

The logo for Kiwi Wealth, featuring the text "Kiwi Wealth." in white on a dark green square background.

Kiwi
Wealth.™



Investment Statement

Dated 16 October 2012

Contents

1. Important Information	1
2. What is KiwiSaver?	3
Who can join KiwiSaver?	3
What are the benefits of joining?	3
How do I join?	3
How much do I need to save?	4
When can I get my money out?	4
3. What you can expect from the Gareth Morgan KiwiSaver Scheme?	4
Comprehensive online reports	4
Personal service and regular communication	5
A real Kiwi company	5
How we invest your money	5
4. What is the right investment direction for me?	6
5. Answers to important questions	8
What sort of investment is this?	8
Who is involved in providing it for me?	11
How much do I pay?	12
What are the charges?	16
What returns will I get?	18
What are my risks?	25
Can the investment be altered?	27
How do I cash in my investment?	29
Who do I contact with inquiries about my investment?	30
Is there anyone to whom I can complain if I have problems with my investment?	31
What other information can I obtain about this investment?	32

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:

Who is involved in providing it for me?	11
How much do I pay?	12
What are the charges?	16
What returns will I get?	18
What are my risks?	25
Can the investment be altered?	27
How do I cash in my investment?	29
Who do I contact with inquiries about my investment?	30
Is there anyone to whom I can complain if I have problems with the investment?	31

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.

The Financial Markets Authority regulates conduct in financial markets

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

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

Financial advisers can help you make investment decisions

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

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

When seeking or receiving financial advice, you should check:

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

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have. Financial advisers must have a complaints process in place and they, or the financial service provider they work for, must belong to a dispute resolution scheme if they

provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

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

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

Gareth Morgan KiwiSaver Limited, the manager of the Gareth Morgan KiwiSaver Scheme, (**Manager, we, us or our**) is a related company of Kiwibank Limited.

Investments made in the Gareth Morgan KiwiSaver Scheme do not represent bank deposits or other liabilities of Kiwibank Limited, New Zealand Post Limited or any other member of the New Zealand Post Group. They are subject to investment and other risks, including possible delays in payment of withdrawal amounts in some circumstances, and loss of investment value. No person, including Kiwibank Limited, New Zealand Post Limited or any other member of the New Zealand Post Group, Gareth Morgan KiwiSaver Limited, Public Trust as the trustee of the Gareth Morgan KiwiSaver Scheme (**Trustee**) or any of their respective directors, or the New Zealand Government guarantees the repayment of members' interests in the Gareth Morgan KiwiSaver Scheme or the payment of any earnings or returns on investment in the Gareth Morgan KiwiSaver Scheme.

This document is an investment statement for the purposes of the Securities Act 1978 (**Investment Statement**).

Prospectus

A registered prospectus containing the offer of securities to which this Investment Statement relates is available free of charge on request and from our website: www.gmk.co.nz

Acquisition of Gareth Morgan Investments Limited Partnership

Earlier this year Gareth Morgan Investments Limited Partnership, Gareth Morgan KiwiSaver Limited and Portfolio Custodial Nominees Limited became owned by Kiwi Wealth Management Limited. Kiwi Wealth Management Limited is a wholly owned subsidiary of Kiwi Group Holdings Limited (the ultimate holding company of which is NZ Post Limited (**NZ Post**)). Kiwi Group Holdings Limited also owns Kiwibank Limited.

At that time, Paul Robert Brock and Stuart Lindsay Bremner became directors of Gareth Morgan KiwiSaver Limited in place of Charles Andrea Purcell and Samuel Gareth Morgan.

If you want to know more about the sale, please contact us using the details set out under the heading "Who do I contact with inquiries about my investment?".

2. What is KiwiSaver?

KiwiSaver is a voluntary savings scheme designed to encourage New Zealanders to save for retirement. You may also be able to use KiwiSaver to save for your first home.

Who can join KiwiSaver?

Most Kiwis can join and benefit from KiwiSaver. You don't need to be working to join, but you do need to be:

- under 65 years old
- a New Zealand citizen or entitled to live in New Zealand indefinitely
- living in New Zealand or normally living here.

What are the benefits of joining?

There are a range of benefits to encourage you to get saving:

The benefits shown in the table below are correct as at the date of this Investment Statement. Conditions apply to some benefits and not all KiwiSaver scheme members in the relevant categories will qualify. Benefits could change in the future. See www.kiwisaver.govt.nz for current information.

How do I join?

- **Employees** can opt-in to KiwiSaver through their employer, or by signing up with a KiwiSaver provider.
- **New employees** are automatically enrolled in KiwiSaver through their employer, and have up to 8 weeks to opt out.
- **People who are self employed or not employed** can join by signing up with a KiwiSaver provider.
- **The parents or guardians of an under 18 year old** can sign them up with a KiwiSaver provider.

	Benefits	Employees	Self-employed	Not working	Under 18s	See page
\$1,000	Government kick-start	✓	✓	✓	✓	15
2%*	Compulsory employer contribution	✓	✗	✗	✗	12
Up to \$521.43 /year	Member tax credits	✓	✓	✓	✗	15
Up to \$5,000	First home subsidy**	✓	✓	✓	✗	24

Get the details about joining in the section headed "Membership of GMK".

* As at the date of this Investment Statement the minimum compulsory employer and employee contribution rate is 2% of your gross salary or wage but it will increase to 3% from 1 April 2013 if legislation is passed as currently drafted. The compulsory employer contribution is subject to ESCT (employer superannuation contribution tax).

** Offered by Housing New Zealand, please see www.hnzc.govt.nz

How much do I need to save?

- If you are an employee you can currently choose to contribute 2%, 4% or 8%* of your gross wage or salary. If you have been in KiwiSaver for 12 months you can apply to Inland Revenue to go on a contributions holiday.
- If you are not an employee you can choose how much and how often you contribute.
- You can also make additional, voluntary contributions.

Get the details about contribution rates in the section headed "How much do I pay?".

When can I get my money out?

You can withdraw from your KiwiSaver account:

- when you reach the later of the age of eligibility for New Zealand Superannuation (currently 65) or the date on which you have been a member of a KiwiSaver scheme and/or a complying superannuation fund for 5 years.
- if you are going to buy your first home, you may be eligible to withdraw some of your KiwiSaver savings to put towards it.
- if you meet early withdrawal criteria, you may be able to access some of the money in your KiwiSaver account earlier.

Get the details about withdrawals in the section headed "Withdrawals Permitted under the KiwiSaver Act".

3. What you can expect from the Gareth Morgan KiwiSaver Scheme?

Comprehensive online reports

With the Gareth Morgan KiwiSaver Scheme (GMK), you get secure, online access to your KiwiSaver account information, whenever you want. With our online reports you can:

- **see all the contributions going into your account.** Every cent, every day. Where the contributions came from and when.
- **see where your money is invested.** Whether it's shares, fixed interest investments, managed funds, or currencies, the reports show exact quantities, valued every month.
- **see the fee we charge you.** We charge a fee of up to 1% of your member account balance per year, to cover our costs for managing and administering your savings.
- **see how your savings are performing** every month.

This level of information means you can independently verify the value of your KiwiSaver investment each month.

We can also text you your balance every month.

If you are also a Kiwibank customer, you can access your GMK reports through Kiwibank's internet banking service.

* As at the date of this Investment Statement the minimum compulsory employer and employee contribution rate is 2% of your gross salary or wage but it will increase to 3% from 1 April 2013 if legislation is passed as currently drafted. The compulsory employer contribution is subject to ESCT (employer superannuation contribution tax).

Personal service and regular communication

We believe the best customer service is based on direct communication.

- We personally answer your phone calls and emails.
- Our Member Services team can chat with you online via our website.
- We communicate with you every month by email, with news and information about what's going on in GMK and the investment markets.

A real Kiwi company

We are 100% Kiwi owned and operated. Our ultimate holding company is NZ Post, which is wholly owned by the New Zealand Government.

How we invest your money

Your member account can include shares, fixed interest investments, managed funds and currencies. The exact investments in your member account will depend on the investment direction you have chosen. See section 4 for more information on choosing your investment direction.

Gareth Morgan Investments Limited Partnership (GMILP) is the investment manager of GMK.

How does GMILP approach investing your savings?

Protecting your savings is GMILP's top priority. This means it puts a high value on:

- Diversification – investing your savings across a large number of assets, sectors, countries and industries, so if one fails you lose a button, not your shirt.
- Liquidity – being able to sell investments in a timely manner without adversely affecting their price.

GMILP invests for the long term. It doesn't take big punts, or chase the latest investment fad.

GMILP is a global investor. It favours global markets because New Zealanders tend to have most of their wealth invested locally already – mainly through their homes and their jobs. Another reason is that the New Zealand and Australian sharemarkets are very small – around only 4% of the world's markets.

GMILP is an active manager. Its investment decisions place most emphasis on determining where the economic and investment cycle is likely to head and adjusting the allocation of shares, fixed interest and cash accordingly.

Get the details about GMK's investment portfolios in section 5.

How to transfer to the Gareth Morgan KiwiSaver Scheme

It is easy to transfer to GMK from another KiwiSaver scheme.

Step 1

Read this Investment Statement and make sure you understand how GMK works. If you have any questions, you can contact us. Our contact details can be found in the section headed "Who do I contact with inquiries about my investment?".

Step 2

Enrol in GMK;

- via the GMK website www.gmk.co.nz; or
- via Kiwibank internet banking (if you are already a Kiwibank customer); or
- by completing the application form at the back of this Investment Statement and visiting your local Kiwibank or sending it to us at:

Gareth Morgan KiwiSaver Limited
Freepost 210729
PO Box 10068
Wellington 6143

Leave the rest to us!

When we receive your application form we will notify Inland Revenue so that further contributions come directly to GMK.

We will also contact your existing KiwiSaver provider and arrange the transfer of your funds. We will send you a confirmation of transfer when it is all sorted. And the best part? We do not charge a fee for arranging the transfer!

4. What is the right investment direction for me?

One of the things that will help you answer this question is having an understanding of the level of investment risk you are willing to take with your investments. It's important to remember that all investments have some degree of risk. You can find information about the risks associated with investing in GMK by referring to the section "What are my risks?" in section 5.

Another important factor is your investment timeframe. If you have a relatively short investment timeframe, you might prefer a more conservative investment direction.

To help you work out what investment direction to choose, please answer the following questions. There are no right or wrong answers. Add up your points to see which investment portfolio matches your total and may best suit you.

Using KiwiSaver to save for your first home?

The most suitable investment direction will depend on when you will need to withdraw your money. Here's a rough guide:

Now	12 Months	3 years
Cash	CashPlus	Conservative

Using KiwiSaver to save for your retirement?

