

Cash PIE Investment Statement

This is an Investment Statement for the purposes of the Securities Act 1978, and is prepared as at 23 September 2011.



Important information

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

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

Choosing an investment

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

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In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

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>

Units not deposits or other liabilities and not guaranteed

An investment in the BNZ Cash PIE (the 'Fund') does not represent a deposit or other liability of BNZ, National Australia Bank Limited or any member of the BNZ Group. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of BNZ, National Australia Bank Limited or any other person including the Crown, guarantees (either partially or fully) the capital value or performance of the investment.

See the Glossary at the end of this Investment Statement for definitions of some of the capitalised terms used in this Investment Statement. Capitalised terms not otherwise defined bear the same meanings as in the Trust Deed.

Fund is a Portfolio Investment Entity

The Fund is a Portfolio Investment Entity (PIE) and therefore has certain tax advantages for some investors. More detail on the PIE tax regime is set out on **page 13**.

Tax-related adjustments

If you request the Manager to withdraw all or part of your investment from the Fund, the Manager may deem you to have also requested withdrawal of such number of Units which need to be cancelled to reflect tax paid or payable on all or a portion of the Income attributable to you at your notified Prescribed Investor Rate (PIR).

Investing through a custodian

Investors may invest in the Fund through a custodial, wrap or other administration service. For more information on this process and the special requirements which apply, please see **page 17**.

Any person investing through a custodial, wrap or other administration service is referred to in this Investment Statement as an 'underlying investor'.

What sort of investment is this?

The investment offered is Units in the BNZ Cash PIE, a unit trust established under the Unit Trusts Act 1960. The Fund is a PIE for the purposes of the Income Tax Act 2007.

A unit trust allows you to 'pool' your money together with other investors. Each Unit you buy gives you an undivided equal beneficial interest in the Fund's Assets, together with a share of the Income of the Fund based on the length of time you have held that Unit. A Unit in the Fund does not confer any interest in any particular asset of the Fund and you are not entitled to require the transfer to you of any of the investments of the Fund.

The Fund's objective is to provide investors with a pre-tax return similar to a call deposit with BNZ. It seeks to achieve this objective by investing in call deposits with BNZ. The Fund provides tax advantages for certain taxpayers which may make it preferable for those investors to invest in the Fund rather than directly in BNZ deposits. A full statement of those advantages is set out in the current registered prospectus for the Fund and also on **page 16** of this Investment Statement.

The current interest rate payable on the Fund's deposits can be viewed on the rates and fees page on **bnz.co.nz** (and is subject to change by BNZ at any time without notice to investors).

Interest on the Fund's deposits will accrue daily and compound monthly and, to the extent it is available for distribution to investors in accordance with the Fund's Distribution Policy (as set out on **pages 11 and 12**), will be distributed to investors on a monthly basis by way of the issue of additional Units in the Fund.

An investment in the Fund does not represent a deposit or other liability of BNZ, and BNZ does not guarantee (either partially or fully) the capital value or performance of the investment. You do not have any direct interest in any particular deposit made by the Fund with the BNZ, or any right to require the transfer to you of any particular deposit made by the Fund with BNZ.

BNZ's standard terms and conditions from time to time applying to bank accounts, including, where relevant, Telephone Banking terms and conditions and Internet Banking terms and conditions, apply to an investment in the Fund (with appropriate modifications to give effect to those terms and conditions in the circumstances of the Fund as if references in those terms and conditions to BNZ or the Bank included the Manager (with the corresponding limitations of liability applying to the Manager), and references in those terms and conditions to an Account Operating Authority included the authorities given by a Unit Holder by subscribing for Units under this Investment Statement). These terms and conditions can be viewed at **bnz.co.nz**

This offer is only available to New Zealand residents. This Fund is not offered, and this Investment Statement does not constitute an offer, in any jurisdiction other than New Zealand.

Who is involved in providing it for me?

The name of the unit trust is the BNZ Cash PIE. As at the date of this Investment Statement the following were involved in the BNZ Cash PIE:

The Manager

BNZ Investment Services Limited is the issuer and the Manager of the Fund.

BNZ Investment Services Limited

Level 4
80 Queen Street
Auckland 1010

Directors of the Manager

Nicolette Lisa Fowler – Auckland, New Zealand
Lee Alexandra Hatton – Auckland, New Zealand
Timothy John Main – Auckland, New Zealand
Martin Philipsen – Auckland, New Zealand

The directors of the Manager may change from time to time without notice to Unit Holders. Directors of the Manager can be contacted at the Manager's address.

The Administration Manager

MMc Limited

Level 13
23 Customs Street
Auckland 1010

BNZ also provides customer management and certain administrative functions in relation to the Fund.

The Trustee

The New Zealand Guardian Trust Company Limited

Level 7, Vero Centre
48 Shortland Street
PO Box 1934
Auckland 1010

The Promoters

Bank of New Zealand

Level 4
80 Queen Street
Auckland 1010

Directors of Bank of New Zealand

The directors of BNZ are also promoters of the Fund. The directors of BNZ are as follows:

Cameron Anthony Clyne – Sydney, Australia
Prudence Mary Flacks – Queenstown, New Zealand
Edwin Gilmour Johnson - Blenheim, New Zealand
Susan Carrel Macken - Auckland, New Zealand
Stephen John Moir - Wellington, New Zealand
Andrew John Pearce - Christchurch, New Zealand
Gavin Robin Slater - Melbourne, Australia
Andrew Gregory Thorburn – Auckland, New Zealand
John Anthony Waller - Auckland, New Zealand

The directors of BNZ may change from time to time without notice to Unit Holders. Directors can be contacted at BNZ’s address.

Registrar

Appello Services Limited

Level 2
75 Queen Street
Auckland 1010

Nominated Person

BNZ Investment Services Nominees Limited

Level 7, Vero Centre
48 Shortland Street
PO Box 1934
Auckland 1010

Changes to details

The names or addresses stated above may change. The latest names and addresses of the Manager, the Directors of the Manager, Administration Manager, Trustee and any Promoter are available by contacting the Manager using the contact details set out under “Who do I contact with inquiries about my investment?” on **page 27**.

Nature of the Fund

The Fund is a unit trust constituted under a Trust Deed dated 23 October 2008 and has been in operation since that date. The Fund enables investors to participate, as beneficiaries under a trust, in the returns generated by the Fund from its investment in call deposits with BNZ.

Activities of BNZ Investment Services Limited

BNZ Investment Services Limited was established on 16 October 2008 to act as Manager of the Fund. The principal activities of BNZ Investment Services Limited are the management and administration of investment funds and other investment-related functions.

How much do I pay?

Investments in the Fund

You can make an investment in the Fund by filling out the application form attached to this Investment Statement to subscribe for Units in the Fund. You must present a completed application form when you first subscribe for Units in the Fund. You are not required to complete an application form in respect of subsequent investments in the Fund.

Each of the Units in the Fund has a fixed price of \$1 which you must pay before you will be issued with Units.

When you first invest in the Fund you must invest at least \$1000. You may make further investments in the Fund at any time of at least \$250. You must maintain at least \$1000 worth of Units (or such other amount as the Manager may prescribe from time to time) in the Fund unless you withdraw all of your investment. The Manager will monitor Unit Balances from time to time. If your investment is below \$1000, the Manager has discretion to require redemption of your remaining Units, and will notify you if it exercises this discretion.

