Medical Assurance Society KiwiSaver Plan Investment Statement

25 July 2011

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0800 800 627

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MAS

Investment Statement

Medical Assurance Society KiwiSaver Plan

This Investment Statement is dated 25 July 2011 and is for the purposes of the Securities Act 1978.

This Investment Statement has been prepared in accordance with the Securities Amendment Regulation 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:

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 services provided they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

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

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

Introduction

What is KiwiSaver?

KiwiSaver commenced on 1 July 2007.

It is one of a number of government initiatives designed to increase the level of savings by New Zealand households and support New Zealanders in retirement. It is designed to complement rather than replace New Zealand Superannuation, by encouraging a long-term savings habit for those who want to aim to have more than a basic standard of living in retirement.

KiwiSaver focuses on encouraging saving through the workplace, and provides an avenue to reach a high proportion of the population who are able to save. In addition those who are not working, including children, are also able to enjoy the benefits of KiwiSaver.

What's in it for you?

The benefits of joining KiwiSaver start from the moment your first contributions go into your account:

$1,000 kick-start payment. Currently everyone who joins KiwiSaver will get $1,000 from the government to kick-start their first KiwiSaver account. The money goes into your account held in your own name.

Member Tax Credits. A government dollar-for-dollar subsidy of up to $20 per week ($1,042.86 pa) may be paid annually to your account. You don't have to be working, but you must be aged 18 or over, but not entitled to withdraw your benefit on End Payment Date (as described on page 10).

Note: For the year ending 30 June 2012, the Member Tax Credit will be halved from $1 to 50c for every $1 member contribution, up to a maximum of $521.43 per year, which is half the current maximum. To receive the new maximum member tax credit an eligible member will still need to contribute $1,042.86 each KiwiSaver Year.

Tax-free employer contributions. Any contribution your employer makes (up to 2% of your before-tax salary) will be tax free as long as your own contributions are equal to or more than your employer's contributions.

From 1 April 2012, the tax-free status of employer contributions to KiwiSaver will end. Employer Superannuation Contribution Tax will be levied on the employer contribution at the employee's marginal tax rate.

Compulsory employer contribution. Your employer is required to make contributions to your KiwiSaver account. This is currently 2%.

It is proposed that from 1 April 2013, both the minimum member and employer contribution will rise from 2% to 3% for both new and existing members. This will also be the default contribution rate. Members will still be able to select the higher rates of 4% or 8%.

Up to $5,000 for your first home. You may be able to get up to $5,000 from the government to help pay for your first home ($1,000 a year after three years of contributing to your account), as well as make a withdrawal from your KiwiSaver account to use as a deposit.

These benefits are current at the date of this Investment Statement and may change at any time.

Medical Assurance Society

For over 90 years we've been providing specialist advice to professionals, and have built a strong reputation for outstanding personal service and advice.

We currently manage over $350 million of superannuation funds on behalf of members.

There is no single government KiwiSaver scheme. Instead there are a number of schemes, including the Medical Assurance Society KiwiSaver Plan.

Our extensive knowledge of the health professions coupled with our financial know-how makes us the ideal choice for professionals considering joining a KiwiSaver scheme.

How to invest

STEP 1 – Read the Investment Statement

STEP 2 – Complete the risk profiler and application

Please complete pages 17 – 23 carefully. If you're not sure what information you need to provide, or what you need to complete, please talk with your MAS adviser or call us on **0800 800 627**.

- Risk Profiler (pages 17–18) – this will help you decide how to invest your money in KiwiSaver. Keep this when you've finished for your records.
- Application to Invest (pages 19–20).
- Direct Debit (page 21) – only complete this if you wish to make regular contributions from your bank account.
- DHB contributions (page 23) – only complete this if you wish to join both MAS Retirement Savings Plan AND MAS KiwiSaver Plan.
- *Don't forget to send us identification as mentioned in Section G on page 20 of the application.*

STEP 3 – Send all forms back to

MAS Superannuation
FREEPOST 884 (no stamp required)
P O Box 3167
Shortland Street
Auckland 1140

Make any cheques payable to 'MAS KiwiSaver Plan' and cross it 'account payee only'.

Need help?

Call us on **0800 800 627**.

What is a KiwiSaver scheme?

A KiwiSaver scheme is a type of superannuation fund. It pools together investors' money and then uses professional investment managers to invest in anything from cash and fixed interest to property and shares. There is a range of types of funds; for instance a conservative investor may want to invest in a fund that invests in low risk assets such as fixed interest, while a more aggressive investor may choose a fund that invests mainly in higher risk assets such as shares. By investing in a pooled fund, investors are more easily able to diversify their range of investments and receive benefits such as economies of scale in buying and selling investments.