1. How long before you will need to withdraw your funds?	
	points
a) Less than 12 months	0
b) 1-3 years	2
c) 3-10 years	5
d) 10 years plus	7

2. Which statement best describes how you feel about your KiwiSaver account as an investment for retirement?	
	points
a) I'm less concerned with how much my savings grow; just don't lose the money I've put in.	0
b) I accept that my account may drop in value on the odd occasion but would expect it to grow slowly and steadily.	1
c) I am more concerned with growing my savings and I can accept monthly gains and losses in my account value but I would feel very uneasy if I didn't recover any significant losses within a couple of years.	2
d) I don't really care about what happens to my account month to month, or year to year. I just want it to grow as much as it can over the next 10-15 years.	3

3. Here are some examples of how much a long-term investment can rise and fall over a single year. Which range of returns would you feel most comfortable with?



4. Add up your points to see which investment portfolio matches your total:

0	1	2	3	4	5	6	7	8	9	10	11	12	13
Cash		CashPlus		Conservative		Balanced		Growth					

Also, don't forget this questionnaire is just a guide; it doesn't take into account your personal circumstances. The information contained in this questionnaire is based on pre-defined characteristics (e.g. years to retirement at age 65 and attitude towards risk). Read the descriptions of all the investment portfolios and see which sounds most like you, or whether a combination of the investment portfolios might suit you better.

You may also want to consider other investments you have outside KiwiSaver and how these might affect the investment direction you choose. If you need more help in determining your investment direction, taking into account your personal circumstances, you should contact an authorised financial adviser.

An overview of our investment portfolios
Following is a brief description of each investment portfolio. You can choose one or a combination of them in your investment direction.

Cash

The Cash investment portfolio holds 100% in cash – no shares or fixed interest assets. This type of investment portfolio is generally more suitable for people with essentially no tolerance for risk or declines in the value of their member account and who may want to draw on their investment in the next 12 months.

CashPlus

The CashPlus investment portfolio holds up to 60% in fixed interest assets. The balance of this investment portfolio is held in cash. There are no shares. This type of investment portfolio is generally more suitable for people with a short investment timeframe (one to two years) or those who are more risk averse and have minimal tolerance for declines in the value of their member account.

Conservative

The Conservative investment portfolio holds up to 20% in shares with the balance invested in a combination of cash and fixed interest assets. This type of investment portfolio is generally more suitable for people with a short investment timeframe (one to five years) or those who are risk averse and who can tolerate the occasional decline in the value of their member account.

Balanced

The Balanced investment portfolio holds up to 70% in shares, with the balance in cash and fixed interest assets. This type of investment portfolio is generally more suitable for investors with a medium-term investment timeframe (five to ten years) or those who have a moderate appetite for risk and tolerance for declines in the value of their member account.

Growth

The Growth investment portfolio can hold up to 100% in shares (but will usually have a proportion invested in fixed interest and cash assets). This type of investment portfolio is generally more suitable for investors with a longer investment timeframe (in excess of ten years) and who have a greater tolerance for declines in the value of their member account.

The Balanced investment portfolio is the default investment portfolio (**Default Investment Portfolio**). More information about the investment portfolios and what assets we classify as cash, fixed interest and shares can be found in the GMK prospectus.

We encourage you to obtain advice from an authorised financial adviser prior to investing in an investment.

5. Answers to important questions

What sort of investment is this?

GMK is a registered KiwiSaver scheme designed for long-term savings, which enables you and other members to attain the benefits of professional investment management.

You are entitled to make withdrawals from GMK in certain circumstances – see the heading "What returns will I get?". The value of these withdrawals is determined by the contributions you (and, if applicable, your employer and the New Zealand Government) make to GMK, together with any investment earnings (less any fees, costs and taxes).

Membership of GMK

You can apply to join GMK by filling out the application form enclosed with this Investment Statement, available online at www.gmk.co.nz or, if your employer has selected GMK as its Employer's Chosen Scheme, you will have been allocated to GMK pursuant to the KiwiSaver Act 2006 (**KiwiSaver Act**).

If you haven't previously joined KiwiSaver and start a new job where your employer has selected GMK as its chosen scheme, you will become a member of GMK unless you actively choose another KiwiSaver Scheme provider within three months of joining KiwiSaver. You may also choose to opt out of KiwiSaver at any time from the 13th day to the 55th day after starting the new employment. To opt out, you must give an opt out notice to either your employer or Inland Revenue in the form of the opt out notice contained in your KiwiSaver information pack, or in any other form acceptable to Inland Revenue.

You can also apply to join GMK through Kiwibank by completing the application form enclosed with this Investment Statement and dropping it into your local Kiwibank, calling the Kiwibank contact centre on 0800 113 355 or by visiting the Kiwibank website online at www.kiwibank.co.nz. Kiwibank is a distributor of GMK, under a distribution agreement with us.

If you join GMK through Kiwibank you will have access to Kiwibank services, such as internet banking, and will be bound by

Kiwibank's General Terms and Conditions which are available on Kiwibank's website at www.kiwibank.co.nz or at your local Kiwibank.

If you don't join GMK through Kiwibank but are an existing Kiwibank customer, you can sign an authorisation form allowing GMK to share your member account information with Kiwibank. The authorisation form to share your member account information is available from your local Kiwibank, on Kiwibank's website or from the Kiwibank contact centre.

More information about joining is available in the GMK prospectus.

Investment direction

Once your application has been accepted, any contributions made to GMK by you or on your behalf are credited to an account in your name (**member account**) after they have been paid to GMK's trust account. You can choose one or more of the investment portfolios described in section 4 to invest your contributions in (**investment direction**) when you complete the application form.

You can choose a combination of investment portfolios in your investment direction. You need to state on the application form what percentage of your contributions you want to invest in each investment portfolio in multiples of 5%, and your total investment direction must add up to 100%.

If you don't give us a valid investment direction, your contributions (or any unallocated percentage) will be invested in the Default Investment Portfolio. For example if your investment direction only adds up to 95%, the remaining 5% will be invested in the Default Investment Portfolio. If you don't provide an investment direction at all, we will invest all of your contributions in the Default Investment Portfolio.

Further details on the investment guidelines are available on our website at www.gmk.co.nz

More information about the investment portfolios is contained in GMK's prospectus.

GMILP may, as permitted by the investment guidelines agreed between us and the Trustee, use derivatives in any (or all) of GMK's investment portfolios. See the heading "What are my risks?" for information about derivatives and the associated risks.

More information about derivatives is also contained in GMK's prospectus.

Investment objective

We aim to deliver returns in GMK that, over the medium term and after taking account of all fees and taxes, exceed an appropriate benchmark. We also aim to deliver those returns with lower volatility (i.e. less risk) than the benchmark. For more detail on benchmarks please see our website: www.gmk.co.nz

Investment strategy

We set asset allocation ranges for each investment portfolio that determine the proportion of each asset group in each investment portfolio. The asset allocation ranges for each investment portfolio reflect the risk profile of that investment portfolio – so the Conservative investment portfolio has a lower allocation to shares than the Growth investment portfolio, for example.

GMILP determines how much weighting to give to different asset groups within the asset allocation ranges, factoring in market conditions and outlook.

Investment philosophy

GMILP sees its role as protecting and enhancing your savings. GMILP considers diversification and liquidity as essential to achieving this.

Diversification means your contributions are invested across a large number of assets, sectors, countries and industries to limit your investment risk.

Liquidity means that assets can be sold quickly without having an adverse effect on the price of those assets. GMILP takes reasonable care to ensure it can enter and exit securities within a reasonable timeframe.

Investment style

GMILP is an active investment manager. GMILP believes that asset allocation is the biggest factor influencing investment returns over the long term. To protect and enhance wealth, GMILP may significantly adjust asset allocation within the asset allocation ranges of each investment portfolio.

GMILP is a global investor. GMILP chooses to invest the share component of the investment portfolios predominantly in global companies on world share markets.

Investment selection

GMILP is responsible for making decisions about the asset allocation for each investment portfolio and selecting the individual assets in each asset group. When selecting investments, GMILP considers, among other things, liquidity, tax efficiency, transparency, cost, potential returns and risks.

For more information on our investment guidelines, investment objectives, investment strategy, investment philosophy and investment style you can refer to GMK's prospectus or you can visit the GMK website: www.gmk.co.nz

The GMK investment cycle

Your contributions are made into the GMK trust account and are linked to your member account. These contributions remain in GMK's trust account and earn interest until the end of the month in which they were made. At the end of each month, your contributions are transferred to the investment portfolios you chose in your investment direction. A residual amount is retained in the GMK trust account to pay your fees and taxes.

Investing contributions according to your investment direction will normally be completed by the middle of the month following receipt of the contributions, but we have full discretion over the timing of the investments within each month and the proportion of contributions that will continue to be held in cash. Therefore in the extreme case, contributions received on the 1st of the month may not actually be invested until the last day of the following month.

Requests to transfer funds out of GMK or to amend an investment direction are also processed in accordance with GMK's investment cycle.

Reporting

As a member of GMK, you have access to online reporting. Your online reports show contributions to your member account and how your interest in GMK relates to the underlying assets of GMK. Each month we update the investment returns for your member account, the fees and taxes you pay and provide an investment strategy review and commentary. If you join GMK through Kiwibank or you are a Kiwibank customer you can access some of your reports through Kiwibank's internet banking service.

Who is involved in providing it for me?

GMK's full name is the Gareth Morgan KiwiSaver Scheme. GMK is a defined contribution KiwiSaver scheme which is currently governed by a trust deed dated 13 September 2012 (**Trust Deed**). GMK was registered as a KiwiSaver scheme under the KiwiSaver Act on 27 April 2007.

The Manager and promoter

Gareth Morgan KiwiSaver Limited is the manager and promoter of GMK. We are responsible for offering membership in GMK, accepting applications and allocating interests in GMK to members, managing GMK's assets and administering GMK. We have delegated the investment management functions (i.e. managing GMK's assets) to GMILP under an investment management agreement.

The Directors of the Manager are:

Paul Robert Brock, Wellington;
Stuart Lindsay Bremner, Auckland;
Gareth Huw Thomas Morgan, Wellington;
and Andrew Masters Gawith, Wellington.

You can contact us, any of our Directors and GMILP at the following address:

Postal address:

Gareth Morgan KiwiSaver Limited
Freepost 210729
PO Box 10068
Wellington 6143

Physical address:

Gareth Morgan KiwiSaver Limited
Level 10, 109 Featherston Street
Wellington 6011

Director and address details, as referred to above, may change at any time. Please contact us for current details.

The Trustee

Public Trust is the trustee of GMK. The Trustee is responsible for the custody of GMK's assets, and supervising the performance of our functions under the Trust Deed and all relevant law. At the date of this Investment Statement, the Trustee has delegated custody of GMK's assets to JBWere (NZ) Nominees Limited (**the custodian**), but retains primary responsibility for ensuring GMK's assets are safely held.