The Manager can alter the minimum investment and Minimum Balance amounts at any time and can refuse any application for Units (in whole or in part) in its discretion (and if it refuses an application in whole or in part, it will refund the subscription monies without interest). The Manager will cease accepting subscriptions for Units if the Current Unit Value falls below \$1 at any time. The Manager believes that, given the nature of the Fund's investments, it is unlikely that the Current Unit Value would fall below \$1.

You cannot subscribe for, or hold, more than 20% of the Units in the Fund at any time unless the Manager determines otherwise. Units of any person 'associated' with you (within the meaning of the Income Tax Act 2007) can be aggregated with your Units for the purpose of determining the 20% limit. The Manager has discretion to refuse applications for Units if it considers that allowing the subscription might or would cause the Fund to become ineligible as a PIE. If you become aware that you are or may be in breach of the 20% limit you must notify the Manager immediately.

Making payments

You can pay for Units in the Fund by any of the methods described in the table overleaf or by any other method prescribed by the Manager. You should make any cheques or bank drafts payable to 'BNZ Investment Services Nominees Limited - BNZ Cash PIE'.

You should present your completed application form and make any payments by cash, cheque or bank draft to the Manager at any BNZ store. You must go into a BNZ store to make your first investment in the Fund.

The following table summarises how investments in the Fund can be made and sets out the time frame for processing the investment once the Manager has accepted the application:

Initial investment

How to make an investment	Payment methods	Usual timeframe for processing investment
<p>Complete the application form attached to this Investment Statement, nominating the dollar amount you would like to invest.</p> <p>Present the application form at any BNZ store (along with any payment by cash or cheque).</p> <p>Pay for your investment using one of the 'payment methods'.</p>	<ul style="list-style-type: none">› Cash› Personal cheque› Bank cheque› Electronic transfer from any New Zealand bank account to the Fund's Bank Account by making a 'one-off payment' (use the record of entitlement number (that is, your Cash PIE number) allocated to you for this purpose)	<p>The day the payment is made if payment is made by electronic transfer from a BNZ account.</p> <p>The next Business Day if payment is made by any other payment method.</p>

Subsequent one-off investments

How to make an investment	Payment methods	Usual timeframe for processing investment
<p>Notify the Manager that you wish to make an investment in the Fund by phone, at a BNZ store by presenting a completed BNZ deposit slip or using internet banking (by setting up a bill payment) (you are not required to complete an application form for subsequent investments).</p> <p>Pay for your investment using one of the payment methods. If you are paying by cash or cheque you should present your payment at a BNZ store.</p>	<ul style="list-style-type: none">› Cash› Personal cheque› Bank cheque› Electronic transfer from any New Zealand bank account to the Fund's Bank Account by making a 'one-off payment' (use the record of entitlement number (that is, your Cash PIE number) allocated to you for this purpose)	<p>The day the payment is made if payment is made by electronic transfer from a BNZ account.</p> <p>The next Business Day if payment is made by any other payment method.</p>

Regular investments

How to make an investment	Payment methods	Usual timeframe for processing investment
<p>You may set up an automatic payment to make regular subscriptions in the Fund (you are only required to complete an application form the first time you make an investment in the Fund).</p>	<p>Automatic payment from any New Zealand bank account.</p>	<p>The day the payment is made if payment is made from a BNZ account.</p> <p>The next Business Day if payment is made from any other New Zealand bank account.</p>

When you first make an investment in the Fund you will be allocated a numerical 'record of entitlement' which is similar to a bank account number. The record of entitlement is not actually a bank account but you will be able to use it for the purpose of making further investments in the Fund, including using internet banking (by 'one-off payment' or automatic payment) or telephone banking.

If you fail to make a payment, or a payment is dishonoured or reversed, the Manager has discretion to treat the Units issued against that payment (and any subsequent Units issued as a result of a distribution of Income in respect of those Units) as void or to compulsorily cancel those Units and no Income will be payable to you in respect of any Units issued against that consideration. In addition, withdrawals of Units will only be permitted if the payment for such Units has been made in cleared funds.

All subscription monies received by the Manager become subject to the trusts created by the Trust Deed upon receipt by the Manager.

Accounts into which your investments are paid:

- › will be the property of the Trustee or the Nominated Person;
- › will be designated so that they are clearly recognised as being accounts of the Fund; and
- › may be designated in such other manner as the Manager (acting reasonably) requires (including, without limitation, by reference to your name),

but you will not have any direct interest in any such account whatsoever, and you are not entitled to require the transfer to you of any monies held in such an account.

What are the charges?

Currently there are no entry, exit or management fees charged for investing in the Fund.

The Manager will be responsible for paying any fees to the Trustee, the Administration Manager and the Registrar and the expenses associated with the administration and regulatory compliance of the Fund. These fees and expenses are payable out of the Fund if the Manager fails to pay them.

Variations to fees

The Manager currently has no intention to introduce any fees, and must give you three Months' notice if any new fees (including the fees below) are to be introduced.

Under the Trust Deed, the Manager is entitled to charge and vary fees, including:

- › entry and exit fees
- › management fees
- › a switching fee (deducted from the Redemption Price of Units to be switched to another unit trust established under the Trust Deed)
- › registry and accounting fees, and
- › a reasonable fee for time spent by the Manager relating to the termination of the Fund.

Expenses

The Manager and the Trustee are both entitled to be reimbursed out of the Fund for the items of expenditure in relation to the Fund as described in the Trust Deed. The actual amount of these expenses cannot be ascertained until they are incurred or realised. There is no maximum amount of reimbursable expenses. The current intention is that all such expenses will be payable by the Manager. Failing payment by the Manager such expenses would be payable out of the Fund.

Commissions

A commission may be payable to investment advisers by BNZ for arranging investments in the Fund. Any such commission will not be payable out of the Fund.

Bank fees

Any fees or charges you incur as a result of using any bank account with BNZ or any other bank in connection with your investment in the Fund (such as a fee to set up an automatic payment) will not be met by the Fund and may be debited to that bank account in accordance with the terms and conditions applying to that bank account. These fees or charges could include a dishonour fee, if cleared funds are not received by the Fund for your investment (although BNZ does not charge dishonour fees, such fees may be charged by other banks). Such fees and charges may change from time to time, according to the relevant bank's terms and conditions. BNZ's standard bank account fees can be viewed at bnz.co.nz

What returns will I get?

Returns

Your returns will be made up of monthly distributions in respect of the Fund. The Fund aims to provide you with pre-tax returns similar to a call deposit with BNZ, and seeks to achieve this by investing in call deposits with BNZ. The interest rate payable on the deposits is the main factor that will affect your returns. Changes to the fees payable in relation to your investment could also affect your return.

Distributions

An investment in the Fund is not the same as an investment in a traditional BNZ call deposit. You will not receive interest on your investment but instead will receive monthly distributions for each Month in which you are an investor in the Fund (and the distribution will be made on or as soon as practicable after each Distribution Date). Monthly distributions will be satisfied by the issue of further fully paid Units in the Fund at an Issue Price of \$1 and not by the payment of money, and will be based on the proportion of Income of the Fund which is attributable to your investment. Units issued on a distribution will generally be rounded to two decimal places.

All Units issued as a distribution to investors shall rank equally with all other Units in the Fund.

If you decide to withdraw all your Units from the Fund you will receive a cash payment of the redemption proceeds for those Units and a cash distribution of any Income which has accrued on those Units since the last Distribution Date (less tax and applicable fees and expenses). The Manager reserves the right to distribute Income by way of an issue of additional Units rather than in cash.