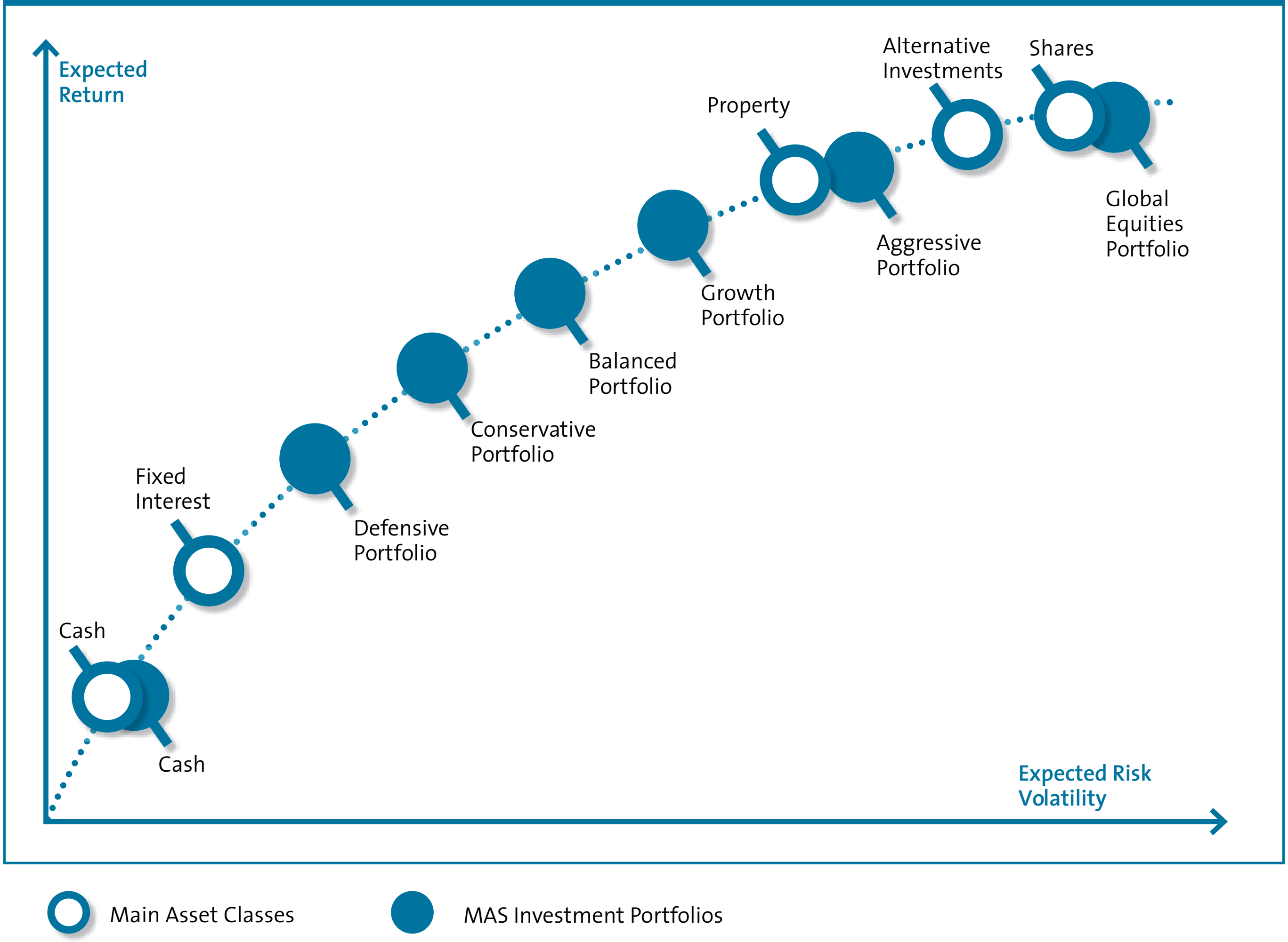
Our investment options

We have seven Investment Portfolio options available to you, which are shown below. The Cash Portfolio is designed for low volatility i.e. the returns will not fluctuate much – the trade-off is greater stability but lower returns. Conversely the Global Equities Portfolio has the potential for higher returns, but these can fluctuate up and down and are likely to be negative on occasion.

You may invest in one or more of the Investment Portfolio options available. The option(s) you choose should reflect your "risk profile" – to find out what this is, turn to page 17.

Note – the underlying asset allocations and benchmarks may change from time-to-time.

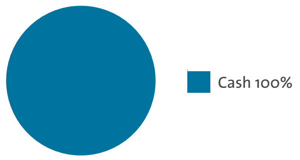
Long Term Risk/Return



The investment options available under the Plan are:

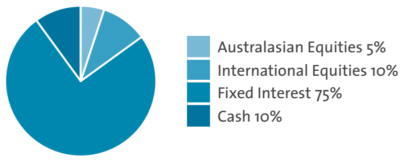
Cash Portfolio

Risk profile	Low	**Benchmark:** assets split
Description	You want an investment that provides a steady return with low volatility	
Suggested minimum investment timeframe	2 years or less (ideally those nearing, or in, retirement)	



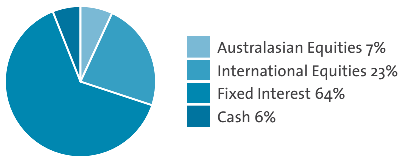
Defensive Asset Portfolio

Risk profile	Low	**Benchmark:** assets split
Description	You require a strong emphasis on the security of your savings over time & wish to have a high degree of stability in your return	
Suggested minimum investment timeframe	2 years or less (ideally those nearing, or in, retirement)	