On 17 September 2012, the Trustee was granted a licence pursuant to the Securities Trustees and Statutory Supervisors Act 2011. Full details and conditions which apply in respect of the licence can be found on <http://www.publictrust.co.nz/corporate-trustee-services/who-are-we>

The Trustee can be contacted at the following address:

Postal address:

Public Trust
PO Box 5067
Wellington 6145

Physical address:

Public Trust
Level 10, 141 Willis Street
Wellington 6011

The address details of the Trustee may change at any time. Please contact us for current details.

Responsible Investment Policy

Responsible investment, including environmental, social and governance considerations, is taken into account in the investment policies and procedures for GMK. Information about the extent to which responsible investment is taken into account in those policies and procedures and further information about the investment policies and procedures for GMK can be found on our website at www.gmk.co.nz. This information is publicly accessible at all reasonable times and available from us (free of charge) upon request.

How much do I pay?

How much do I contribute?

The amount that you contribute to GMK depends on whether you contribute to GMK directly, or if your contributions are deducted from your salary or wages by your employer and paid to GMK via Inland Revenue.

Compulsory employer contributions

If you are an employee your contribution will be either the minimum contribution rate of 2%, or 4% or 8% of your pre-tax (gross) salary or wages, as chosen by you (**compulsory employer contributions**), deducted by your employer from your after-tax salary or wages. Your employer will pay that amount to Inland Revenue to pass on to GMK. If you join KiwiSaver when you start a new job and don't tell your employer what rate you want to contribute at, the minimum contribution rate will apply.

Contribution rates are determined by legislation and are subject to change. At the date of this Investment Statement the minimum employee contribution rate is 2% but will increase to 3% from 1 April 2013 if legislation is enacted as drafted.

You don't have to make these contributions if you have been granted a contributions holiday by the Commissioner of Inland Revenue. For information on applying for a contributions holiday please refer to the section on contributions – see the heading "Can the investment be altered?".

Gross salary or wages has the meaning given to it in the KiwiSaver Act. In summary "gross salary or wages" includes most taxable payments of salary or wages that your employer pays to you and includes overtime and bonuses but does not include any redundancy payments.

All contributions that Inland Revenue receives for you during the three-month period after the earlier of the date Inland Revenue receives your first KiwiSaver contribution, or otherwise knows that you have joined KiwiSaver, will generally be forwarded to GMK as soon as practicable after the end of that three-month period. During this three-month period Inland Revenue will hold those contributions in its holding account and it will accumulate interest at the Commissioner's rate. The three-month period may be extended until the amount contributed meets the minimum threshold amount agreed between us and Inland Revenue.

Compulsory employer contributions

Employers must make contributions to their employees' KiwiSaver schemes, subject to certain exceptions. The rate of compulsory employer contributions is currently 2% of the employee's gross salary or wages. The rate of compulsory employer contributions will rise to 3% from 1 April 2013 if legislation is enacted as drafted.

All employer contributions to GMK must be paid through Inland Revenue. Employer contribution rates are determined by legislation and are subject to change.

For the purposes of calculating compulsory employer contributions, the definition of an employee's gross salary or wages excludes ACC and weekly compensation payments, paid parental leave payments and redundancy payments.

Employer contributions do not count towards your contribution rate.

If you are currently a member of a superannuation scheme offered by your employer that was registered before 17 May 2007 and expires after 1 April 2008 (or could join such a scheme under a collective agreement that was in force before 17 May 2007 and expires after 1 April 2008), any contributions required by your employer to that scheme may count towards the compulsory employer contributions required for GMK to the extent that they vest in you by the end of the first five years of your membership in that scheme.

Compulsory employer contributions may be split between GMK and a complying superannuation fund (as defined in the KiwiSaver Act) if you agree this with your employer, under current legislation and subject to certain conditions. If you do not agree the proportion in which your employer's compulsory contributions will be split, they will be allocated first to your KiwiSaver scheme (up to the minimum requirement under the KiwiSaver Act) with the remainder then allocated to your complying superannuation fund.

Voluntary contributions through Inland Revenue

Anyone (except your employer), may at any time pay contributions for you to Inland Revenue, who will then forward those contributions through to GMK, by:

- using the "Pay Tax" option on your bank's internet banking facility;
- sending a cheque to Inland Revenue made out to Inland Revenue Department; or
- paying over the counter at a Westpac Bank branch.

When contributing via Inland Revenue, the contribution must be accompanied by your name, address, tax file number (**IRD number**), using the tax type reference KSS and any other information that Inland Revenue requires.

Voluntary contributions through GMK

If you are not employed, or you would like to make voluntary contributions directly to GMK, you can do so in the following ways:

- by direct debit payment to GMK's bank account; or
- by lump sum contribution by cheque.

If you are contributing by any of these methods, the contributions must be at least \$20 (New Zealand dollars only) and accompanied by your IRD number. If you do not include your IRD number, we may not be able to process your payment and credit your member account.

We may increase or reduce minimum contribution amounts (currently \$20), and will notify affected members of any change to minimum contribution amounts at least one month before the new minimum contribution amount becomes effective. Voluntary contributions will not give rise to any additional contribution entitlements from your employer.

Direct debit payment

If you want to contribute by direct debit from your bank account, you need to complete the direct debit form enclosed with this Investment Statement (including your IRD number) and send it to us with your application form. If you later choose to start contributing by direct debit, you can contact us for a direct debit form or obtain it from our website www.gmk.co.nz. If you would like to alter, stop or recommence your direct debit payment, you may do so at any time by giving us written notice (subject to 10 business days' notice). If you alter your direct debit payment please ensure the minimum direct debit contribution amount applicable at the date of the alteration is met.

Payment by cheque

To contribute by cheque, make your cheque out to the **Gareth Morgan KiwiSaver Scheme Trust** and send it to:

Gareth Morgan KiwiSaver Scheme
C/- Gareth Morgan KiwiSaver Limited
Freepost 210729
PO Box 10068
Wellington 6143

Voluntary contributions through Kiwibank

If you join GMK through Kiwibank or are a Kiwibank customer, you will be able to make voluntary contributions to GMK in the following ways (all subject to meeting the minimum \$20 contribution amount):

- by cash deposit at your local Kiwibank; or
- through Kiwibank internet banking.

Contributions by cash deposit must be accompanied by your Kiwibank Access Number (a unique Kiwibank customer number) otherwise Kiwibank may not be able to accept your contribution and pass it to GMK.

These services are automatically available to members who sign up to GMK via Kiwibank. If you wish to make use of these services, and haven't joined via Kiwibank but are an existing Kiwibank customer, you can do so by signing an authorisation form which allows GMK to share the details of your member account with Kiwibank. If you use Kiwibank's services you will be bound by Kiwibank's General Terms and Conditions which are available on Kiwibank's website at www.kiwibank.co.nz or at your local Kiwibank.

This authorisation form is available from your local Kiwibank, on Kiwibank's website www.kiwibank.co.nz, or from Kiwibank's contact centre on 0800 113 355. It is also available from GMK's website www.gmk.co.nz or GMK Member Services on 0800 427 384.

If you make contributions through Kiwibank, Kiwibank will hold and reconcile those contributions before passing them on to us. Until those contributions are passed on to us, Kiwibank will hold them in a non-interest bearing account. You will not earn any interest on those contributions for the time they are held by Kiwibank. In normal circumstances, Kiwibank will transfer your contribution to us within 2 business days of receiving your contribution. You should note that any contributions made through Kiwibank that are not paid to GMK by 30 June in each year may not count towards your eligibility for member tax credits. If you have any concerns about contributions being made close to the end of June please contact us about making the contribution directly to us instead.

In our distribution agreement with Kiwibank we have agreed the levels of service that Kiwibank must provide, including agreed processes for receiving and collating contributions for GMK.

Transfers of funds from UK Pension plans to GMK

This summary of the implications of transferring your UK Pension plan funds to GMK is based on our understanding of UK Pension rules as at the date of this Investment Statement. Future changes to those rules could subsequently and adversely affect the treatment of UK Pension plan transfers to GMK and payments from GMK.

GMK is a Qualifying Recognised Overseas Pension Scheme (**QROPS**), accepted by Her Majesty's Revenue and Customs (**HMRC**) as such. This means that transfers from a UK Pension plan to GMK (**UK Transfers**) will not incur HMRC tax charges if the amount transferred is within your remaining UK 'lifetime allowance'. The total UK lifetime allowance is £1.5 million for the 2012/2013 tax year.

If your UK Pension plan contains any guaranteed minimum benefits such as those contained in a defined benefit scheme or a final salary scheme, such guarantees will not apply to any UK Transfers.

If you make a UK Transfer you will only be able to access those funds by making a permitted withdrawal under the KiwiSaver Act.

Important information regarding withdrawals or transfers of UK Transfers from GMK, including potential UK tax implications, is located under the heading entitled "What returns will I get?".

Transferring your UK Pension plan funds to GMK is an important decision. It is recommended that you discuss proposed

transfers with your UK and New Zealand tax advisers as well as your UK pension provider.

We may impose conditions on acceptance of any UK Transfers, subject to compliance with legislation and the Trust Deed. We do not guarantee that GMK will retain QROPS status at all times. If the QROPS status of GMK is lost, your UK tax implications may change in relation to transfers into GMK.

Neither we, nor the Trustee nor any other person involved in providing GMK to you takes any responsibility for any HMRC tax charges that arise as a result of you making a UK Transfer, or of GMK losing its QROPS status.

Crown contribution

If GMK is the first KiwiSaver scheme you join, currently the New Zealand Government will pay an initial contribution of \$1,000 to GMK, which will be credited to your member account. This contribution will be made about three months after the Commissioner of Inland Revenue receives your first contribution to GMK or the Commissioner receives notice of your membership of GMK.

The New Zealand Government will also currently contribute a member tax credit of 50 cents for every dollar you contribute, subject to eligibility, capped at \$521.43 per annum (on member contributions up to \$1,042.86 per annum). In your first year of membership, the amount of member tax credit paid will be in proportion to how much of the year you were a member of KiwiSaver. The member tax credit will be paid annually soon after the end of each member tax credit year (ending 30 June), or at the time you cease to be a member of GMK (except where you transfer to another KiwiSaver scheme). This may change in the future. The member tax credit will not apply if you are under 18, or if you have become entitled to make a withdrawal on the "KiwiSaver end payment date" or, subject to certain limited exceptions, if you do not have

your principal place of residence in New Zealand. The "KiwiSaver end payment date" is the later of the New Zealand superannuation qualification age (currently age 65) or when you have been a member of a KiwiSaver scheme for five years. If you have selected two or more investment portfolios in your investment direction, the member tax credit will be credited proportionately among them.