You are also able to request withdrawal of some of your Units, subject to a minimum withdrawal of \$500 (or, at the Manager's discretion, a lower

amount), and if the withdrawal would mean your Unit Balance falls below the Minimum Balance (currently \$1000) the Manager may redeem your remaining Units. For further detail see **'How do I cash in my investment?'** on **page 23**.

On withdrawal you will receive for each Unit withdrawn the lower of \$1 and the Current Unit Value, minus any tax and exit fees (no exit fees are currently payable).

Whenever the Manager issues you with additional Units as a distribution, the Manager will determine the amount of any adjustment required to be made to your Units under the Income Tax Act 2007 to reflect tax paid or payable by the Fund on Income attributed to you at your notified PIR. This tax adjustment will be recorded and on or around 31 March of each year the Manager will cancel Units to reflect the adjustment required. The Manager may cancel Units earlier to reflect tax paid or payable on all or part of the Income attributed to you if you withdraw some of your Units. If you withdraw all of your Units the Manager will make a deduction from the cash payment made to you on withdrawal to reflect tax paid or payable on the Income attributable to you.

While the Manager has no current intention of doing so, the Manager may, as an alternative to cancelling Units in the manner described above, instead determine, allocate and distribute the Income attributed to you (and deduct applicable fees and expenses) less any adjustment required to be made to your Units under the Income Tax Act 2007 to reflect tax paid or payable by the Fund on Income attributed to you at your notified PIR.

No amount of returns promised

No amount of returns that is quantifiable as at the date of this Investment Statement and enforceable by investors is promised by the Manager or the Trustee.

Manager legally liable to pay returns

The Manager is legally liable to pay any returns on the Fund. The Manager's obligations in respect of the Fund and the performance of the Fund are not guaranteed by the Trustee, the Nominated Person, BNZ, National Australia Bank Limited, any member of the BNZ Group or any of their directors or any other person including the Crown.

Variations to Distribution Policy

The Manager may vary the Distribution Policy (including, subject to giving 30 days' notice to the Trustee and Unit Holders, the Distribution Dates) from time to time. The Manager will advise the Trustee (and Unit Holders where the change materially affects existing Unit Holders) in writing of amendments to the Distribution Policy.

Suspending withdrawals

The Manager can suspend withdrawals from the Fund by issuing a Suspension Notice if, for any good reason, reasonably determined by the Manager, the Manager forms the opinion that it is not desirable or would be prejudicial to the interests of Unit Holders, or might or would cause the Fund to become ineligible as a PIE, for withdrawals to be made from the Fund. There is no time limit on suspensions. However, if the suspension lasts longer than six Months after the Suspension Notice is given to Unit Holders, the Manager must call a meeting of Unit Holders to consider termination of the Fund.

As the Fund will exclusively invest in call deposits with BNZ, the Manager considers it unlikely that circumstances will arise which would require the Manager to suspend withdrawals from the Fund.

Taxation

Taxes may affect the returns you receive from the Fund.

General

The following is a general summary of the New Zealand tax implications of an investment in the Fund. It does not deal with all considerations that may be relevant to an investor. It is based on tax legislation and interpretation as at the date of this Investment Statement. Tax legislation, its interpretation and the rates and basis of taxation are subject to change. You should obtain your own independent tax advice in relation to your situation before investing in the Fund.

Fund is a Portfolio Investment Entity (PIE)

The Fund is a PIE. The Fund's Income is attributed to you in proportion to the number of Units you hold in the Fund and the length of time for which you have held those Units. Tax is paid by the Fund on the Income attributed to you at your notified PIR. This tax will be paid annually. This tax may be payable earlier if you redeem some of your Units during the year and will be paid on withdrawal if you withdraw all of your Units. Unless your notified PIR is 0%, (or, from 1 April 2012, you are a new resident who chooses not to include your non-resident foreign-sourced income to determine your PIR), or you are a trust which has notified a PIR of less than 28%, then as long as you have notified the correct PIR before the end of the tax year (and before any partial withdrawal during the year), you will have no further tax liability.

If:

- › your notified PIR is 0%; or
- › (from 1 April 2012) you're a new resident who chooses not to include your non-resident foreign-sourced income to determine your PIR; or
- › you're a trust which has notified a PIR of less than 28%; then

you'll be responsible for paying tax on the income attributed to you. If you're a trust which has notified a 10.5% or 17.5% PIR or you're a new resident as described above, a credit is available for the tax paid by the Fund on your behalf.

What is a Prescribed Investor Rate (PIR)?

Your PIR is the tax rate prescribed by law to calculate the tax payable by the Fund on the Income of the Fund that is attributed to you. If you are a New Zealand resident individual, the PIR is based on your taxable income e.g. income from salary, wages and any additional sources of income that you would include in your income tax return and the income attributed to you from any PIEs in which you invest, including the Fund. The Fund pays the tax liability and will either cancel Units equivalent in value to the tax liability or deduct it from any distributions, at your notified PIR.

Your PIR will be as follows (if you have provided your IRD number to the Manager):

New Zealand resident individual investor

10.5%	In one of the last two income years: <ul style="list-style-type: none">> your taxable income was \$14,000 or less; and> when combined with the income from your PIE investments your total income was \$48,000 or less
17.5%	If you do not qualify for the 10.5% rate but in one of the last two income years: <ul style="list-style-type: none">> your taxable income was \$48,000 or less; and> when combined with the income from your PIE investments your total income was \$70,000 or less
28%	If you do not meet the requirements for the 10.5% or 17.5% rates or you have not notified a PIR

Other investors

You can select a PIR of 0%	If you are a New Zealand resident for tax purposes, have provided your IRD number, and are a: <ul style="list-style-type: none">> Company (includes a unit trust)> Registered charity> PIE> PIE Investor Proxy
0%, 17.5% or 28%	If you are a New Zealand resident trustee for a trust (other than a unit trust) or a superannuation fund and have provided your IRD number. Certain testamentary trusts can also select the 10.5% PIR.
28%	If you are not a New Zealand resident for tax purposes or you have not notified a PIR

From 1 April 2012, in determining a Unit Holder's PIR, gross income earned from foreign sources in the income year the Unit Holder became a New Zealand tax resident, and in the immediately preceding two income years, must be treated as if it were taxable income. However the Unit Holder may choose that this rule does not apply if the Unit Holder expects that their taxable income in the relevant year will be significantly lower than their total income in the income year prior to becoming a New Zealand resident. In that case, the Unit Holder will be taxable on their returns from the Fund, with a credit being available for any PIE tax paid.

Trusts (other than unit trusts and charitable trusts) may notify a PIR of 17.5%, and certain testamentary trusts may also notify a PIR of 10.5%. A trust that notifies a PIR of less than 28% will need to file a tax return including its share of the Fund's Income and pay tax on that Income, with a credit being available for any PIE Tax paid.

You should check that you have notified the correct PIR to the Manager.

If you do not notify your PIR, the default rate is 28%. In the case of joint investors with differing PIRs the higher notified PIR is used.

If you notify us of a change to your PIR after the beginning of the tax year, the tax payable by the Fund which is attributable to you will be recalculated using the rate of your new PIR notified by you. However, there will be no recalculation of tax which has been paid to the IRD on your behalf before we receive the notification.

The Commissioner of Inland Revenue can, by notice, require the Fund to disregard the PIR notified by an investor. The rate would become the rate the Commissioner considers appropriate. For more information about PIRs and to determine your correct PIR please refer to the IRD website ird.govt.nz/toii/pir or contact your professional tax adviser.

The advantage of PIE

PIE funds provide some individual and trustee investors with a significant benefit over holding assets (or investments) directly.