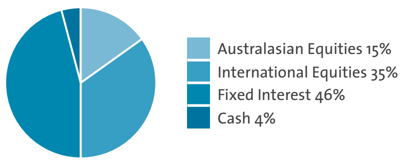
Conservative Asset Portfolio

Risk profile	Low to medium	**Benchmark:** assets split
Description	You place a strong emphasis on the security of your savings over time but also want a degree of capital growth	
Suggested minimum investment timeframe	2-5 years	



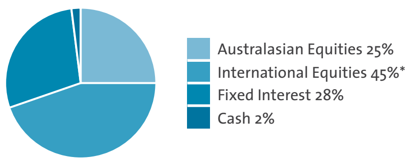
Balanced Asset Portfolio

Risk profile	Medium	**Benchmark:** assets split
Description	You want to grow your savings at the same time being prepared to accept a small degree of variability in your investment return	
Suggested minimum investment timeframe	3-6 years	



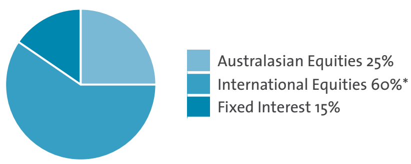
Growth Asset Portfolio

Risk profile	Medium to high	**Benchmark:** assets split
Description	You want to grow your savings, at the same time being prepared to accept a medium degree of variability in your investment return	
Suggested minimum investment timeframe	5-7 years	



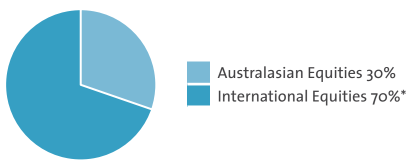
Aggressive Asset Portfolio

Risk profile	High	**Benchmark:** assets split
Description	You want high capital growth in your savings and are comfortable with a high degree of variability in the value of your investment	
Suggested minimum investment timeframe	7 years +	



Global Equities Portfolio

Risk profile	Very high	**Benchmark:** assets split
Description	You want to maximise capital growth in your savings and are comfortable with a high degree of variability in the value of your investment	
Suggested minimum investment timeframe	10 years +	



** The Growth, Aggressive and Global Equities Portfolios have an allowable asset allocation in alternative assets of 0-15%.*

What sort of investment is this?

The securities being offered are interests in the Medical Assurance Society KiwiSaver Plan (the "Plan"), a registered KiwiSaver scheme under the KiwiSaver Act 2006, as amended from time to time ("KiwiSaver Act"). It is a defined contribution plan, designed principally for the purpose of assisting members to save for their retirement.

Membership is available to:

- Individuals who are eligible to join the Plan;
- Employees of employers who have selected the Plan as their chosen KiwiSaver scheme and who have been allocated to the Plan pursuant to the KiwiSaver Act; and
- Employees of an employer who have entered into a Participating Agreement with the trustees of the Plan.

Who is involved in providing it for me?

The name of the Plan is the Medical Assurance Society KiwiSaver Plan.

The Plan was established in Wellington by a Trust Deed dated 22 June 2007 between Medical Assurance Society New Zealand Limited (MAS) and the trustees. The Plan was opened to natural persons from 1 July 2007 with payments of contributions accepted into the Plan from 1 October 2007.

At the date of this Investment Statement the Trustees of the Plan are:

Richard James Tyler of Wellington

John Kenneth Warcup Isles of Wellington

Howard Murray Clentworth of Lower Hutt

Kathryn Marina Sherwood Ayers of Hamilton

Michelle Anne Smith of Christchurch

Helen Wilhelmina Rodenburg of Wellington

Anna Jane Fenton of Christchurch

Lewis Edward James King of Auckland

Craig John Thompson of Wellington.

The Trustees can be reached at the following address:

MAS
19-21 Broderick Road
PO Box 13042
Johnsonville, Wellington
Phone **0800 800 627**.

MAS has been providing financial services – loans, investments and insurances – to health professionals in New Zealand since 1921.

The Promoter of the Plan is Medical Assurance Society New Zealand Limited (the "Founder").

As at the date of this Investment Statement, the Directors of the Founder are as per the list of Trustees above.

The address of the Founder is:

MAS
19-21 Broderick Road
PO Box 13042
Johnsonville, Wellington
Phone **0800 800 627**.

The Plan's Administration Manager is Aon New Zealand. The address of the Administration Manager is:

Level 2, AMP Centre
29 Customs Street West
PO Box 3167
Shortland Street
Auckland 1140.

The Custodian is JBWere (NZ) Nominees Limited. The address of the Custodian is:

Level 38, The Vero Centre
48 Shortland Street
Auckland.

The Investment Managers of the Plan are JBWere (NZ) Pty Limited and Bancorp Treasury Services Limited.

The addresses of the Investment Managers are:

JBWere (NZ) Pty Limited
Level 38, The Vero Centre
48 Shortland Street
Auckland.

Bancorp Treasury Services Limited
11th Floor
191 Queen Street
Auckland.

Names of directors and addresses, as detailed above may change from time to time. Details of current directors and addresses can be obtained from the Administration Manager.

No guarantee: Neither Medical Assurance Society New Zealand Limited nor any of its companies, nor the Trustees, the Crown nor any other person guarantee the performance of the Medical Assurance Society KiwiSaver Plan, any Investment Portfolio of the Plan, the repayment of capital, or any particular rate of return.