The initial \$1,000 contribution and any member tax credit paid by the New Zealand Government into your member account is not considered income or a gift to you for tax purposes.

If you also contribute to one or more complying superannuation funds as well as a KiwiSaver scheme, the amount and proportion of your member tax credit received by either scheme will be determined in accordance with Inland Revenue practice.

Crown contributions are prescribed by legislation and are subject to change.

You will cease to be a member of GMK if your member account is zero or negative.

What are the charges?

Member fee

As a member of GMK, you pay a fee that covers the regular ongoing costs and expenses incurred in the management and administration of GMK. This fee is currently up to 1% per annum of your member account balance (subject to a minimum of \$50 per annum), which we calculate and deduct from your member account each month. The amount of the fee you pay may vary (subject to the minimum of \$50 per annum) depending on the fee for each investment portfolio you choose in your investment direction and your member account balance. The fee for each investment portfolio, at the date of this Investment Statement, is set out in the following table.

Investment portfolio	Fee charged per annum
Cash	0.45%
CashPlus	0.7%
Conservative	1.0%
Balanced	1.0%
Growth	1.0%

Under the Trust Deed, we may use our discretion to charge any member, or group of members, fees at a lower rate or amount than is shown in this Investment Statement, or waive or rebate such fees to such members. Where we have, in our discretion, arranged to charge any member or group of members at a lower rate or amount, we will send those members written notification of the lower rate or amount they will be charged before it becomes effective. We may also, with the Trustee's consent and subject to GMK's Trust Deed and the KiwiSaver Act, change the fee structure for any investment portfolio. This includes, but is not limited to, adding, changing or removing any member account balance thresholds at which a member may become eligible to pay a lower fee.

Regular ongoing costs and expenses incurred in the management and administration of GMK (and covered by the fee you pay) include trustee services, administration services, investment management services, registry and custody costs, marketing, auditing, legal, printing and posting. The fee you pay does not include third party costs incurred in the buying and selling of investments in a portfolio, such as brokerage, or any third party charges related to GMK investing in other funds. Costs reasonably incurred by GMK that are not related to the services described above may be deducted from GMK's assets or directly from the member accounts of each member in respect of whom those costs were incurred – see the heading "Other costs, charges and expenses".

The minimum dollar amount for the fee stated above may be indexed by us at the end of every third Scheme Year, using Statistics New Zealand's Consumers Price Index¹. This means that this minimum may increase.

Under the terms of GMK's Trust Deed the current 1% fee limit can be increased up to a maximum of 2%, where we and the Trustee agree to increase the fees to a level that will cover additional costs that arise.

We, the Trustee and the custodian are remunerated for the services each of us perform for GMK out of the fee paid by each member. We pay both the custodian and the Trustee out of the fee we receive from you as described above.

Alteration of fee

Other than as stated above, we and the Trustee have no ability to increase the fee without obtaining the consent of all affected members.

GST

All fees are stated on a GST exclusive basis. Under current law some fees are wholly or partially exempt from GST. If GST is payable on any fee then the GST component is payable in addition to the fee stated. We have agreed with the Trustee that, until further notice, we will pay any required GST on your behalf from the fee we deduct from your member account.

Deductions

The fee stated above is deducted from your member account. We may claim tax deductions in respect of that fee to the extent permitted at law. This means that you may get the indirect benefit of such tax deductions.

Other costs, charges and expenses

Both we and the Trustee are entitled to be reimbursed, in addition to the fee stated above, for all other costs, charges and expenses properly incurred in connection with or in relation to GMK where the following apply:

- the party incurring the cost has consulted with the other party prior to incurring such costs, charges and expenses; and
- a prudent professional trustee or manager (as applicable) would consider it reasonable to incur such costs, charges and expenses in order to comply with its obligations and duties under GMK's Trust Deed and at law.

Neither we nor the Trustee will be reimbursed for any additional regular ongoing costs, charges and expenses incurred in the management and administration of GMK.

Third party costs incurred in the buying and selling of investments in a portfolio such as brokerage and any third party charges related to GMK investing in other funds are a cost of investment and are not included in the fee you pay. For more information refer to the subheading "Investment Costs" under the heading "Factors that may affect returns".

We may deduct the costs, charges and expenses described above from either GMK's assets or directly from the member account of each member in respect of whom those charges are incurred. If such costs, charges or expenses are incurred in respect of two or more members then the costs, charges or expenses will be apportioned between those members on an equitable basis. Subject to the KiwiSaver Act, there is no limit on the amount of expenses that may be recovered from GMK. The amount of such costs, charges or expenses

¹ Under the terms of the Trust Deed, a scheme year means a period commencing on 1 April of one year and ending on 31 March of the next year (**Scheme Year**).

is not known until they are incurred, so a dollar amount or percentage for such charges cannot be notified at the date of this Investment Statement. For further information about how these charges may be calculated or ascertained, please contact us.

We may cash up your investment to meet all fees and costs (including any tax charges).

You may incur bank charges associated with making a UK Transfer, and you may be required to pay any fees that your UK Pension plan charges prior to the transfer of the funds. We do not charge a fee for processing any UK Transfer.

What returns will I get?

Returns from GMK are paid to you in the form of permitted withdrawals. As GMK has been set up under the KiwiSaver Act to help you to save for your retirement, you cannot withdraw funds from your member account until you become eligible to make a withdrawal as set out under the section entitled "Withdrawals permitted under the KiwiSaver Act". When you are entitled to make a withdrawal you may elect to receive up to the full value of your member account.

Factors that may affect returns:

The amount that is in your member account and that you get when making a permitted withdrawal will depend on such factors as:

- the amount you, other persons, your employer (if any) and the New Zealand Government have contributed;
- the amount of any UK Transfer, including the impact of currency exchange rates on the funds transferred;
- the returns achieved on GMK's investments (which may vary);

- the mix of investment portfolios that you choose to invest your contributions in;
- fees, costs and expenses (including investment costs);
- taxation; and
- withdrawals and transfers.

The amount of your returns, therefore, is not quantifiable as at the date of this Investment Statement. Because the payment of your withdrawal depends on when you become eligible for the withdrawal, the dates on which the returns will be paid to you are unknown as at the date of this Investment Statement.

The investment returns you receive will depend on the factors set out in the list above. The returns from each investment portfolio are not guaranteed and may vary significantly from year to year. There may be times when the investment portfolios you have chosen do not perform as expected or could even be negative, despite the skill and care of GMILP as the investment manager. This could be due to the state of the economy (international and domestic), world markets, interest rate movements, the performance of individual companies contained in your investment portfolios, or New Zealand Government policy. All profits and losses of any investment portfolio will belong to the members who invested in that investment portfolio.

The Manager is legally liable to pay any returns to you.

Investment costs

GMILP selects the underlying investments that comprise the investment portfolios that you choose to invest in, and the costs associated with those investments will affect your returns. GMILP may choose to directly purchase single shares or to invest in funds. In the same way that you would pay brokerage or fees for purchasing shares or investing in funds you invest in personally, GMK is also charged when purchasing these assets for its investment portfolios. The main cost associated with purchasing single shares is brokerage. The main costs associated with investing in funds are management fees and entry/exit charges. GMILP will invest in funds when it believes the fund will offer a better relative net return than direct investment.

These investment costs are generally included in the purchase price or valuation of the asset and so affect the reported return for the portfolio, as GMK reports returns after the deduction of all costs and expenses, including investment costs. Investment costs are an indirect cost (not generally charged directly to your member account) of investing in GMK,² in addition to the fee of up to 1% described in the section "What are the charges?".

The underlying investments GMILP chooses to invest in may change regularly, which could alter the amount of investment costs. These costs will vary depending on the investment decisions that GMILP makes, the transaction

size, the broker or fund manager used and the nature of the asset. For these reasons, it is not possible to quantify future investment costs for a particular member or portfolio at the date of this Investment Statement. For more information about the actual investment costs for the last quarter for each of the portfolios, please contact us.

An indicative range of brokerage rates and charges for funds (including listed and unlisted unit trusts) we invest in at 31 July 2012 is shown in the table below:

Brokerage ³	Fund charges	Spread ⁴
0.10% - 0.9%	0.1% - 1.5%	0% - 0.5%

The extent to which GMILP invests in funds, may also affect investment costs and therefore returns.

The extent of investment in underlying funds for each portfolio at 31 July 2012 is shown in the table below:⁵

CashPlus	Conservative	Balanced	Growth
6%	18%	31%	49%

We anticipate that funds or unit trusts could comprise between 10% and 70% of the assets in a portfolio over the next year. Note the ranges shown above are indicative only, and GMILP may purchase or sell assets at any time.

² One fund we invest in (at the date of this Investment Statement) invoices us for some of its charges, which are then deducted directly from the member accounts of the members who hold that fund in their chosen investment portfolio/s rather than being incorporated in returns to GMK. This is the Blackrock Wholesale Indexed International Equity Fund ("Blackrock Fund"). As at 31 July 2012, the charge for Blackrock Fund that is invoiced directly to us is 0.05%pa. The remaining management charge of 0.04%pa is included in the valuation of the Blackrock Fund. As at 31 July 2012, the Blackrock Fund comprises 0% of the CashPlus investment portfolio 2% of the Conservative investment portfolio, 8% of the Balanced investment portfolio and 14% of the Growth investment portfolio.

³ Includes stamp duty, where applicable.

⁴ A "spread" is the difference between the buy and sell prices for the units in that fund.

⁵ The Cash investment portfolio will not invest in any funds or unit trusts.

None of the Trustee, GMK, GMILP, the New Zealand Government, Kiwibank Limited, New Zealand Post Limited, any other member of New Zealand Post Group, any of their respective directors nor any other person guarantees or promises the return of capital or income from GMK, or any investment portfolio.

Taxation

The information in this section is intended as general guidance only and is an indication of the relevant legislation in effect as at 1 September 2012. As contributions are “locked-in” to GMK under the KiwiSaver Act, we recommend that you seek professional tax advice regarding your individual circumstances prior to investing so that you clearly understand the taxation implications of such an investment. You should also periodically monitor the tax implications of investing in GMK and should not assume that the position will remain the same as it is when you start investing. Neither we nor the Trustee accept any responsibility for the taxation consequences of your investment in GMK.

GMK is a registered portfolio investment entity, more specifically a “multi-rate PIE” (PIE). The following comments are based on GMK remaining a PIE.

In GMK – PIE Tax

As GMK is a PIE, income earned by GMK will be attributed to all members in accordance with the proportion of their interest in GMK. The income attributed to you will be taxed at your prescribed investor rate (PIR) as notified to us. We will pay tax on your behalf and undertake any adjustments to your interest in GMK in order to comply with the PIE tax requirements.