This is because PIE funds pay tax on behalf of investors at their PIR with the highest or default PIR capped at 28%. No further tax will be payable provided the correct PIR has been notified (except for trusts which notify a PIR of less than 28% (and, from 1 April 2012, new residents who choose not to include their non-resident foreign-sourced income to determine their PIR)). This means that individual investors with a higher marginal tax rate than 28% and a PIR of 28% will save tax.

PIE funds can also provide a benefit to individual investors who would be subject to withholding tax on investment income earned directly. No tax is payable on the income earned through a PIE fund until the earlier of the time the investor withdraws some or all of their Units, or on or around the end of the tax year.

The advantage of PIE is also described in the Fund's registered prospectus.

Impact of PIE for certain taxpayers

For certain individual investors, a PIE fund may result in more tax being paid compared with holding assets (or investments) directly.

Given that there are a number of circumstances where you may pay more tax in a PIE, rather than other forms of investment, it is important to consult your tax adviser to determine whether a PIE is best for you.

Why do I need a PIR?

Without a notified PIR, the Fund will pay tax on your Income at the maximum rate of 28%. To benefit from a lower rate (if you are eligible to), you need to notify your PIR and IRD number at the time of application.

When do I need to provide my PIR?

You should notify your PIR when you invest in the Fund, along with your IRD number. Each year the Manager will write to investors to ask them to reconfirm the PIR that applies to them. You should review your rate each year to ensure it is correct and notify the Manager of any changes.

It is important that you notify your correct PIR when requested. If you fail to notify your PIR or your IRD number then your income from the Fund will be taxed at the default rate of 28%. This rate could be higher than necessary. If you notify a PIR that is lower than your correct PIR, you will be liable to pay tax on your Income at your marginal tax rate and to file a tax return. If you notify a PIR that is higher than the applicable rate, you will not be able to claim back the excess tax paid.

If the tax liability on Income allocated to you exceeds your investment in the Fund, the Manager will redeem your remaining Units and pay the proceeds of the redemption to the IRD. To the extent this tax liability is not paid by the Fund, you may need to pay the tax directly to the IRD.

When will the Fund pay the tax on my attributed income?

The Manager will cancel Units to pay tax on your attributed Income on or around 31 March of each year but may do this earlier in respect of all or a portion of the Income attributed to you if you withdraw some of your Units. If you withdraw all of your Units the Manager will make a deduction from the cash payment made to you on withdrawal to reflect your tax liability.

Investing through a custodian

The PIE tax regime makes specific provision for custodians who hold legal title to Units on behalf of underlying investors who have provided the funds for the Units held by the custodian. A custodian that holds Units for an underlying investor in the Fund may give a notice to the Fund that the custodian is a PIE Investor Proxy (the '*PIE Investor Proxy*').

If an underlying investor invests through a custodian who has elected to be a PIE Investor Proxy then the following responsibilities will not be undertaken by the Manager or the Trustee or the underlying investor, but will be undertaken by that custodian:

- › allocating to the underlying investors amounts allocated to the PIE Investor Proxy by the Fund;
- › paying the tax liability on Income allocated to the PIE Investor Proxy applying the PIRs of the underlying investors (the timing of payment of PIE tax is determined by the PIE Investor Proxy and may differ to that outlined in this Investment Statement);
- › making adjustments to the Units held on behalf of underlying investors (by redeeming Units) or the distributions (if any) made to underlying investors or requiring a payment to be made by underlying investors to reflect the tax liability on Income allocated to the underlying investors;
- › providing returns and other information to the Inland Revenue Department; and
- › providing to the Fund any information concerning the underlying investors that may be relevant to whether the Fund continues to meet the eligibility requirements for a PIE (such as the investor size requirement and the investor spread requirement).

PIE Investor Proxies may be required to enter into contractual arrangements with the Manager regarding compliance by the PIE Investor Proxies with the requirements of tax legislation.

If an underlying investor invests through a custodial, wrap or other administration service:

- › their Units will be held by the custodial, wrap or other administration service on their behalf;
- › the custodial, wrap or other administration service will be the registered holder of the Units and the underlying investor will be the beneficial owner of the Units. The underlying investor will have the same rights, benefits and entitlements as if they were the registered holder of the Units, except that the relevant custodial, wrap or other administration service will be recorded in the register as the Unit Holder and will hold the Units for the underlying investor on their behalf. The custodial, wrap or other administration service will be the only person able to exercise any rights, benefits and entitlements in relation to the Units;
- › a reference in this Investment Statement to an ‘investor’, ‘Unit Holder’, ‘you’, ‘your’ or ‘yourself’ is a reference to the custodial, wrap or other administration service; that is, the registered holder of the Units and not the underlying investor; and
- › a reference in this Investment Statement to a ‘custodial, wrap or other administration service’ is a reference to the particular service that has invested in the Fund on behalf of an underlying investor.

Underlying investors who have invested in the Fund through a custodial, wrap or other administration service should not complete the application form attached to this Investment Statement. Rather, the application form should be completed by the relevant custodial, wrap or other administration service (see **page 8** for more information on how to make an investment in the Fund).

Underlying investors investing through a custodial, wrap or other administration service should refer to the custodial, wrap or other administration service’s terms and the relevant marketing information, which apply to the underlying investor in addition to the terms governing any investment in the Fund.

Investors and underlying investors are required to obtain and read a copy of this Investment Statement before investing or instructing a custodial, wrap or other administration service to invest on their behalf. Prospective investors and underlying investors should ensure that they take the time to read this Investment Statement and the other relevant documentation that they have been given before making their investment decisions.

Other

None of the Trustee or its Nominated Person, the Manager, the Administration Manager, BNZ, National Australia Bank Limited, any of their respective related companies or directors, or any other person takes responsibility for the taxation liability of any investors.

Under the Trust Deed, if the Manager requests you to provide information to the Manager to enable the Manager to determine whether the Fund continues to meet the PIE eligibility requirements, you shall supply information within 30 days of the request.

What are my risks?

All investing involves risk. Risk is the likelihood of not getting all of your money back, or getting a lower return than you expect.

While the Fund is intended to provide pre-tax returns similar to a call deposit with BNZ and is invested in call deposits with BNZ, there is still a level of risk caused by factors such as, but not limited to:

- › **Exclusive investment risk:** The Fund invests exclusively in call deposits with BNZ. Any event or circumstance affecting BNZ's ability to pay interest on, or repay the principal amount of, the Fund's investment (such as the insolvency, receivership, liquidation, voluntary administration or statutory management of BNZ) will correspondingly affect the Fund's ability to make payments to investors (see further '**Insolvency risk**' overleaf).
- › **Interest rate risk:** Reductions in interest rates can have a negative impact directly or indirectly on returns. Interest rates are affected by a range of factors, including economic and regulatory conditions, market sentiment, political events, and environmental and technology issues.
- › **Tax:** Any change in taxation legislation could impact on your returns. Although the Manager has mechanisms available to manage compliance with the PIE eligibility requirements, there is a risk that the Fund could lose its PIE status if there is a breach of those requirements and the Manager does not become aware of the breach in time to correct it.
- › **Wrong PIR:** If you have notified a PIR that is lower than your correct PIR you will be liable to pay tax on your Income at your marginal tax rate and will be required to file a tax return. If you notify a PIR that is higher than your correct PIR you will not be able to claim back the excess tax paid.
- › **Claim on the Fund:** Subject to certain exceptions specified in the Trust Deed, the Trustee and the Manager are indemnified from and against any and all losses, costs, and expenses incurred by the Trustee or Manager

in performing any of their respective duties or exercising any of their respective powers in relation to the Fund pursuant to the Trust Deed and from and against all actions, proceedings, costs, claims and demands in respect of any matter or thing relating to the Fund, including all actions in relation to the offer and issue of Units. Such a claim by the Trustee or the Manager may affect the Fund's ability to make payments. The Manager currently charges BNZ a manager's fee which is sufficient to cover the fees, costs and expenses that would normally be incurred by the Fund in the ordinary course of its business.