Responsible investment

Responsible investment, including environmental, social, and governance considerations, is not taken into account in the investment policies and procedures of the Plan.

How much do I pay?

Employees

As at the date of this Investment Statement, if you are an employee you are required to contribute either **2%, 4%** or **8%** of your gross "salary or wages" (as defined in the KiwiSaver Act). You choose which rate you wish to pay but if you do not make a choice, your contribution rate will be 2%. Your contributions will be deducted from your pay each payday by your employer and forwarded to the Plan via Inland Revenue. Your employer must forward your contributions and any employer contributions to Inland Revenue each month at the same time as it pays its PAYE.

If you are already a member of KiwiSaver contributing 4% or 8% then you will retain your current contribution rate unless you choose otherwise or you start new employment and do not notify your contribution rate to your new employer (in which case the 2% rate will apply).

Unless you are opting out (if you have been allocated to the Plan) or taking a contributions holiday (as described on page 11), you must contribute to the Plan at least the minimum contribution rate of your salary or wages in accordance with the KiwiSaver Act.

Employer contributions

Employers are required to contribute to KiwiSaver schemes in respect of their employees who are members in certain circumstances at a rate of 2%.

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

Budget 2011 Changes

Budget 2011 announced changes to KiwiSaver member and employer contributions. From 1 April 2013, it is proposed that both the minimum member and employer contribution will rise from 2% to 3% for both new and existing members. This will also be the default contribution rate. Members will still be able to select the higher rates of 4% or 8%. Further information may be obtained from the Administration Manager.

All other members

If you do not earn a salary or wage, you can choose the amount that you contribute to the Plan, subject to any minimum contribution rate set by the Trustees from time to time. There is currently no minimum amount that must be contributed. Information on how to make payments can be found under the section entitled 'Voluntary Contributions' below.

Contributions held by Inland Revenue

When you first join KiwiSaver, Inland Revenue will hold all contributions received on your behalf for 3 months. At the end of this period all contributions received by Inland Revenue on your behalf plus interest on those contributions together with the government contribution of $1,000 (see below) will be forwarded by Inland Revenue to the Plan. The Administration Manager will advise you when it receives your initial contribution from Inland Revenue.

Varying your contributions

As at the date of this Investment Statement, if you are an employee you may from time to time vary your regular contribution rate to the Plan, e.g. change your level of contributions from 2%, 4% or 8% of your gross salary to any of the other rates. A rate of 2% will apply if, on or after the date you first join the Plan you do not choose a contribution rate or you commence new employment without notifying your new employer of your contribution rate. The 2% minimum rate will rise to 3% for both member (and employer where applicable) after 1 April 2013. To vary your contributions you must complete a **"KiwiSaver Employee Details"** form (KS2) and hand this to your employer for processing. Unless your employer agrees otherwise, you may only change your contribution rate at intervals that are at least 3 months apart.

Under the Budget 2011 announcement it is proposed that the 2% minimum contribution rate will rise to 3% for both member (and employer where applicable) after 1 April 2013.

Voluntary contributions

You may from time to time make additional voluntary contributions direct to the Plan. There is currently no minimum amount per contribution, however the Trustees may change this from time to time.

All contributions relating to you (including any lump sum contributions) will be credited to your **Member Account** (see **Your Account** on the next page).

You can pay contributions by cheque, direct credit or direct debit from your bank account at such frequency allowed by the Administration Manager. If you wish to set up a direct debit complete the direct debit form on page 21.

Cheques should be made out to 'MAS KiwiSaver Plan' and forwarded along with your reference details *(see below)* to Aon New Zealand at:

MAS Superannuation, Freepost 884 (no stamp required), Level 2, AMP Centre, 29 Customs Street West, PO Box 3167, Shortland Street, Auckland 1140.

Alternatively, direct credits (through online/telephone banking) can be made to the following bank account: **06 0541 0107564 000.**

Please include the following reference details with your payment:

- Your member number
- Your Initials and Surname
- MAS KiwiSaver

There is no maximum amount that may be contributed to the Plan.

Government contributions

When you join the Plan the government will make a one-off lump sum contribution of $1,000 to the Plan on your behalf (provided you have not previously been a member of another KiwiSaver Scheme).

The government will also make an annual contribution of up to $20 per week (up to $1,042.86 a year) matching member contributions on a dollar for dollar basis to your **Member Account (Member Tax Credit)**. This and any other benefits payable in respect of the Plan may change in the future. The Tax Credit will not apply in respect of members under age 18, or who have reached New Zealand Superannuation qualification age and are entitled to withdraw their benefit, subject to certain limited circumstances, or in respect of members who do not have their primary place of residence in New Zealand.

Note: From 1 July 2011 the Member Tax Credit will be halved from $1 to 50c for every $1 member contribution, up to a maximum of $521.43 per year, which is half the current maximum member tax credit. To receive the new maximum member tax credit an eligible member will still need to contribute $1,042.86 each KiwiSaver Year.

The $1,000 government kick-start contribution and any government fee subsidy paid in respect of you is not considered income or a gift to you for tax purposes.