When you apply to become a member of GMK you need to advise us of your PIR. The PIRs are set by legislation – the current maximum rate is 28%. For information on determining your PIR please visit the Inland Revenue website at www.ird.govt.nz/toii/pir/workout/ or call them on 0800 227 774.

You can advise us of your current PIR at any time, including when your PIR changes, by contacting us using the contact details provided in the section entitled “Who do I contact with inquiries about my investment?”. If you do not provide a PIR to us, the income attributed to you in GMK will be taxed at the maximum allowable rate (**the default rate**). Generally, provided that you advise us of your correct PIR, tax paid by GMK on income attributed to you will be a final tax. Therefore, in most circumstances you will not have an obligation to file a return in respect of PIE income attributed to you from GMK.

If your PIE income is taxed at a higher PIR and you are eligible for a lower PIR, but you have not advised us of this, you will not be able to receive a refund of the overpayment (but may get a tax credit, subject to limitations). Additionally, if you have advised us that you are eligible for a lower PIR, and this is incorrect and you are only eligible for a higher PIR, you may be liable to Inland Revenue for further tax and penalties, and have to file a tax return.

You should note that the Commissioner of Inland Revenue will be able to notify us to disregard a PIR notified by you if the Commissioner considers the rate to be incorrect. In that situation, the Commissioner would notify us of the rate that would then apply in respect of your income in GMK.

GMK pays PIE tax to Inland Revenue on a quarterly basis.

If GMK (as a PIE) makes a tax loss, or there are more New Zealand tax credits attributed to GMK than are required to meet GMK’s tax liability in a tax period, generally we will claim a tax rebate based on each member’s notified PIR. When received, each member’s proportional share of that rebate will be paid to their member account.

As GMK is a PIE, any capital gains made by GMK in respect of shares in New Zealand resident companies and certain Australian resident listed companies will be excluded from the calculation of taxable income. Most overseas shares and interests in managed funds held by GMK will be taxed pursuant to either the Fair Dividend Rate method (FDR) or the Comparative Value method (CV), depending on the particulars of the investment and any determinations by the Commissioner of Inland Revenue.

Under FDR, GMK will be deemed to have derived income equal to 5% of the opening market value of the relevant overseas shares and interests in managed funds at the start of a valuation period. This is proportioned over the year and adjusted for any quick sales. Any dividends or other returns flowing from overseas shares and interests in managed funds that are under FDR will not be separately taxed in New Zealand. Also under FDR, tax deductions may not be made for any losses in respect of holdings in overseas shares and interests in managed funds.

Under CV, GMK will derive income equal to the difference between the value of the relevant overseas shares and interests in managed funds at the end of a valuation period and the value of those shares and interests at the start of that valuation period, with adjustments made for certain gains (which includes any relevant dividends and tax credits and any proceeds from disposing of the relevant shares and interests) and costs (which includes any relevant foreign income tax which is paid or payable and any costs in relation to purchasing the relevant shares and interests).

At the date of this Investment Statement, most overseas shares and interests in managed funds held by GMK are taxed pursuant to FDR.

Other income of GMK (e.g. interest on bank deposits) will be calculated according to the relevant normal tax rules. Tax may be imposed in overseas jurisdictions in relation to overseas investments (although this may give rise to a tax credit in New Zealand).

Contributing to GMK – Employer Superannuation Contribution Tax (ESCT)

If you are an employee, your contributions are deducted from your tax-paid wages or salary (although the level of your contribution is calculated on your gross (pre-tax) wage or salary).

Generally, employer contributions to GMK are subject to ESCT, which will be deducted from those contributions, except if you have elected to have the employer contributions taxed as salary or wages and subject to PAYE.

Withdrawals permitted under the KiwiSaver Act

The withdrawals you are entitled to under the KiwiSaver Act are as set out below. We or the Trustee may require information from you to ensure that you are eligible for the withdrawal, pursuant to legislation or other documents governing your relationship with GMK. The New Zealand Government may, in future, amend legislation relating to KiwiSaver, which may change the amounts and the circumstances in which you are permitted to withdraw from GMK. The information about withdrawals set out below is current at the date of this Investment Statement.

KiwiSaver end payment date withdrawal

When you reach the age of entitlement to New Zealand Superannuation, which is currently 65, or have been a member of a KiwiSaver scheme or a complying superannuation fund (or of a complying superannuation fund and a KiwiSaver scheme) for five years, whichever is the later, you are

entitled to withdraw from GMK an amount equal to the value of your member account. If you withdraw the full value of your member account, it will be closed (see the heading entitled "How do I cash in my investment?").

Partial withdrawals

You may choose to leave some or all of the balance of your member account in GMK after you become eligible to withdraw. If you choose to leave your entitlement in GMK following your KiwiSaver end payment date you are no longer entitled to receive member tax credits or employer contributions. All other terms of membership remain unchanged, except that you may now make partial withdrawals from GMK. We may place restrictions on minimum regular and one-off withdrawal amounts and the frequency of withdrawals.

The minimum amount for regular withdrawals is \$100. You can set up regular withdrawals either weekly, fortnightly, monthly, bi-monthly, quarterly, or annually. You may only have one regular withdrawal operating at any time.

The minimum withdrawal amount for one-off withdrawals is \$500.

Any withdrawals must be in increments of \$10, subject to the minimums stated above. If requests are received for other amounts, we will round the request to the nearest \$10. Withdrawal applications are processed in accordance with GMK's investment cycle (see the subsection entitled "the GMK investment cycle" in the section entitled "How much do I pay?") so, depending on when the request is received, it may take up to four weeks to complete an end payment or one-off withdrawal. There are no charges for making partial withdrawals but you will still be charged the regular fee (see the section entitled "What are the charges?") if you remain in GMK.

Minimum withdrawal amounts, and the frequency with which you may make withdrawals, are current at the date of this Investment Statement and are subject to change.

Death withdrawal

If you die while you are a member of GMK your estate will be paid an amount equal to the balance of your member account on acceptance of the application to GMK by your personal representatives.

If the requirements of section 65 of the Administration Act 1969 are met we may also pay to the relevant person any sum authorised by that section, subject to that Act, without requiring administration of the estate of the deceased member. As at the date of this Investment Statement the maximum sum payable under section 65 of the Administration Act 1969 is \$15,000.

Significant financial hardship

You may apply to withdraw all or part of your member account, excluding the initial contribution of \$1,000 from the New Zealand Government and the amount of any member tax credits (disregarding any positive or negative investment returns on such amounts), on the grounds of significant financial hardship as determined by the Trustee in accordance with the KiwiSaver Act.

To approve a withdrawal application on the grounds of significant financial hardship, the Trustee must be reasonably satisfied that reasonable alternative sources of funding have been explored and have been exhausted. The Trustee may also direct that the amount withdrawn be limited to a specified amount.

Under the KiwiSaver Act significant financial hardship includes significant financial difficulties that arise because of:

- your inability to meet minimum living expenses; or
- your inability to meet mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or
- the cost of modifying a residence to meet special needs arising from a disability of you or of your dependant; or
- the cost of medical treatment for an illness or injury of you or of your dependant; or
- the cost of palliative care for you or for your dependant; or
- the cost of a funeral for your dependant; or
- you are suffering from a serious illness.

Withdrawal in cases of serious illness

You may apply to make a withdrawal of an amount up to the value of your member account, where the Trustee is reasonably satisfied that you are suffering from serious illness in terms of the KiwiSaver Act. Under the KiwiSaver Act, serious illness means an injury, illness or disability:

- that results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education or training, or any combination of those things; or
- that poses a serious and imminent risk of death.

Withdrawal for purchase of home

You may withdraw an amount no greater than the value of your member account, excluding the initial contribution of \$1,000 from the New Zealand Government and the amount of any member tax credits, for the purpose of purchasing a first home where you meet the criteria and comply with the requirements in the KiwiSaver Act.

Under the KiwiSaver Act you are eligible to make a withdrawal for the purpose of purchasing a first home where you have not previously made such a withdrawal from any KiwiSaver scheme and you satisfy one of the following two criteria:

- at least three years have passed since Inland Revenue first received contributions for credit to a KiwiSaver scheme of which you are or were a member; or
- where no such contributions have been paid via Inland Revenue, you have been a member of a KiwiSaver scheme for a period of three years or more.

If you are eligible to make such a withdrawal the following criteria also apply before you are entitled to make the withdrawal for the purchase of an estate in land (whether by yourself, or with another person):

- the land is, or is intended to be, your or your family's principal place of residence and you have not previously applied to make such a withdrawal; or
- the land is, or is intended to be, your or your family's principal place of residence and you are a "qualifying person" under the regulations made under the KiwiSaver Act; or
- the purchase is made in the circumstances prescribed in regulations under the KiwiSaver Act.

You may still be eligible to make a withdrawal for the purchase of a home as a "second chance" home buyer if Housing New Zealand notifies us that your financial position is what would be expected of a person who has never owned a home.

If you make a withdrawal for the purpose of purchasing a home, the withdrawal will be paid to your solicitor. We may require from your solicitor, before payment of the withdrawal, a copy of an agreement for the sale and

purchase of land showing you as the purchaser; an undertaking that the agreement is unconditional; and an undertaking that the funds from the withdrawal will only be paid to the vendor as part of the purchase price or returned to GMK if settlement is not completed.

You may also qualify for a first home deposit subsidy to help with the cost of purchasing a home. The first home deposit subsidy is currently \$1,000 for each year that a member has been making regular contributions to a KiwiSaver scheme (to a maximum of \$5,000). You will have to have been contributing to KiwiSaver for a minimum period of three years to access this deposit subsidy. Any first home deposit subsidy will be payable by the New Zealand Government and not GMK. For more information on the first home deposit subsidy, including applicable income and regional house price caps, visit the Housing New Zealand Corporation website www.hnzc.co.nz

Withdrawal or transfer to foreign scheme in cases of permanent emigration

If you leave New Zealand permanently you may apply to withdraw an amount equal to the value of your member account (excluding the total amount of any member tax credits), no earlier than one year after you have permanently left the country and subject to compliance with the requirements of the KiwiSaver Act. Alternatively, you may apply to transfer an amount equal to the value of your member account (excluding the total amount of any member tax credits) to a foreign superannuation scheme authorised for that purpose under regulations made under the KiwiSaver Act at any time after you have permanently left New Zealand, and subject to the requirements of the KiwiSaver Act.

Legislation has been passed which, once in effect, will not permit KiwiSaver members to withdraw from GMK if they emigrate permanently from New Zealand to Australia. Instead, you will only be able to transfer your GMK entitlement to certain qualifying Australian superannuation schemes.⁶

Release of funds required under other enactments

We must comply with any enactment requiring us to release funds from GMK, including a requirement to release funds by order of any Court under any enactment (including the Property (Relationships) Act 1976).