- › **Use of internet banking services:** If you use an internet banking service for any purpose in connection with your investment in the Fund you may suffer loss resulting from use of that internet banking service, in particular if you have acted fraudulently or you have contributed to or caused that loss (for example by failing to comply with the terms and conditions of the relevant internet banking service).
- › **Insolvency risk:** Either BNZ or the Fund becoming insolvent or being put into receivership, liquidation or statutory management in circumstances where its assets cannot satisfy claims of investors and underlying investors.

You should be aware of these risks when investing and that not all risks can be foreseen. Any of these risks may result in the Current Unit Value falling below \$1. In this situation you would receive less than \$1 per Unit on withdrawal or would be unable to make any withdrawals from the Fund.

Personal liability

There are no circumstances in which you will be obliged to pay any further money, apart from the purchase price of your Units, any fees described in this Investment Statement which are or become payable by you and any tax liability that is attributable to you or that you incur as a result of notifying the wrong PIR or failing to notify the Manager when your PIR increases.

Under the terms of the application form attached to this Investment Statement, a custodian that holds legal title to Units on behalf of underlying investors and elects to be a PIE Investor Proxy will indemnify the Manager and the Trustee for any losses, liabilities, costs or expenses arising from any breach (in relation to underlying investors that the custodian is responsible for) of the investor interest size requirements under the Income Tax Act 2007 or the investor membership requirements under the Income Tax Act 2007, including the losses, liabilities, costs or expenses arising from the Fund losing PIE status.

In addition, under the application form you indemnify and hold harmless the Manager, BNZ and the Trustee against all damage, costs, expenses, losses or liabilities which may arise by reason of any of them accepting or acting on instructions from or on behalf of a Unit Holder or from an authorised signatory in respect of a Unit Holder's holding of Units (including any instructions issued by telephone, facsimile, email or other electronic means).

There is no limitation on either of these indemnities.

No liability of Trustee for electronic transactions

To the maximum extent permitted by law, the Trustee and its Nominated Person shall have no liability to any person (including any Unit Holder) in connection with BNZ's telephone or internet-based electronic banking systems (including for any transactions effected, or purported to be effected, by or on behalf of Unit Holders or BNZ, by means of such systems).

Consequences of insolvency

In the unlikely event of the insolvency of the Fund, you will not be liable to pay any money to any person apart from the amounts mentioned in the **'Personal liability'** section above. Creditors of the Fund will rank ahead of your claim in the event of the Fund being wound up. Your claim will rank equally with the claims of other investors in the Fund in proportion to the number of Units held.

Can the investment be altered?

Alteration of your investment

Alteration by you

You can add to or withdraw part or all of your investment at any time (as long as you meet the minimum investment and Minimum Balance requirements set out in the **'How much do I pay?'** section of this Investment Statement).

Alteration by the Manager

If your investment in the Fund falls below the Minimum Balance, the Manager may choose to redeem your Units in the Fund after giving you notice. The Manager may elect to consolidate or subdivide Units (although this discretion is unlikely to be exercised given the fixed Issue Price of \$1), or to resettle the Fund in the manner set out in the Trust Deed.

You cannot hold more than 20% of the Units in the Fund at any time unless the Manager determines otherwise. Units of any person associated with you (within the meaning of the Income Tax Act 2007) can be aggregated with your Units for the purpose of determining the 20% limit. If you become aware that you are or may be in breach of the 20% limit you must notify the Manager immediately.

If your investment exceeds 20% of the Units in the Fund, the Manager has discretion to sell or redeem the number of Units giving rise to the breach in accordance with the procedure set out in the Trust Deed. Any proceeds from such sale or redemption shall be accounted to you, less any expenses arising from such disposal and neither the Manager nor the Trustee shall be liable for any loss on such disposal.

In other circumstances where your investment might or would cause the Fund to become ineligible as a PIE, the Manager may take all steps it considers necessary or desirable to ensure the Fund is eligible or continues to be eligible as a PIE.

The Manager may take all steps and do all things as it thinks necessary or desirable in its complete discretion to administer the Fund as a PIE.

Alteration to the terms of your investment

Alteration by the Trustee and the Manager

The Trustee and the Manager may amend the Trust Deed if the change:

- › is, in the opinion of the Trustee and the Manager, necessary, desirable or expedient to comply with the provisions of, or to reflect any changes to, any statute, ordinance, regulation or by-law or any law made under the authority of any statute, regulation, by-law or ordinance or is the requirement of any competent statutory authority; or
- › is, in the opinion of the Trustee and the Manager, necessary or expedient in order for the Fund to qualify as, or continue to be eligible to be, a PIE; or
- › is, in the opinion of the Trustee, made to correct a manifest error or is of a formal, technical or administrative nature only; or
- › is, in the opinion of the Trustee, not materially prejudicial to investors in the Fund affected by the proposed amendments, addition or revocation generally; or
- › will, in the opinion of the Trustee, enable the provisions of the Trust Deed to be more conveniently or advantageously administered; or
- › is approved by separate Extraordinary Resolutions of each class of investors which, in the opinion of the Trustee, is likely to be affected by the proposed amendment; or
- › is otherwise expressly authorised by the Trust Deed.

The Manager is entitled under the Trust Deed, and reserves the right, to determine and charge certain fees in respect of the Fund (see the **‘What are the charges?’** section of this Investment Statement for further details). Investors will be given three Months’ written notice if any charges are to be imposed in the future or if any existing fees are to be increased.

The Manager may also change:

- › the investment objectives and policy for the Fund with the approval of the Trustee;
- › the minimum and maximum investment amounts and Minimum Balance which must be maintained in the Fund; and
- › the Distribution Policy (including, subject to giving 30 days' notice to the Trustee and Unit Holders, the Distribution Dates) of the Fund. The Manager will advise the Trustee (and Unit Holders where the change materially affects existing Unit Holders) in writing of amendments to the Distribution Policy.

The Manager may also, with the Trustee's consent, on termination of the Fund, resettle the Fund into a successor trust, subject to the requirements of the Trust Deed.

The Manager may change its practices described in this Investment Statement without further notice provided that any changes are within the terms of the Trust Deed and are not material changes. The Manager will notify you prior to effecting any material changes.

As at the date of this Investment Statement the Manager does not intend to make any of the above changes to the terms of the Fund.

The Manager may alter the terms which apply to the Units in the Fund being offered, by amending the Investment Statement and registered prospectus from time to time.

Where a practice of the Manager is referred to, or the description 'generally' or 'currently' is used in this Investment Statement in relation to a practice, the reference is to the practice of the Manager at the date of this Investment Statement.

Alteration by you

Investors in the Fund have a range of powers (including to amend the Trust Deed) exercisable by Extraordinary Resolution passed at a meeting of investors carried by a majority of 75% of the investors voting at the meeting.

How do I cash in my investment?

Withdrawals

On withdrawal you will receive for each Unit withdrawn the lesser of \$1 per Unit and the Current Unit Value, minus tax and any exit fees. No exit fees are currently payable in respect of the Fund.