If you also contribute to a complying superannuation fund, the matching government contributions will be apportioned over both schemes.

Contributions holiday

When one year has passed since you first contributed to the Plan you may apply to the Inland Revenue for a 'contributions holiday', i.e. suspend your contributions to the Plan. You may apply for an earlier contribution holiday if you have made at least one contribution and you are suffering from, or likely to suffer, financial hardship.

The minimum period for which a contributions holiday may apply is 3 months and the maximum period is 5 years. In cases of financial hardship the period will normally be 3 months.

To apply for a contributions holiday please complete a "**Contributions Holiday Request**" form (KS6) and forward it to Inland Revenue for processing. This form is available on the Inland Revenue website **www.kiwisaver.govt.nz**.

Inland Revenue will give notice to you and each of your employers to whom contribution holidays will apply and will also give notice to the Administration Manager.

On the expiry of a contributions holiday you can apply for another contributions holiday, effectively extending your contributions holiday indefinitely.

You may at any time revoke, or after such a revocation, reinstate your contributions holiday by giving notice to your employer.

Your account

To keep a record of any contributions you make and any contributions made on your behalf, an account will be established in your name within the Plan. This account is known as your **Member Account** and it will be credited or debited with (as may be applicable):

- Contributions in respect of you, including any lump sum contributions you may make or are made on your behalf (including by your employer);
- The government's one-off initial contribution of $1,000;
- The government's Member Tax Credit;
- Any amount transferred from another superannuation or KiwiSaver scheme and credited to this account;
- Investment returns (refer to **How the return is calculated** under **What returns will I get?** on page 9); and
- Any benefits paid to you or on your behalf from this account.

What are the charges?

Entry fee

There are no entry, establishment or annual account keeping charges.

Fund management fee

The fee for all Investment Portfolios except the Cash Portfolio is presently the greater of 1% per annum of the gross fund value of each Investment Portfolio (i.e. market value of the underlying investments of the Investment Portfolio) or a minimum of $50 per annum for an individual Member Account (which can change from time to time). The fee for the Cash Portfolio is presently 0.5% per annum of the Cash Portfolio's gross fund value or a minimum of $50 per annum for an individual Member Account (which can change from time to time). All fees are calculated and paid quarterly in arrears from the Plan.

From the fund management fee the Founder pays:

- A fee to the Administration Manager to administer the Plan.
- A fee to the Investment Manager to invest the Plan's assets.

Subject to the KiwiSaver Act, which prevents certain fees from being unreasonable, there is no limit to the maximum amount that may be charged.

The Investment Manager may deduct amounts directly from the assets of the Plan to cover its expenses such as brokerage fees together with the cost of purchasing and maintaining any property investments. There is no limit to the amount of expenses that can be reimbursed to the Investment Manager.

Trustees' fee

The Trust Deed allows for fees to be negotiated between the Trustees and the Founder and to be reviewed annually. The Trust Deed also allows the Trustees to deduct their fees, costs and expenses for the administration of the Plan. There is no maximum fee that the Trustees may charge. Trustee fees are paid from the Plan and not deducted directly from Member Accounts. At the date of this Investment Statement no fee is charged by the Trustees.

Switching fee

A switching fee of $50 is payable for a second or subsequent switch in a financial year (1 April to 31 March). The switching fee is deducted from the Member's Account and is paid to the Trustees. More information relating to switching is set out under the heading **Can the investment be altered?** on pages 13–14.

Early withdrawal fee

The Trustees, subject to the KiwiSaver Act, have discretion over your eligibility to withdraw funds from the Plan early. Subject to the KiwiSaver Act, a fee of up to 5% of a benefit paid (capped at $50) prior to the member attaining age 55 may be charged. The Trustees may, with the consent of the Founder, choose to waive any fees payable by a member.

Other fees related to the Plan

Expenses

The Trustees may also charge expenses such as legal and audit fees. Bank and Financial Market Authority's fees are charged directly to each Investment Portfolio.

All fees and expenses are paid from the Investment Portfolios before rates of return are declared. The Trustees and the Founder negotiate fees on an annual basis. These are shown in the Plan's Annual Report sent to members every year.

Subject to the KiwiSaver Act, the Trustees may alter fees after providing one month's written notice to members.

GST

GST will be payable in respect of all fees as applicable in addition to these amounts stated, except for the fee charged by the Trustees (if any) which is exempt from GST.

Examples of Annual Fees and Expenses:

Generic Fees

Fee	Rate	Example
Initial/Entry Fee (if applicable)	0%	There are no entry fees.
Trustee Fees	0%	No trustee fee is currently charged.

Portfolio Specific Fees

Fee	Rate	Example
Annual Management Fee (Cash Portfolio)	Greater of 0.5% per annum or $50	For every $10,000 you have in the Fund you will be charged $50 each year. Members with less than $10,000 in the Fund will be charged $50.
Annual Management Fee (all other portfolios)	Greater of 1% per annum or $50	For every $10,000 you have in the Fund you will be charged $100 each year. Members with less than $5,000 in the Fund will be charged $50.
Expenses and Operating Fees	0.02%	A member with $10,000 will be charged $2. 0.02% was the actual cost of expenses charged directly to each Investment Portfolio in the 2011 financial year.