Method of payment of withdrawal

We must, at your request, pay a permitted withdrawal as a lump sum.

Withdrawal or transfer of UK Transfers

This summary of the implications of withdrawing or transferring a previous UK Pension Transfer from GMK is based on our understanding of UK Pension rules as at the date of this Investment Statement. Future changes to those rules could subsequently and adversely affect the treatment of UK Transfers to GMK and payments from GMK.

You may be subject to UK tax charges if you withdraw or transfer a previous UK Transfer and have been a UK tax resident in the last five UK tax years (the UK tax year runs from 6 April to 5 April). These may be significant; up to 55% of the withdrawal or transfer amount. The imposition of these tax charges depends on the application of the complex rules applying to UK pension plans. We recommend you take professional tax advice if you wish to make a withdrawal or transfer from GMK within this five year period.

⁶ At the date of this Investment Statement no specific date can be provided as the legislation relies on equivalent legislation in Australia being passed. Please contact us for further information.

As a condition of GMK's QROPS status, we must report to HMRC about the withdrawals or transfers you make from GMK. These reports have to be made until the later of the date you have been UK tax non-resident for five UK tax years and ten years from the date of the UK Transfer. By making a UK Transfer, you accept that we will report such withdrawals or transfers to HMRC and agree to provide us with any further information we require to make these reports.

Making a UK Transfer is an important decision. It is recommended that you discuss proposed transfers with your UK and New Zealand tax advisers as well as your UK pension provider.

Neither we, nor the Trustee, nor any other person involved in providing GMK to you takes any responsibility for any HMRC tax charges that arise as a result of making subsequent withdrawals or transfers of previous UK Transfers from GMK or of GMK losing its QROPS status.

What are my risks?

It is possible that at any time the balance of your member account will be less than the amount you and your employer (if any) have contributed. It is also possible you may not receive the returns outlined under the section entitled "What returns will I get?". This is because all investments carry risk. There are risks associated with GMK that could affect your ability to recover the amount of your contributions or impact on the returns payable from GMK as described in this Investment Statement. The principal risks applying to GMK that could affect returns (and which are common to most KiwiSaver and superannuation schemes) are:

Investment risk: is the risk of negative movements in the value of GMK's underlying assets, either generally or in respect of the investment portfolios you invest in. The investment risk associated with each investment portfolio depends upon that investment portfolios' mix of investment assets. Generally, investment assets that offer higher potential returns also have higher risk. Investment portfolios that have a higher exposure to shares will generally experience bigger and more frequent investment losses and gains over the long term than investment portfolios that carry a high weighting of fixed interest assets. You should choose the combination of investment portfolios in your investment direction that best matches your needs and attitude towards risk. You should note that while GMILP takes steps to manage investment risk, no risk management process will eliminate investment risk. However, in order to fully exit a security without causing an adverse price effect, the existing may take several weeks;

Liquidity risk: is the risk that GMK cannot meet its financial obligations in a timely manner. The risk arises where there is a mismatch between the maturity profile of investments and the amounts required to pay withdrawals. GMILP will generally invest in securities with good liquidity, which can usually be exited within a week;

Regulatory risk: is the risk that future changes to legislation will affect the operation of GMK or your interest in GMK, or that the Trust Deed is amended in a manner required or permitted by law that has the effect of reducing your interest in GMK;

Currency risk: is the risk that movements between the New Zealand dollar and foreign currencies will adversely affect returns on GMK assets that are denominated in that foreign currency. GMILP actively manages the currency exposure of the underlying assets in the investment portfolios. For foreign currency denominated assets, GMILP may use forward foreign exchange contracts to reduce some of the currency risk;

Derivative risk: Derivatives are financial instruments which may be used to manage risks, or as a type of investment instead of investing in physical assets. A derivative is a contract with a return that is dependent on or derived from one or more underlying assets, events or conditions.

Derivative risk is the risk that the use of derivatives exaggerates the effect of any change in value of the underlying assets that their return is dependent on or derived from, resulting in large gains or losses. The tax treatment of the derivative or hedge contract may vary from the tax treatment applicable to the underlying asset for which the derivative/hedging is in place. While forward foreign exchange contracts are used by GMILP to manage currency risk as set out above, the use of derivatives will not remove all exposure to risk and may, in some circumstances, increase risk. There is also a risk that the party with whom the derivative contract is made either defaults on that contract or fails to meet its obligations. If these risks eventuate, GMK could suffer loss.

To manage this risk, we and the Trustee may agree to place a limit on the size of derivative contracts GMILP can enter into. GMILP may not enter into derivative contracts that give rise to liabilities beyond the value of GMK's investment portfolios;

Credit risk: is the risk of GMK becoming insolvent and being placed into receivership, liquidation or statutory management or being otherwise unable to meet its financial obligations. If this occurs, you may not recover the full amount of your interest in GMK;

Administration risk: is the risk of a technological or other failure impacting on GMK or financial markets in general;

Tax risk: The rate of tax charged and the basis on which tax is imposed changes frequently. There is a tax risk if GMK fails to retain PIE status. Tax risk exists in relation to the underlying investments of GMK and the returns it will make. The risk of us either over or underpaying tax within GMK on your behalf as a result of you providing us with the wrong PIR or not advising us to change your PIR when it needed to be changed; and

UK Tax risk: is the risk that where you have previously made a UK Transfer, you may be liable for UK tax charges if you later withdraw that UK Transfer from GMK as part of a permitted withdrawal under the KiwiSaver Act. GMK may also lose its QROPS status. This will prevent us accepting any further UK Transfers. Depending on the reasons that QROPS status was lost (e.g. a future and adverse change to the UK tax rules governing QROPS) this may also result in you becoming liable for UK tax charges.

Continuing uncertainty in the global credit and financial markets has resulted in significant investment fluctuation across most asset classes. This highlights investment risks and emphasises the possibility that your member account balance may be less than your initial investment, especially in the short term.

From time to time market conditions will materially and adversely affect GMK's assets. You should be prepared to experience short term declines in your member account balance, especially if you have chosen the Growth investment portfolio in your investment direction. We recommend you consult a professional adviser before making a decision to invest.

Due to the possible impact of these risk factors outlined above, and the impact of fees, costs and expenses (including investment costs), it is reasonably foreseeable that you could receive less than your contributions if you cease to be a member a short time after joining.

Except in certain circumstances described below in relation to tax, you will not be required to pay in respect of GMK more money than is disclosed under the section entitled "How much do I pay?" or "Consequences of insolvency" below. The circumstances in which you may be required to pay more money in respect of GMK, in relation to tax, are where we incur tax on your behalf and your interest in GMK is not large enough to cover the tax liability that we incur.

The amount payable to you in the event of a windup of GMK will depend on the price for which the assets are able to be sold at that time, the amount of expenses, taxes and liabilities payable, and the extent of your interest in GMK.

Consequences of insolvency

You have no liability to pay money to any person as a result of the insolvency of GMK.

If GMK becomes insolvent, it will be wound up in accordance with the termination procedures under the Trust Deed. Claims on the assets of GMK that will rank ahead of you in the event of GMK being put into liquidation or being

wound up will include any outstanding expenses (including fees) or liabilities of GMK, any claims preferred at law, tax and the costs of winding up GMK. If there are any withdrawals payable under the Trust Deed and which had become payable prior to the winding up date and remain unpaid as at the winding up date, the withdrawals will be paid prior to any member who had not at that stage become entitled to make a withdrawal.

Members will rank equally between themselves and will be paid in accordance with the Trust Deed. If GMK winds up and you are not entitled to make a withdrawal, then your interest in GMK is required under the KiwiSaver Act to be transferred to another KiwiSaver scheme.

Can the investment be altered?

Contributions

If you make voluntary contributions you can increase or decrease your contributions at any time and suspend or recommence those contributions at any time by notifying us, subject to the minimum requirements set out in the section entitled "How much do I pay?".

If you contribute by way of deductions from your salary or wages, you may only suspend those contributions by applying to the Commissioner of Inland Revenue for a contributions holiday. You can change your contribution rate between the minimum required contribution rate (currently 2%), 4% or 8% of your gross salary or wages (or any other amount permitted under the KiwiSaver Act) by giving notice to your employer. The minimum required contribution rate will rise to 3% from 1 April 2013 if legislation is enacted as drafted.

Under the KiwiSaver Act, if you contribute by way of deduction from your salary or wages you may not change your contribution rate with your current employer at intervals less than three months apart unless your employer agrees.

Fees

Fees may be altered and we may, subject to GMK's Trust Deed and the KiwiSaver Act, add, change or remove any member account balance threshold at which a member may become eligible to pay a lower fee as described above under the section entitled "What are the charges?".

Contributions holiday

If you contribute by way of deduction from your salary or wages you may apply to the Commissioner of Inland Revenue for a contributions holiday. You cannot apply to the Commissioner of Inland Revenue for a contributions holiday until 12 months have expired since the earlier of:

- the date the Commissioner of Inland Revenue received your first contribution from your employer; and
- the date we received your first contribution.

You may apply for a contributions holiday at any time where you are suffering or you are likely to suffer financial hardship.

Your application to the Commissioner of Inland Revenue for a contributions holiday must set out the following:

- your name and address;
- your tax file number (IRD number);
- the name and address of each of your employers to whom you intend that the contributions holiday will apply;

- the period of time for which the holiday is required (this must be for a minimum period of three months and a maximum period of five years);
- details of financial hardship if the application is being made on this ground; and
- any other information that the Commissioner of Inland Revenue requires.

The Commissioner of Inland Revenue is required to grant you a contributions holiday if the criteria above are complied with. The Commissioner will give notice to you and each of your employers to whom the contributions holiday will apply and will also give us notice.

You may revoke or reinstate the contributions holiday by giving notice to your employer or employers. However, you may not revoke or reinstate a contributions holiday at intervals of less than three months apart unless your employer(s) agrees otherwise.

You may still make voluntary contributions to GMK if you are on contributions holiday.

Asset allocation

Asset allocation is determining what percentage of an investment portfolio is invested in a particular asset group – cash, fixed interest or shares. We may change the asset allocation ranges shown in the description of the investment portfolios with the agreement of the Trustee. If we agree to change the asset allocation ranges for the investment portfolios, we will notify you (either by email or letter) at least two weeks before the change takes effect. We will also update the asset allocation ranges on our website:

www.gmk.co.nz

Investment Direction

You can amend your investment direction by advising us of your new investment direction in writing, or when you login to your online account at www.gmk.co.nz. If you access your GMK account through Kiwibank you may also be able to change your investment direction by contacting Kiwibank.

Trust Deed

We and the Trustee may amend the Trust Deed, subject to the requirements of and to the extent permitted in the KiwiSaver Act. Where an amendment will adversely affect any member, that member's consent will be required before the amendment can be made.