The Current Unit Value for the Fund at any time is determined in accordance with the Trust Deed, and is essentially a calculation (per Unit) of the Value of the Fund's Assets less the value of the Fund's liabilities, the Fund's net undistributed Income and the balance of the Fund's Tax Bank Account and the balance of any other 'suspense' or similar account in which subscription monies for Units have been received but have not yet been credited to the Fund's bank account or to which redemption proceeds have been credited but not yet paid to relevant Unit Holders (if and to the extent those balances would be included in the Value determined for the Assets of the Fund). For a full description of how the Current Unit Value is calculated, you should refer to the Trust Deed.

How to make withdrawals

You can withdraw any part of your investment provided you comply with the Minimum Balance requirements or withdraw all of your Units at any time. The Minimum Balance which you must maintain is currently \$1000 worth of Units. The Manager will monitor Unit Balances from time to time. If your investment is below \$1000, the Manager has discretion to require redemption of your remaining Units, and will notify you if it exercises this discretion. The Manager may alter this Minimum Balance in its discretion. The minimum amount that you can withdraw from the Fund is \$500 (or, at the Manager's discretion, a lower amount).

You can request a withdrawal at any time by using one of the following methods to advise the Manager of the dollar amount which you wish to withdraw:

- › calling the BNZ call centre on **0800 275 269**
- › going into any BNZ store and completing such withdrawal process as the Manager may require
- › any other method prescribed by the Manager from time to time

You can also set up a regular withdrawal to an account notified to the Manager for a fixed amount by contacting the Manager by one of the methods set out above. Your regular withdrawal may be unable to be processed if following the withdrawal your investment would be less than the Minimum Balance or the amount of the withdrawal exceeds your Unit Balance. If you wish to withdraw all your Units you must make a separate request to the Manager.

Your withdrawal request must specify the dollar amount which you wish to withdraw. The Manager may deem your withdrawal request to be a request to redeem also the number of Units (if any) required to be cancelled to reflect tax paid or payable by the Fund on all or a portion of the Income attributed to you.

If you request withdrawal of all your Units, all your Units will be redeemed and you will receive a cash payment of the redemption proceeds for those Units and a cash distribution of any Income which has accrued on your Units since the last Distribution Date, less tax and applicable fees and expenses.

If you request withdrawal of Units which following the withdrawal would result in you having less Units than the Minimum Balance, the Manager has discretion to refuse to process the withdrawal request (except where all your Units are to be withdrawn) or to redeem all your Units. You may not revoke a withdrawal request once you have made it.

The Manager is required to allow the withdrawal of Units within a reasonable time following receipt of a withdrawal request except where the Manager suspends redemptions in the interests of investors, the redemption would result in you holding Units to the value of less than the Minimum Balance (unless redemption of all your Units is requested), consideration for such Units has not been received by the Manager in cleared funds or the amount requested to be withdrawn exceeds your Unit Balance.

Other than as set out above, withdrawal requests will usually be processed within two Business Days of the Manager receiving the request. The amount payable to you on withdrawal will be credited to the account you nominate on your application form. No charges are currently payable to the Manager when you make any withdrawal from the Fund, however the Manager is entitled to introduce an exit fee.

The Manager has the discretion to pay redemption proceeds by the transfer of Assets to you rather than in cash (although the Manager has no current intention of exercising this discretion).

In addition, the Manager reserves the right to distribute Income by way of an issue of additional Units rather than in cash.

The Manager has no obligation to buy back Units (although this does not affect its obligation to procure redemptions of Units, as set out in the Trust Deed).

Withdrawals by the Manager

If at any time the amount of your investment falls below the Minimum Balance amount, the Manager may require redemption of all your remaining Units, and will notify you if it exercises this discretion.

If your investment exceeds the investor interest size requirement (prescribed in the Income Tax Act 2007), the Manager may choose to sell or redeem the number of your Units giving rise to the breach in accordance with the procedure set out in the Trust Deed.

In other circumstances where your investment might or would cause the Fund to become ineligible as a PIE, the Manager may take all steps it considers necessary or desirable to ensure the Fund is eligible or continues to be eligible as a PIE.

Tax on withdrawal

When you withdraw Units, the tax liability on all or a portion of the Income allocated to you up to the redemption date will need to be satisfied either by the Manager cancelling Units or making a deduction from any amount payable to you. In the case of partial redemptions this will generally occur by the Manager cancelling Units at the time of the withdrawal. If you withdraw all of your Units the tax liability will usually be met by making a deduction from the payment made to you on redemption.

Suspending withdrawals

The Manager can suspend withdrawals from the Fund by issuing a Suspension Notice if, for any good reason, reasonably determined by the Manager, the Manager forms the opinion that it is not desirable or would be prejudicial to the interests of Unit Holders, or might or would cause the Fund to become ineligible as a PIE, for withdrawals to be made from the Fund. There is no time limit on suspensions. However, if the suspension lasts longer than six Months after the Suspension Notice is given to Unit Holders, the Manager must call a meeting of Unit Holders to consider termination of the Fund.

As the Fund will exclusively invest in call deposits with BNZ, the Manager considers it unlikely that circumstances will arise which would require the Manager to suspend withdrawals from the Fund.

Transfers

You may transfer all or any of your Units by providing an instrument of transfer to the Manager. An instrument of transfer shall be in writing in such form and execution satisfactory to the Manager, and shall comply with any applicable law and any other reasonable requirements as the Trustee or the Manager may from time to time prescribe. Before a transfer can be effected, the transferee must either be an existing investor in the Fund or have completed an application form and delivered the form to the Manager in accordance with the directions on **page 8**. The Manager does not believe that there is an established market for such sales.

The Manager may decline to register any transfer for the reasons set out in the Trust Deed, including where provisions of the Trust Deed or any applicable statutory provisions have not been complied with, if registration of the transfer would result in less than a Minimum Balance of Units standing in the name of the transferee or transferor, if registration of the transfer would result in the Fund becoming ineligible as a PIE or would operate to threaten any such eligibility.

Under the Trust Deed, the Manager may elect to effect a transfer request either by registering a transfer of Units from the transferor to the transferee, or by cancelling without payment to the transferor the number of Units sought to be transferred (less any Units cancelled within the terms of the Trust Deed (including for tax reasons)) and issuing the same number of Units as are cancelled to the transferee.

No charges are payable to the Manager if you sell your Units in the Fund.

The registration of transfers may be suspended at such times and for such period or periods (not exceeding in the whole 30 days in any year) as the Manager may from time to time determine.

Termination of the Fund

The Fund will terminate on the earlier of the date appointed by the Manager (after giving not less than three Months' written notice to Unit Holders and the Trustee), or on the date determined by an Extraordinary Resolution of investors, or determined under the Trust Deed or by operation of law.

Who do I contact with inquiries about my investment?

Any inquiries about the investment should first be made to BNZ on **0800 275 269**.

You can make further inquiries about your investment to the Manager at:

BNZ Investment Services Limited – BNZ Cash PIE Enquiries

Level 4

80 Queen Street

Private Bag 92208

Auckland 1142

T. 0800 275 269

E. bnz_investment_services@bnz.co.nz

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

Any complaints or problems with your investment should be directed to the Manager at:

BNZ Investment Services Limited – BNZ Cash PIE Enquiries

Level 4

80 Queen Street

Private Bag 92208

Auckland 1142

T. 0800 275 269

E. bnz_investment_services@bnz.co.nz

If you are not satisfied with the outcome of your enquiry to the Manager, you can contact the Trustee at:

Corporate Trusts Manager

The New Zealand Guardian Trust Company Limited

Level 7, Vero Centre

48 Shortland Street

PO Box 1934

Auckland 1010

T. (09) 377 7300

If you are not satisfied with the outcome of your complaint to the Trustee, you may refer your complaint to the Banking Ombudsman.