Other Fees

Fee	Rate	Example
Switching Fee	First switch free $50 after first switch	Only members who have made more than one switch in a financial year will incur a fee.
Early withdrawal fee	Up to 5%, capped at $50	May be charged on withdrawals prior to member turning 55, at discretion of trustees.

What returns will I get?

How the return is calculated

The returns you will receive are lump sum benefits. Your benefits are based on the accumulation of contributions (paid by you or on your behalf) adjusted to reflect investment returns, reflected by the balance in your Member Account. Investment returns are calculated for each Investment Portfolio taking into account investment income and changes in the market value of assets. After allowing for expenses, the Trustees declare a rate of return for each Investment Portfolio. This rate of return is then applied to the balances held in each Member's Account, calculated on a daily basis, as at 31 March and 30 September each year.

As the Plan has been established under the KiwiSaver Act to provide retirement benefits to members, members cannot withdraw their benefits until they become eligible to make a withdrawal in the circumstances described on page 11. There are no specified dates on which the benefits will be paid.

The Trustees are legally liable to pay the benefits available in respect of the Plan. Members should be aware that no returns have been promised or guaranteed by the Trustees, the Founder, the Crown or any other entity or person.

Key factors determining returns

The key factors that determine the amount of benefit you will receive from the Plan include:

- How long you have been a member of the Plan;
- The amount contributed by you or your employer on your behalf;
- Investment returns for each Investment Portfolio;
- Market conditions;
- The fees and expenses of the Plan;
- Taxes;
- Your allocation to each Investment Portfolio;
- Changes to legislation.

The Investment Portfolio options are:

Cash Portfolio

The objective is to preserve capital by investing in a range of cash investments. The Cash Portfolio is more suited to members who require an investment with low volatility.

At the date of this Investment Statement, cash is defined as cash deposits with registered banks, commercial paper rated A-2 or better and liquid fixed interest investments rated A- or better, that mature within 12 months. The modified duration of the cash balances held cannot be more than 6 months.

Defensive Asset Portfolio

The objective is to preserve capital while providing a steady return. The Defensive Asset Portfolio invests predominantly in cash and fixed interest investments, with an exposure to some growth assets such as equities and property investments (around 15%) in order to enhance returns. It is likely to be more suited to members approaching, or in, retirement who want a very low volatility investment.

Conservative Asset Portfolio

The objective is to provide stable returns by investing predominantly (around 70%), in cash and fixed interest investments such as government and corporate bonds both locally and overseas. Growth assets such as equities and property provide the opportunity for some capital growth over time.

The Conservative Asset Portfolio may be more suited to members approaching, or in, retirement or those seeking a low-medium volatility investment.

Balanced Asset Portfolio

The objective is to provide capital growth. The Balanced Asset Portfolio invests locally and overseas in a mix of around 50% cash and fixed interest investments and around 50% equities and property investments. It is suited to members willing to accept moderate volatility, who are looking for long term growth with some capital stability.

Growth Asset Portfolio

The objective is to provide strong capital growth over the long-term. It invests around 70% of the assets in equities and property both in New Zealand and internationally. Between 0% and 15% of the international equities allocation may be invested in alternative assets. Stability is provided by investing a sizeable proportion in the fixed interest sector. This Portfolio is likely to achieve high returns over the long term because of its focus on growth assets. While such growth is typical of a portfolio carrying an asset mix of this type, the value of growth assets can fluctuate markedly over short periods of time.

Aggressive Asset Portfolio

The objective is to provide very high growth over the long-term. It invests predominantly in equities and property in New Zealand and internationally (around 85%) with the remainder invested in the fixed interest sector. Between 0% and 15% of the international equities allocation may be invested in alternative assets. The Aggressive Asset Portfolio may be more suited to members who accept its greater risk profile and greater volatility, and intend to have the investment for at least seven years.

Global Equities Portfolio

The objective is to provide very high growth over the long-term. It invests solely in equities in New Zealand and internationally. Between 0% and 15% of the international equities allocation may be invested in alternative assets. The Global Equities Portfolio may be more suited to members who accept its greater risk profile and greater volatility, and intend to have the investment for at least ten years.

Default Portfolio

If you do not select one of the above options, your contributions will be invested in the Defensive Portfolio.

Your benefits from the Plan

The benefits payable from the Plan will depend on the reason for the payment. The various benefits are described below.

Retirement benefit

On attaining your End Payment Date (described below) you will be entitled to request the payment of your Member Account from the Plan, which will be paid as a lump sum.

Upon attaining End Payment Date, you may leave your benefit in the Plan and may make regular or lump sum withdrawals from your Member Account from time to time (subject to such terms and conditions as the Trustees may from time to time determine).

End Payment Date

Your "End Payment Date" will be the **later of**:

- The date you reach New Zealand Superannuation qualifying age (currently age 65);
- The date on which you have been a member of any KiwiSaver scheme or a member of a complying superannuation fund (or a complying superannuation fund and a KiwiSaver scheme) for five years.

A "complying superannuation fund" is a superannuation scheme that, while not a KiwiSaver scheme, has rules enabling an equivalent lock-in of benefits and has been approved by the Government Actuary (now the Financial Markets Authority) as a complying superannuation fund.