Investment policies, objectives and guidelines

We may vary our investment objectives and policies and the investment guidelines, and the asset allocation ranges of the investment portfolios at any time in agreement with the Trustee. If the investment policies, objectives, guidelines and asset allocation ranges are altered we shall update our website, www.gmk.co.nz to advise GMK's members.

We will notify you of any changes to the asset allocation ranges of the investment portfolios a minimum of two weeks prior to any change being made.

Law changes

The KiwiSaver Act and other legislation may be amended from time to time by the New Zealand Government, and any such amendment may impact GMK.

How do I cash in my investment?

The main circumstances in which withdrawals will be payable under GMK are described above in the section entitled "What returns will I get?".

Withdrawals are payable on the KiwiSaver end payment date, death, significant financial hardship, for the purpose of purchasing a first home, in the event of serious illness or permanent emigration.

If you become bankrupt you lose your right to your interest in GMK. What this means is that we will, subject to relevant law, hold and use your savings at our discretion to benefit you or your dependants as we in our absolute discretion determine. Please note that under the law your interest in GMK may not be protected from bankruptcy claims against you.

We are authorised to realise investments to the extent necessary to make payment of any tax and may, if obliged by law, deduct from any withdrawal from your member account any tax assessed or payable by or in respect of you.

We will deduct any fees, costs, expenses or other liabilities payable in respect of you from your member account.

You are not permitted to sell, assign, mortgage, charge or pass to any other person your interest in GMK in any way.

GMK shall be wound up if:

- GMK notifies the Trustee that GMK is to be wound up;
- GMK ceases to have any beneficiaries and the Manager resolves that it be wound up;
- We consider GMK is, or will be, unable to fulfil its purpose and resolve that GMK be wound up;

- GMK is required to be wound up by law and we resolve that GMK be wound up; or
- By order of the Financial Markets Authority.

If GMK is wound up your interest in GMK that is left after costs, debts and any withdrawals due are paid will be transferred to another KiwiSaver scheme of your choice or, if you fail to make a choice, transferred to Inland Revenue to be allocated to a default provider.

We may cash up your investment to meet all fees and costs (including any tax charges).

Transfers

Transferring to another KiwiSaver scheme

You may apply to join another KiwiSaver scheme, in which case we shall transfer an amount equal to the value of your member account to the other KiwiSaver scheme upon receipt of written acceptance of terms from the transferee scheme trustees. On transferring, you will cease to be a member of GMK.

If you have made a UK Transfer you should note that in certain circumstances there may be adverse UK tax consequences of a transfer to another KiwiSaver scheme that is not a QROPS. For further details on when these UK tax charges may apply you are advised to contact us.

Transferring from another superannuation scheme

You may transfer any amount into GMK from any other KiwiSaver or superannuation scheme. The amount that you transfer will be credited to your member account.

Termination of membership

You will cease to be a member of GMK if, at any time after your initial contributions have been received, the balance of your member account is zero or negative. You will also cease to be a member of GMK where:

- You have received payment of the total value of your member account on the KiwiSaver end payment date;
- You have made a withdrawal following permanent emigration; or
- You transfer to another KiwiSaver scheme.

Who do I contact with inquiries about my investment?

You can direct questions in writing to:

Member Services Officer
Gareth Morgan Investments Limited
PO Box 10068
Wellington 6143

Physical address:

Gareth Morgan KiwiSaver Limited
Level 10
109 Featherston Street
Wellington 6011
Or email questions@gmk.co.nz

Alternatively, you can contact Member Services at the following telephone number, during normal business hours: 0800 427 384.

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

Complaints about GMK, us or GMILP should be made in writing to:

Member Services Officer
Gareth Morgan KiwiSaver Limited
Freepost 210729
PO Box 10068
Wellington 6143

Physical address:

Gareth Morgan KiwiSaver Limited
Level 10
109 Featherston Street
Wellington 6011

Or email complaints@gmk.co.nz

Alternatively, you can contact Member Services at the following telephone number, during normal business hours: 0800 427 384

You can also contact the Trustee at:

General Manager
Corporate Trustee Services
Public Trust
PO Box 5067
Wellington 6145

Physical address:

Public Trust
Level 10
141 Willis Street
Wellington 6011

Alternatively, you can contact the Trustee at the following telephone number, during normal business hours: 0800 371 471.

If neither we nor the Trustee can resolve your complaint, you may contact our external dispute resolution scheme. This scheme is available at no cost to you and will help us resolve any disagreements. We, GMILP and the Trustee are members of the Insurance and Savings Ombudsman (ISO) dispute resolution scheme. You can contact the ISO at:

Office of the ISO
PO Box 10-845
Wellington 6143
Phone: 0800 888 202

Physical address:

Level 11
Classic House
15-17 Murphy Street
Wellington 2011

Or email: info@iombudsman.org.nz

Alternatively, you can contact the Financial Markets Authority on 0800 434 567 or via their website at www.fma.govt.nz if you have a complaint about us or our advisers. The FMA can also be contacted at:

Postal address:

Financial Markets Authority
PO Box 1179
Wellington 6140

Physical address:

Financial Markets Authority
Level 2
1 Grey Street
Wellington 6011

What other information can I obtain about this investment?

Trust Deed, Prospectus and Financial Statements

Other information about GMK is contained or referred to in the Trust Deed, registered prospectus and financial statements for GMK.

A copy of the Trust Deed, registered prospectus and the most recent financial statements of GMK and the annual report of GMK are available on request from GMK during normal business hours, free of charge. These documents are also available from the website: www.gmk.co.nz. Copies of these documents (except the annual report) along with any material contracts set out in the registered prospectus may be viewed on the Companies Office website www.business.govt.nz/companies under "Search Other Registers". The file reference number is 1943195.

Annual information

We will provide you on an annual basis:

- the annual report of GMK;
- an annual tax certificate; and
- an annual member statement.

These documents will be sent as an email attachment unless a hard copy is requested to be posted by members. In addition, you will receive monthly reporting via the web.

On request information

The following documents or information can be requested from us free of charge:

- a copy of GMK's Trust Deed;
- the latest value of your interest in GMK;
- the prospectus for GMK;
- a copy of financial statements for GMK and any auditor's report;
- the most recent annual report of GMK; and
- a copy of the most recent Investment Statement.

These documents will generally be made available via the website www.gmk.co.nz or be sent as an email attachment or hyperlink. However, they will be available in hard copy and posted to you on request.

Personal Details

Title Given name(s)

Surname

Date of birth Male or Female

Street address/PO Box

Suburb

City Postcode

Home phone number
 ()

Work phone number
 ()

Mobile

Email

Secondary email

I consent to receiving the Annual Report and Annual Member Statement by email.

IRD number *This must be your personal IRD number.*

Your prescribed investor rate (the rate at which your investment income is taxed)
 10.5% 17.5% 28%

For more information about the prescribed investor rate please see the 'What Returns Will I Get?' section of the Investment Statement.

Current Membership

Are you a member of another KiwiSaver scheme?
 Yes No

If yes, what is the name of your KiwiSaver scheme?

Employer Details

You are an employee if you receive any income where PAYE is deducted irrespective of your age or whether you are a full-time or part-time employee. If you are self-employed/not working please leave this section blank.

Name of your employer

Employer's IRD number (if known)

Street address/PO Box

Suburb

City Postcode

I authorise my employer(s) to make deductions from my gross wage/salary at the following rate:
 2%* 4% 8%

If you have more than one employer that you wish to make KiwiSaver deductions from, please provide their details on a separate piece of paper.

** The minimum required contribution rate will rise to 3% from 1 April 2013 if legislation is enacted as drafted.*

Investment Direction

Your Investment Direction determines which investment portfolio/s you are invested in. You can invest in one of our five defined investment portfolios (Growth, Balanced, Conservative, CashPlus or Cash) or spread your investment across them.

I direct the Manager to invest my contributions as follows:

Growth investment portfolio	<input type="text"/>
Balanced investment portfolio	<input type="text"/>
Conservative investment portfolio	<input type="text"/>
CashPlus investment portfolio	<input type="text"/>
Cash investment portfolio	<input type="text"/>
	<hr/> 100%

Please enter how you would like your investments allocated across these portfolios. Your allocation must total 100% and be in 5% increments.

If you do not choose an investment direction you will be given a 100% Balanced investment portfolio. If the investment direction you request does not add up to 100%, any unallocated portion will be invested in the Balanced investment portfolio.

Identity Verification

You do NOT have to provide any ID if:

- you are transferring from another KiwiSaver scheme or
- you include a payment by personal cheque signed by you or
- you include a direct debit form, signed by you, for voluntary contributions from your personal bank account

For applicants under 18 please provide a certified copy of a birth certificate only.

Otherwise, provide certified photocopies of **TWO** pieces of ID.

One of these

- current passport (showing NZ residency if applicable)
- New Zealand drivers licence
- photo credit card
- birth certificate
- firearms licence

And one of these

- recent bank statement
- power, phone or rates bill
- HANZ 18+ card
- community services card

If you are posting in your application form and photocopied ID, you will need to get the photocopy of your ID certified first. ID can be certified by a Justice of the Peace, a Court Registrar or a Solicitor. If you take your application form and original ID in to Gareth Morgan KiwiSaver Limited or your local Kiwibank, a staff member may take a photocopy and verify your ID then.

Member Declaration and Authorisation

You should ensure that you take the time to read the Investment Statement for the Gareth Morgan KiwiSaver Scheme (**GMK**) before you decide whether to enrol. If you enrol in GMK via Kiwibank Limited (**Kiwibank**), Kiwibank may provide services to you such as Internet Banking. Accordingly, if you enrol in GMK through Kiwibank you should also refer to, and will be bound by, Kiwibank's General Terms and Conditions. These terms govern your use of any Kiwibank services.

Please read and accept the following declaration before submitting your application:

- I declare that I am eligible to enrol in a KiwiSaver scheme, and that all the information contained in this form is true and correct.
- I apply to become a member of, and have an interest in GMK upon the terms of GMK's Investment Statement dated 16 October 2012, which I confirm I have read and understand.
- I acknowledge that, by joining GMK, I am bound by the terms of its Trust Deed and prospectus. If joining through Kiwibank I am also bound by Kiwibank's General Terms and Conditions.
- I acknowledge that interests in GMK do not represent bank deposits or other liabilities of Kiwibank, New Zealand Post Limited or any other member of the New Zealand Post Group.
- I acknowledge that no person, including the Trustee (Public Trust), the Manager (Gareth Morgan KiwiSaver Limited), Kiwibank, New Zealand Post Limited or any other member of their respective groups of companies, the Crown or any other person guarantees any investment returns or repayment of my investment.
- I understand that the capital value of my contributions/investment in GMK can rise or fall depending on market conditions or the investment manager's investment decisions. It is therefore possible that I may receive less back than I have invested. I acknowledge that choosing my investment direction is solely my responsibility and neither GMK's Manager nor the Trustee is to be regarded as representing or implying that my investment direction is appropriate for my personal circumstances. My choice of investment direction is a binding direction from me to the Manager.
- I acknowledge that I will be unable to make any withdrawal from GMK until the Manager has received my signed withdrawal request and any supporting or identification information required.