The Manager is a member of an independent dispute resolution scheme operated by the Banking Ombudsman and approved by the Ministry of Consumer Affairs, for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Under the terms of this scheme, the Manager has three months to resolve your complaint. If you are not satisfied by the Manager's response you may refer the matter to the Banking Ombudsman by emailing help@bankomb.org.nz or calling 0800 805 950. Alternatively you may write to the Banking Ombudsman at:

The Office of the Banking Ombudsman

Level 11

BP House

20 Customhouse Quay

PO Box 10-573

The Terrace

Wellington 6143

Full details of how to access the Banking Ombudsman scheme can be obtained at www.bankomb.org.nz/eng

What other information can I obtain about this investment?

Additional information about the Units, the Fund and the Manager is contained in the most recent registered prospectus, the Trust Deed, and the financial statements for the Fund.

Copies of the registered prospectus, the Trust Deed, and the financial statements and other documents relating to the Manager and the Fund are available free of charge on request from the Manager during normal business hours. The Manager's contact details are given on **page 4**. These documents are also filed on a public register with the Companies Office of the Ministry of Economic Development and are available for inspection (on payment of any relevant fee) including on the Companies Office's website, **www.companies.govt.nz**, or by telephoning the Companies Office Contact Centre on **0508 266 726** at any time during normal business hours.

You will receive the following information in relation to the Fund free of charge from the Manager:

- › quarterly statements of your Units in the Fund
- › a confirmation each time you make a withdrawal from the Fund
- › an annual statement for taxation purposes

You will also receive an annual report which will include the audited financial statements for the Fund together with a summary of any amendments to the Trust Deed that have been made since the last balance date of the Fund.

You may request, by calling 0800 275 269, the following information in relation to the Fund free of charge from the Manager:

- › a copy of the most recent Investment Statement or most recent Prospectus for the Fund (including a copy of any documents registered for the purpose of extending the period during which allotments may be made under the registered prospectus)
- › a written statement of your Units in the Fund
- › a copy of the most recent financial statements of the Fund
- › a copy of the Trust Deed for the Fund.

The Manager reserves the right to introduce a charge for the provision of this information, to the extent it is lawfully able to do so.

Privacy Act

The information you provide is covered by the Privacy Act 1993. Your rights in relation to personal information are governed by the Privacy Act 1993.

When you join the Fund, and remain an investor, your personal information may be kept on file by the Manager, the Trustee, the Administration Manager, the Registrar, BNZ, any other person providing services in respect of the Fund and the person or organisation that arranged this investment for you. This information is needed for administering your benefits and may be used and disclosed for the purposes of the Fund. The Manager may disclose information from time to time relating to your investments to your agents involved in the provision of administration or custodial services to the Fund (which agents may themselves use such information in the performance of their functions) or for regulatory purposes.

During normal working hours you are entitled to see any personal information we hold about you. If you believe that any of the details are incorrect, you may ask for a correction to be made. If for any reason the Manager is unable to make the correction requested, details of your request will be permanently attached to your personal information.

Glossary

Administration Manager means MMC Limited.

BNZ means Bank of New Zealand.

BNZ Group means the group of companies of which BNZ is the parent company.

Current Fund Value means the aggregate of the amount of the Fund's deposits with BNZ and any accrued but undistributed interest on those deposits.

Distribution Date means the second to last day of each Month (or, if the second to last day of the Month is a Friday, Saturday or public holiday, a day determined by the Manager which is no more than five days prior to the last day of the Month), subject to change by the Manager giving 30 days' notice to the Trustee and Unit Holders.

Fund means the BNZ Cash PIE.

Manager means BNZ Investment Services Limited.

Minimum Balance means Units having a value of \$1000 (or such other amount as the Manager may prescribe from time to time).

Nominated Person means any person nominated by the Trustee in which shall be vested investments of the Fund, being as at the date of this Investment Statement BNZ Investment Services Nominees Limited.

PIE Income means the income allocated to a person by the PIEs in which the person has invested, less any losses allocated to the person by PIEs.

Portfolio Investment Entity or **PIE** means portfolio investment entity as that term is defined in the Income Tax Act 2007.

Prescribed Investor Rate or **PIR** means the prescribed investor rate as that term is defined in the Income Tax Act 2007.

Promoters means BNZ and each of its directors (excluding alternate directors).

PIE Investor Proxy means a proxy for an investor in a multi-rate PIE under the Income Tax Act 2007.

Registrar means any person appointed by the Manager to maintain a Register, being as at the date of this Investment Statement Appello Services Limited.

Trust Deed means the BNZ Cash Funds Unit Trust Deed between the Manager and the Trustee dated 23 October 2008 (as amended from time to time).

Trustee means The New Zealand Guardian Trust Company Limited.

Words or phrases not defined in this Glossary but appearing in capital letters in this Investment Statement have the same meaning as in the Trust Deed.

Application instructions

1. Complete details

- › Insert your title, full name(s), address and telephone numbers.
- › Applications must be in the name(s) of natural persons, companies or other legal entities.
- › Applications by a minor, trust, fund, estate, business, firm or partnership, club or other unincorporated body cannot be accepted unless they are made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as appropriate).
- › Insert your IRD number.
- › Insert your PIR.
- › Insert the dollar amount you wish to invest.
- › Insert the New Zealand bank account into which you wish withdrawals to be deposited.

2. Signing

- › Read the application form carefully and sign (and date) the form.
- › The form must be signed by the applicant(s) personally, or by two directors of the company (or one director if there is only one director), or (in either case) by an attorney.
- › If the application form is signed by an attorney, an original or certified copy of the relevant Power of Attorney must be lodged with the application form (originals will be returned). The attorney must complete the certificate of non-revocation below.
- › If the application form is signed by an agent, an original or certified copy of the relevant agency agreement must be lodged with the application form (originals will be returned). The agent must complete the certificate of non-revocation below.
- › Joint applicants must each sign the application form. The Manager is entitled to rely on instructions issued by any one of the joint signatories to the Application Form, unless the 'Number of Authorised Signatories Required' Box under the Signatures is completed.

3. Payment

- › Payment of the total application amount in full must accompany the application form.
- › Payment must be made in New Zealand dollars for immediate value (not post-dated), and, in the case of payment by cheque, with a cheque drawn on a New Zealand bank.
- › Cheques must be made out in favour of 'BNZ Investment Services Nominees Limited - BNZ Cash PIE', and crossed 'Not Transferable'.

4. Delivery

- › Applications cannot be revoked or withdrawn.
- › Application forms may be delivered to any BNZ store or your BNZ Partner.
- › The Manager may accept or reject any application without giving any reason.



1. Applicant(s) to complete (use block letters please)**Name**

IRD number

Prescribed Investor Rate* (please tick one)
 0% 10.5% 17.5% 28%
Name

IRD number

Prescribed Investor Rate* (please tick one)
 0% 10.5% 17.5% 28%
Name

IRD number

Prescribed Investor Rate* (please tick one)
 0% 10.5% 17.5% 28%

(If a valid IRD number or Prescribed Investor Rate is not notified we must use the default rate of 28%)

* For joint applications we will use the highest notified Prescribed Investor Rate. If you are unsure how to determine your Prescribed Investor Rate you can determine this at ird.govt.nz/toii/pir/workout

Identity verification must be completed if you are new to the BNZ Cash PIE (in accordance with the Financial Transactions Reporting Act 1996).