Death benefit

If you should die while you are a member of the Plan the benefit payable to your personal representative will be a lump sum equal to your Member Account at the date on which the application to withdraw is accepted and paid.

Withdrawals before retirement

Your Member Account will be locked into the Plan until you reach your End Payment Date subject to the following permitted withdrawals (if you meet the relevant criteria):

- A once only withdrawal to assist with the purchase of your first home; or
- You are suffering significant financial hardship; or
- You are suffering from serious illness; or
- You permanently emigrate; or
- An Act of Parliament requires an early withdrawal.

Purchase of first home

A withdrawal may be made from the Plan towards the purchase of your first home after you have been a member of a KiwiSaver scheme for at least 3 years, if the land is, or is intended to be your principal place of residence, you have never owned an estate in land before (except in certain circumstances relating to holding an estate in land as a trustee or if Housing New Zealand Corporation determines that you are in the same financial situation as a first home buyer) or if you qualify under the KiwiSaver regulations, and you have not previously made a withdrawal from a KiwiSaver scheme for purchasing your first home.

In addition, if you have been making regular contributions, you may be entitled to a first home deposit subsidy from the government. This subsidy is subject to criteria, and is $1,000 per year of contributions, up to a maximum of $5,000.

Please visit the Housing New Zealand website at **www.hnzc.co.nz** for more details.

Significant financial hardship

Before a benefit can be paid the Trustees must be satisfied that you are suffering or likely to suffer significant financial hardship that arises because of:

- Your inability to meet minimum living expenses; or
- Your inability to meet mortgage repayments on your principal residence resulting in the mortgagee seeking to foreclose the mortgage on that residence;
- The cost of modifying a residence to meet special needs arising from a disability to you or your dependant;
- The cost of medical treatment or palliative care for you or your dependant;
- The cost of a dependant's funeral; or
- Your suffering from a serious illness.

The Trustees must be satisfied that reasonable alternative sources of funding have been explored and exhausted and may limit the amount permitted to be withdrawn.

Serious illness

You may make a withdrawal of an amount up to the value of your Plan account where the Trustees are reasonably satisfied that you are suffering from serious illness and are in compliance with the requirements of 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, training or any combination of those things; or
- That poses a serious and imminent risk of death.

Permanent emigration

If you permanently emigrate from New Zealand you may apply to:

- Make a withdrawal at least one year after permanently emigrating from New Zealand; or
- Have your Member Account balance transferred to an authorised foreign superannuation scheme.

You will need to provide a statutory declaration that you have permanently emigrated together with proof of your departure from New Zealand and residence at an overseas address during the year following your departure.

Your benefit will not include any Member Tax Credits.

At the date of this Investment Statement legislation has been passed which, once in effect, will not permit KiwiSaver members to withdraw from the Plan where they permanently emigrate to Australia. Instead, such members will only be able to transfer their Plan entitlement to certain qualifying Australian superannuation schemes. This change is expected to come into effect mid to late 2011.

At the date of this Investment Statement no specified date can be provided as the legislation relies on equivalent legislation in Australia being passed.

Act of Parliament

An early withdrawal will be made from the Plan where required by any Act of Parliament. This will include an order under the Property (Relationships) Act 1976.

Note that your benefit will not include the $1,000 government contribution if you withdraw your benefit for the purpose of purchasing your first home or as a result of significant financial hardship. The $1,000 will remain in your Member Account until you are eligible to withdraw it. The Member Tax Credit will not be included in withdrawals for the purchase of a first home, significant financial hardship or if you permanently emigrate. If you permanently emigrate any Tax Credit will be returned to the government.

At any time during your membership of the Plan you may apply to the Trustees to transfer your benefit in the Plan to another KiwiSaver scheme. In certain circumstances set out in the KiwiSaver Act, you may be compulsorily transferred from one KiwiSaver scheme to another.

Transferring benefits into the Plan

You can transfer into the Plan the value of your benefits in any superannuation scheme (with the consent of that scheme) or a KiwiSaver scheme. You can only be a member of one KiwiSaver scheme at any one time, so becoming a member of this Plan will mean your benefits in any other KiwiSaver scheme will be transferred to this Plan. Any amount received from another scheme will be credited to your Member Account.

If you wish to find out more about this option please contact the Trustees or Administration Manager.

From time to time an employer may invite its employees who are members of a superannuation scheme to transfer their benefits in that scheme into the Plan.

Such a transfer of members and benefits to the Plan will not affect any other members of the Plan.

This statement is the Trustees' official written notification to members of the Plan of the possibility of members transferring from a superannuation scheme into the Plan.

Payment of benefits

Payment will be made as soon as possible after the Administration Manager receives your **Member Benefit Election** form. The Administration Manager will generally pay your benefit by an electronic transfer of funds to another KiwiSaver scheme or, where you are entitled to receive your benefit, to your nominated bank account. Payment can be made by cheque but you may have to wait until the cheque is cleared before accessing the funds.

Death benefits will be paid to a member's Estate on application by the member's Personal Representative.