- I acknowledge that the Privacy Act 1993 gives me the right to access and request correction of personal information held by Kiwibank, Gareth Morgan KiwiSaver Limited (including associated entities and agents) or the Trustee. I acknowledge that the information in this application form, and any information provided by me at later dates may be shared within the Kiwi Group Holdings Limited group of companies which includes Gareth Morgan Investments Limited Partnership, Gareth Morgan KiwiSaver Limited, Kiwibank, Kiwi Wealth Management Limited and Kiwi Insurance Limited (**the Group**). This information will be used to administer GMK and may also be used for the purposes of providing me with information about accounts, products and services that might be of interest to me. It may also be used to verify my identity in accordance with the Financial Transactions Reporting Act 1993 or the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.
- If I am a member of another KiwiSaver scheme and/or registered superannuation scheme and I have selected to transfer my benefit to GMK, I agree to the transfer of my interest in the other KiwiSaver scheme to GMK and authorise the manager and/or the trustee of my current KiwiSaver scheme or complying superannuation scheme to provide the Trustee or Manager with any personal information as necessary to complete the transfer. I understand that I will cease to be a member of the other KiwiSaver scheme or complying superannuation scheme.
- If I have provided my email address, or if I provide it at any later date, I consent to receiving electronic communications (including email or via the secure log-in on www.gmk.co.nz, or via Kiwibank internet banking) from any member of the Group in respect of GMK and additional services. I may elect to not receive electronic communications at any time.

Signature of applicant

Applicant 18 and over

Signature

Date

Application Form *continued*

Applicant between 16 and 18

If the applicant is over 16 but under 18, one of the applicant's parents or legal guardians must also sign this form.

Signature of applicant

Date

AND

I declare that I have read and accept the Member Declaration and Authorisation on behalf of the person named in this application.

Signature of parent or guardian

Date

Full name of parent or guardian

Applicant under 16

If the applicant is under 16, all of the applicant's parents or legal guardians must sign this form on their behalf.

I/we declare that I/we have read and accept the Member Declaration and Authorisation above, on behalf of the person named in this application.

1. Signature of parent or guardian

Date

Full name of parent or guardian

AND

2. Signature of parent or guardian

Date

Full name of parent or guardian

Checklist

Please ensure:

- you have attached certified ID required (a birth certificate for applicants under 18)
- you have signed and dated this form
- if this application is for a person under 16, all parents or legal guardians* must sign this form
- if signed under a power of attorney, the attorney certifies that he/she has not received notice of a revocation of that power.
- you have returned all pages of the application form (numbered 1-4).

Mail to:

Free Post 210729
Gareth Morgan KiwiSaver Limited
PO Box 10068
Wellington 6143

* If you are not the parent listed on the applicant's birth certificate and are signing this form as the applicant's guardian, we require proof of your guardianship of the applicant - call us on 0800 GARETH for details.



Direct Debit Form

Questions? Call 0800 427 384

Personal Details

Title Given name(s)

Surname

IRD number

Daytime phone number

Email

I consent to electronic mail being used by the Gareth Morgan KiwiSaver Scheme to provide me with written notices related to Direct Debits.

Payment frequency Amount (minimum \$20) \$

First payment date

Your account details

Name of account to be debited

Bank account number

Authority to accept direct debits
(Not to operate as an assignment or agreement)

Authorisation Code

To: The Bank Manager

Bank Branch

Street address/PO Box

Suburb

City Postcode

I/We authorise you until further notice in writing to debit my /our account with you all amounts which

Gareth Morgan KiwiSaver Scheme Trust

(hereafter referred to as the Initiator)

the registered Initiator of the above Authorisation Code may initiate by Direct Debit. I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this form.

Information to appear in my/our bank statement

Payer code

Payer reference

Authorised signature/s

Date

Authorised signature/s

Date

Mail to:

Free Post 210729
Gareth Morgan KiwiSaver Limited
PO Box 10068
Wellington 6143

For Bank use only

Approved 0868	Date Received	Recorded By
07 07		
Checked By	Bank Stamp	

Conditions of this Authority

1. The Initiator:

- 1.1 Will provide notice either:
 - 1.1.1. in writing; or
 - 1.1.2. by electronic mail where the Customer has provided prior written consent to the Initiator.
- 1.2 Has agreed to give advance notice of the net amount of each Direct Debit and the due date of the debiting at least 10 calendar days (but not more than 2 calendar months) before the date when the Direct Debit will be initiated.

1.2.1. The advance notice will include the following message:
“Unless advice to the contrary is received from you by (date*), the amount of \$..... will be directly debited from your Bank account on (initiating date*).”

*This date will be at least two days prior to the initiating date to allow for amendment of Direct Debits.

- 1.3 May, upon the relationship which gave rise to this Instruction being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Instruction. Upon receipt of such notice the Bank may terminate this Instruction as to future payments by notice in writing to me/us.
- 1.4 May rely on this authority to debit a different bank account upon receipt of instructions from the Customer via a bank to which their account has been transferred.

2. The Customer may:

- 2.1 At any time, terminate this Instruction as to future payments by giving written (or by the means previously agreed in writing) notice of termination to the Bank and to the Initiator.
- 2.2 Stop payment of any Direct Debit to be initiated under this Instruction by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.

3. The Customer acknowledges that:

- 3.1 This Instruction will remain in full force and effect in respect of all Direct Debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this Instruction until actual notice of such event is received by the Bank.
- 3.2 In any event this Instruction is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
- 3.3 Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this Instruction. Any other disputes lie between me/us and the Initiator.
- 3.4 Where the Bank has used reasonable care and skill in acting in accordance with this Instruction, the Bank accepts no responsibility or liability in respect of:
 - 3.4.1. the accuracy of information about Direct Debits on Bank statements; and
 - 3.4.2. any variations between notices given by the Initiator and the amounts of Direct Debits.
- 3.5 The Bank is not responsible for, or under any liability in respect, of the Initiator's failure to give notice in accordance with clause 1.1, nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.

4. The Bank may:

- 4.1 In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other Instruction, cheque or draft properly signed by me/us and given to or drawn on the Bank.
- 4.2 At any time terminate this Instruction as to future payments by notice in writing to me/us.
- 4.3 Charge its current fees for this service in force from time to time.
- 4.4 Upon receipt of an “authority to transfer form” signed by me/us from a bank to which my/our account has been transferred, transfer to that bank this Authority to Accept Direct Debits.



Direct Debit Form

Questions? Call 0800 427 384

Personal Details

Title Given name(s)

Surname

IRD number

Daytime phone number

Email

I consent to electronic mail being used by the Gareth Morgan KiwiSaver Scheme to provide me with written notices related to Direct Debits.

Payment frequency Amount (minimum \$20) \$

First payment date

Your account details

Name of account to be debited

Bank account number

Authority to accept direct debits
(Not to operate as an assignment or agreement)

Authorisation Code

To: The Bank Manager

Bank Branch

Street address/PO Box

Suburb

City Postcode

I/We authorise you until further notice in writing to debit my /our account with you all amounts which

Gareth Morgan KiwiSaver Scheme Trust

(hereafter referred to as the Initiator)

the registered Initiator of the above Authorisation Code may initiate by Direct Debit. I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this form.

Information to appear in my/our bank statement

Payer code

Payer reference

Authorised signature/s

Date

Authorised signature/s

Date

Mail to:
 Free Post 210729
 Gareth Morgan KiwiSaver Limited
 PO Box 10068
 Wellington 6143

For Bank use only

Approved 0868	Date Received	Recorded By
07 07		
Checked By	Bank Stamp	

Conditions of this Authority

1. **The Initiator:**
 - 1.1 Will provide notice either:
 - 1.1.1. in writing; or
 - 1.1.2. by electronic mail where the Customer has provided prior written consent to the Initiator.
 - 1.2 Has agreed to give advance notice of the net amount of each Direct Debit and the due date of the debiting at least 10 calendar days (but not more than 2 calendar months) before the date when the Direct Debit will be initiated.
 - 1.2.1. The advance notice will include the following message:

“Unless advice to the contrary is received from you by (date*), the amount of \$..... will be directly debited from your Bank account on (initiating date*).”

**This date will be at least two days prior to the initiating date to allow for amendment of Direct Debits.*
 - 1.3 May, upon the relationship which gave rise to this Instruction being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Instruction. Upon receipt of such notice the Bank may terminate this Instruction as to future payments by notice in writing to me/us.
 - 1.4 May rely on this authority to debit a different bank account upon receipt of instructions from the Customer via a bank to which their account has been transferred.
2. **The Customer may:**
 - 2.1 At any time, terminate this Instruction as to future payments by giving written (or by the means previously agreed in writing) notice of termination to the Bank and to the Initiator.
 - 2.2 Stop payment of any Direct Debit to be initiated under this Instruction by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.
3. **The Customer acknowledges that:**
 - 3.1 This Instruction will remain in full force and effect in respect of all Direct Debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this Instruction until actual notice of such event is received by the Bank.
 - 3.2 In any event this Instruction is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
 - 3.3 Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this Instruction. Any other disputes lie between me/us and the Initiator.
 - 3.4 Where the Bank has used reasonable care and skill in acting in accordance with this Instruction, the Bank accepts no responsibility or liability in respect of:
 - 3.4.1. the accuracy of information about Direct Debits on Bank statements; and
 - 3.4.2. any variations between notices given by the Initiator and the amounts of Direct Debits.
 - 3.5 The Bank is not responsible for, or under any liability in respect, of the Initiator's failure to give notice in accordance with clause 1.1, nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.
4. **The Bank may:**
 - 4.1 In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other Instruction, cheque or draft properly signed by me/us and given to or drawn on the Bank.
 - 4.2 At any time terminate this Instruction as to future payments by notice in writing to me/us.
 - 4.3 Charge its current fees for this service in force from time to time.
 - 4.4 Upon receipt of an “authority to transfer form” signed by me/us from a bank to which my/our account has been transferred, transfer to that bank this Authority to Accept Direct Debits.

Gareth Morgan KiwiSaver Limited

Level 10 | 109 Featherston Street | Freepost 210729 | PO Box 10068 | Wellington 6143 | New Zealand
Tel: 0800 427 384 | Fax: 64 4 473 0643 | questions@gmk.co.nz