Please provide with this form originals or certified copies of:

- One form of signed photographic identification (for example: passport or driver licence); and
- One form of signed non-photographic identification (for example: birth certificate, credit card or tertiary education identification card).

Companies and other legal entities must provide an original or certified copy of their certificate of incorporation or other document confirming their establishment.

If you are already a BNZ customer you will, in most cases, already have complied with these requirements. The Manager reserves the right to access records of any identity verification previously carried out by BNZ and to require you to provide further identification.

Mailing address

Street address	
Suburb	
Town/city	Postcode

Contact details

Home	0	Mobile*	02
Business	0	Fax*	0
Email*			

*Optional

2. Application - important

- Cheques should be made payable to 'BNZ Investment Services Nominees Limited - BNZ Cash PIE' and crossed 'Not Transferable'. Cheques must not be post dated.
- Payments made by electronic transfer from a BNZ bank account will be paid to the Fund's bank account (but you should use the record of entitlement number (that is, your Cash PIE number) allocated to you for this purpose)
- The Manager may accept or reject all or part of this application without giving any reason
- The minimum initial investment amount is \$1000 and subsequent investments must be of at least \$250

I/We wish to invest \$ to purchase units in the BNZ Cash PIE.

Method of payment: (tick one)

Cheque Cash Electronic transfer to the Fund's bank account

BNZ account to debit

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bank	Store/Branch	Account number	Suffix

3. Withdrawal payments

All withdrawal payments will be made by direct credit to a New Zealand bank account nominated by you. You cannot receive a withdrawal payment in cash. Please enter the details of your nominated account below.

Account name(s)

<input type="text"/>			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bank	Store/Branch	Account number	Suffix

If you wish to nominate a different account for withdrawal payments you may notify the Manager of the details of that account in writing at any time.

4. Information

The information in this application form is provided to enable the Manager, its related companies, the Trustee, the Administration Manager and the Registrar to process your application, and to administer your investment. By signing this application form you authorise the Manager to disclose information to its related companies and to BNZ and its related companies, and for the Manager, BNZ, any of their related companies, the Trustee, the Administration Manager and the Registrar to use or disclose the information provided in this application form in situations where the Manager, BNZ, any of their related companies, the Trustee, the Administration Manager or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. If you are an individual, under the Privacy Act 1993, you have the right to access and correct any of your personal information.

5. Signature(s) of applicant(s)

I/We apply for the Units as set out above and agree to accept the Units issued to me/us by the Manager as a Unit Holder under the Trust Deed. I/We agree to be bound by the provisions of that Trust Deed, and the registered prospectus and Investment Statement for the Fund, as amended from time to time.

I/We have read the latest Investment Statement to which this application relates and understand that the terms and conditions of the Trust Deed will be binding on me/us.

I/We declare that all details and statements made by me/us in the Application Form are complete and accurate.

I/We certify that, where information is provided by me/us in this form about another person, I am/we are authorised by such person to disclose the information to you and to give authorisation.

In the case of joint applications, the joint applicants agree that:

- Unless otherwise expressly indicated in this application form, the Units will be held jointly as joint tenants;

5. Signature(s) of applicant(s) - continued

- Unless the 'Number of Authorised Signatories Required' box below is completed, any one of the joint applicants may give instructions in relation to the Unit Holder's joint holding of Units, which instructions will bind all of the joint Unit Holders (and the Manager may rely on the instructions of any one joint Unit Holder). If the 'Number of Authorised Signatories Required' box below is completed, that number of joint applicants specified in the box may give instructions in relation to the Unit Holder's joint holding of Units, which instructions will bind all of the joint Unit Holders (and the Manager may rely on the instructions of that number of joint Unit Holders);
- If only one of the joint Unit Holders have received this Investment Statement, that Unit Holder will provide the other joint Unit Holders with a copy of the Investment Statement.

I/We acknowledge and agree that:

- Units in the Fund do not represent deposits or other liabilities of the BNZ, National Australia Bank Limited or any other member of the BNZ Group;
- Units are subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of BNZ, National Australia Bank Limited, any member of the BNZ Group, the Trustee, any of their directors or any other person guarantees (either partially or fully) the capital value or performance of the Fund;
- I/We indemnify in all respects and hold harmless the Manager, BNZ and the Trustee against all damage, costs, expenses, losses or liabilities which may arise by reason of any of them accepting or acting on instructions from or on behalf of a Unit Holder or from an authorised signatory in respect of a Unit Holder's holding of Units (including any instructions issued by telephone, facsimile, email or other electronic means).

I/We acknowledge that if I am/we are a custodian applying on behalf of another person(s):

- I/We warrant to the Trustee and the Manager that the other person(s) has received a copy of the current Investment Statement for the BNZ Cash PIE, prior to this application being submitted; and
- I/We have either verified or received confirmation of the verification of the identity of each underlying investor to whom this application relates.

If I am/we are a PIE Investor Proxy, I/we:

- Agree to establish systems and procedures to monitor the holdings of underlying investors and to monitor such holdings, and to manage and remedy any breach of the investor interest size requirements in the Income Tax Act 2007 or the investor membership requirements in the Income Tax Act 2007 relating to underlying investors within the time periods permitted under the Income Tax Act 2007, and to immediately notify the Manager on becoming aware of any such breach; and
- Agree to indemnify the Trustee and the Manager for any losses, liabilities, costs or expenses arising from any breach of the investor interest size requirements or the investor membership requirements in the Income Tax Act 2007 relating to underlying investors who I/we, as a PIE Investor Proxy, am/are responsible for, including the losses, liabilities, costs or expenses arising from the Fund losing PIE status.

I/We have received investment advice in respect of investment in the BNZ Cash PIE

or alternatively, having been advised of the benefit of receiving advice, I/we have declined to take advice in respect of investment in the BNZ Cash PIE. It is my/our responsibility to understand the nature of the Units subscribed for, and the risks associated with those Units.

I/We have read and understood the above disclosures.

Signature of Applicant DDMMYY

Signature of Applicant DDMMYY

Signature of Applicant DDMMYY

Number of Authorised Signatories Required (if not completed, the Manager may rely on the instructions of any one of the above applicants)

Unit Holder Reference Number (to be completed by the Manager)

Complete this section if you are acting on behalf of someone for whom you hold Power of Attorney.

6. Certificate of non-revocation of Power of Attorney

I,
 (Name of Attorney)

of
 (Address and occupation of Attorney)

certify

1. That by a deed dated

 (Name of donor) of

(Address of donor) appointed me its/his/her Attorney.

2. That I have not received notice of any event revoking the Power of Attorney.

Signed at this day
 of 2 0 Y Y

Signature of Attorney

Complete this section if you are acting as agent for someone.

7. Certificate of non-revocation of Agent

I,
 (Name of Agent)

of
 (Address and occupation of Agent)

certify

1. That by an Agency Agreement dated

 (Name of appointor) appointed me his/her/its Agent on the terms and conditions set out in the Agency Agreement.

2. That I have not received notice of any event revoking that appointment.

Signed at this day
 of 2 0 Y Y

Signature of Agent

OFFICE USE ONLY:

Customer name

Customer No.

Processed by

Staff No. DDMMYY

Important: please send this completed and signed application form to CAS at location code **1269A12**.