follow the Manager's internal complaints procedure. Details of the Manager's internal complaints procedure and the Code of Banking Practice are available from any branch of The National Bank. Complaints about the Fund can be made at www.nationalbank.co.nz, or to:
- The Product Manager, National Bank Term Fund ANZ Investment Services (New Zealand) Limited
 c/- National Bank Products
 Level 5, National Bank House
 170–186 Featherston Street
 PO Box 781
 Wellington 6011
 Telephone: 0800 801 188
- 11.2 If you are not satisfied with the outcome of your complaint to the Manager, you can contact the Trustee at:

Trustee

The Manager
 Corporate Trusts
 The New Zealand Guardian Trust Company Limited
 Level 3, Guardian Trust House
 15 Willeston Street
 PO Box 913
 Wellington 6011
 Telephone: (04) 495 7914

- 11.3 If you have followed the Manager's internal complaints procedure and you are dissatisfied with the Manager's decision you may refer your complaint to:

The Office of the Banking Ombudsman
109-111 Featherston Street
PO Box 10-573
Wellington 6011
Telephone: 0800 805 950

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

- 12.1 A copy of the application form for the Fund is available from any branch of The National Bank.
- 12.2 A copy of the most recent financial statements of the Fund, together with a summary of amendments made to the Trust Deed for the Fund during the financial year, will be sent to investors annually. The Manager will provide to each investor a statement containing details of income allocated to the investor and tax paid by the Fund in respect of that income shortly after the end of each tax year.
- 12.3 Other information about the Fund and the Manager is contained in the Trust Deed for the Fund, the registered prospectus for the Fund and in the financial statements of the Fund.
- 12.4 A copy of the Trust Deed for the Fund, the registered prospectus for the Fund and the most recent financial statements of the Fund can be obtained on request and free of charge from the Manager by contacting the General Manager, National Bank Term Fund, c/- National Bank Products, Level 5, National Bank House, 170 –186 Featherston Street, PO Box 781, Wellington 6011 during normal business hours.
- 12.5 The Trust Deed for the Fund, the registered prospectus for the Fund, the most recent financial statements for the Fund and other documents of or relating to the Manager and the Fund are filed on a public register at the Companies Office of the Ministry for Economic Development and are available for public inspection on the Companies Office website at www.business.govt.nz/companies. Where relevant documents are not available on the Companies Office website, a request for the documents can be made by contacting the Companies Office on 0508 266 726.
- 12.6 Investors in the Fund may request from the Manager the following documents:
- a copy of the most recent financial statements of the Fund;
 - a copy of the Trust Deed for the Fund and the registered prospectus for the Fund; and
 - a written statement of their unit holding.
- 12.7 Those documents will be provided free of charge. A request for those documents should be made to the General Manager, National Bank Term Fund, c/- National Bank Products, Level 5, National Bank House, 170 –186 Featherston Street, PO Box 781, Wellington 6011.

13. Your personal information

- 13.1 Both ANZ National Bank Limited and ANZ Investment Services (New Zealand) Limited (as Manager of the Fund) take your privacy very seriously. Information you provide to ANZ National Bank Limited or the Manager will be kept strictly confidential and will be securely held by ANZ National Bank Limited, the Manager and/or by related companies. You have a right to access the information by calling ANZ National Bank Limited on 0800 801 188 or enquiring at any National Bank branch and you may also request that it be corrected. A fee may be payable.
- 13.2 ANZ National Bank Limited and the Manager will make every effort to keep your personal information up to date. To assist them, please let them know of any changes in your personal details, such as your address.
- 13.3 How ANZ National Bank Limited or the Manager use your information will depend on the purposes for which that information was collected. Generally ANZ National Bank Limited and the Manager may use this information to:
- consider your application for facilities, investments, products or services;
 - administer, manage and monitor any facilities, investments, products or services provided to you;
 - conduct market research, data processing and statistical analysis; and
 - unless you disagree, provide you with information about other facilities, investments, products or services including certain third party products or services.

- 13.4 ANZ National Bank Limited and the Manager may disclose information about you to the Trustee (The New Zealand Guardian Trust Company Limited), any of ANZ National Bank Limited's related companies, and their agents or contractors for the above purposes. ANZ National Bank Limited and the Manager may disclose information from time to time to your authorised financial adviser and/or financial advisory firm.
- 13.5 ANZ National Bank Limited and the Manager may use your personal information for the purpose of data matching and in doing so may collect information about you. 'Data matching' is the process of comparing your personal information with publicly available information and/or with information held by a reputable entity which ANZ National Bank Limited or the Manager has an ongoing relationship with, in order to better enable them to carry out any of the above purposes.
- 13.6 ANZ National Bank Limited and the Manager may disclose your information to carefully selected third parties for the purposes of data matching, provided those third parties are subject to an obligation of confidentiality.
- 13.7 ANZ National Bank Limited and the Manager may obtain information and make such enquiries about you as it may consider warranted from any source including from any of ANZ National Bank Limited's related companies.
- 13.8 ANZ National Bank Limited and the Manager may disclose information about your investment to anyone we have agreed can operate your investment, whether or not this is subject to certain restrictions (for example, you must sign jointly with them).
- 13.9 If you are under 18 years old, ANZ National Bank Limited and the Manager may contact your parent(s)/guardian(s) to disclose, or to collect, information about you that will help ANZ National Bank Limited or the Manager contact you, or to obtain repayment of any amount you owe to it.
- 13.10 The security standards of ANZ National Bank Limited and the Manager are maintained and their technology regularly updated to provide protection for the information they hold. Neither sells, publishes or gives away your information.
- 13.11 Certain laws also require ANZ National Bank Limited and the Manager to disclose your information on request, for example the Tax Administration Act 1994. If ANZ National Bank Limited or the Manager receives a request from certain agencies to release your information, it may not be able to tell you that the request has been received. ANZ National Bank Limited and the Manager may also disclose information to the police, certain government agencies or other financial institutions where it reasonably believes that the disclosure will assist in the investigation, detection and/or prevention of fraud or other criminal offences, such as money laundering. ANZ National Bank Limited and its related companies are subject to anti-money laundering and terrorist financing legislation in force in New Zealand, Australia and other countries. You agree to provide all information to ANZ National Bank Limited or any of its related companies which is reasonably required to comply with these laws. Anti-money laundering and terrorist financing legislation in force in New Zealand, Australia and other countries may also prohibit ANZ National Bank Limited and the Manager from entering or concluding transactions which involve certain countries, persons or entities. As a result, you agree that ANZ National Bank Limited or any of its related companies may:
- delay or block any transaction, or refuse to pay any money, without incurring any liability; or
 - disclose any information concerning you or the transaction to the New Zealand Police or Australian Federal Police or any relevant authority in any country in order to ascertain whether the laws in that country apply to a transaction or otherwise in compliance with those laws that aim to prevent or detect terrorist financing or money laundering, in the reasonable belief that the transaction may contravene those laws, and it will not incur any liability to you as a result of that action.
- 13.12 In this clause, 'money laundering' includes any dealing with the proceeds of criminal activity and any dealing with funds or assets of any person or entity suspected of involvement in terrorism or any terrorist act.



The National Bank
of New Zealand

THE NATIONAL BANK OF NEW ZEALAND, PART OF ANZ NATIONAL BANK LIMITED.

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