Suspending payment of benefits

The Trustees, subject to the KiwiSaver Act are able to suspend payment of benefits by way of a Suspension Notice with effect of up to a year if:

- A decision is made to terminate the Plan;
- Financial, political or economic conditions exist which affect the financial markets in which the investments of the Plan may be sold;
- The nature of the Plan's assets warrant such action; or
- Other circumstances or events exist whereby the Trustees reasonably expect that it is not practicable, or would be materially prejudicial to the interests of members, to realise the Plan's investments or to borrow in accordance with the Trust Deed in order to pay benefits to members.

A Suspension Notice may be made in respect of the whole Plan or one of the Plan's Investment Portfolios. It would affect benefit payments and switch requests in respect of the Investment Portfolio(s) involved.

Tax

The information in this section is intended as general guidance only and is based on legislation in effect as at the date of this Investment Statement. We recommend that you seek professional tax advice regarding your individual circumstances, or to clarify any of the following, prior to investing. Neither the Trustee nor the Administration Manager accepts any responsibility for the taxation consequences of your investment in the Plan.

Portfolio Investment Entity (PIE) Tax

The Plan is a PIE. Under the PIE regime, income earned by the Plan will be attributed to all members in accordance with the proportion of their interest in the overall Plan. The income attributed to each member, will be taxed at the member's prescribed investor rate (PIR), which is similar to an individual's marginal tax rate, however it is capped at a maximum rate of 28%.

The Administration Manager, as the Trustees' agent, will pay tax on behalf of the members and undertake any necessary adjustments to members' interests in the Plan in order to comply with the PIE tax requirements. Your PIR will be either 10.5%, 17.5% or 28 %.

The following guide will help you select or update your PIR.

Note your PIR is worked out on either of your previous two income years, not your earnings for the current year.

If in EITHER of the last two income years your taxable income was ...	Then your PIR is ...
$14,000 or less *and* your taxable income plus your PIE income was $48,000 or less	10.5%
$48,000 or less *and* your taxable income plus your PIE income was $70,000 or less	17.5%
In all other cases	28%

All non-resident investors have a PIR of 28%.

When you make an application to become a member of the Plan you will be able to advise the Administration Manager of your PIR.

You will also be able to advise the Administration Manager of your current PIR at any time, including when your PIR changes, by contacting the Administration Manager using the contact details provided in the section entitled **Who do I contact with inquires about my investment?** on page 14.

If you do not provide a PIR to the Manager, the income attributed to you in the Plan will be taxed at the 28% rate.

If a PIE makes a tax loss this will be available to members in the form of a rebate for offset against PAYE, provisional tax and resident withholding tax with any excess available to carry forward. Generally, provided you advise us of the correct PIR, tax paid by a PIE 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.

If your PIE income is taxed at a higher PIR than the PIR that you are eligible for, but you have not advised the Administration Manager 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 the Administration Manager that you are eligible for a PIR lower than your eligible PIR, you may be liable to the IRD for further tax and penalties and have to file a tax return. The Plan returns members' PIE tax to the IRD annually.

As a PIE, any capital gains made by the Plan in respect to 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 the Plan will be taxed pursuant to the fair dividend rate (FDR) method.

Under FDR, the Plan is deemed to have derived income equal to 5% of the average market value of its overseas shares and interests in managed funds (and any dividends or other returns flowing from overseas shares and interests in managed funds 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.

Other income of the Plan (e.g. interest on bank deposits) will be subject 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 the Plan –Employer Superannuation Contribution Tax (ESCT) exemption

Contributions by the member are deducted from tax-paid wages and salaries (although the level of contribution is calculated on gross (pretax) wages and salaries). All Employer contributions to the Plan are subject to ESCT except where a member has elected to have the contributions taxed as salary or wages and subject to PAYE.

As at the date of this Investment Statement, an exemption from ESCT applies to certain Employer contributions that are matched by member contributions (capped at the lesser of either 2% of a member's gross salary or wages, or the rate at which the member contributes).

Any additional employer contributions will be taxed at a rate of up to a maximum of 33%.

Note: From 1 April 2012, the ESCT exemption will cease. From that date, ESCT will be levied on the employer contribution at the employee's marginal tax rate.

General comments

Tax law is complex and changes frequently. Further, contributions are 'locked-in' under the scheme.

Investors should therefore periodically monitor the tax implications of investing in the Plan and should not assume that the position will remain the same as it is when they start investing. The comments under this heading **Tax** are provided as general background only and are not a comprehensive discussion of all issues.

What are my risks?

All investments have a potential return and carry a corresponding level of risk. The principal risks faced by members are that they may not receive the returns they expect and that they may not be able to recover the amount of their contributions. This could happen for a number of reasons, including that, due to the Plan becoming insolvent or achieving lower than expected performance, the Plan does not have sufficient funds to achieve the anticipated returns or repay all of the investment made.

The principal risks that can affect the return or value of the Plan include the following:

- Economic, political or market conditions in a country that affect share prices or interest rates;
- The performance of investments in individual companies or securities held by the Plan;
- Changes in foreign exchange rates that affect the value of an overseas investment;
- The risk a bond issuer or mortgagor may default on either interest or debt repayments;
- If interest rates rise, fixed interest securities invested in will decrease in value;
- Decisions made by investment managers;
- Liquidation or winding up of the Plan might result in any tax assets being written off, or the Plan being unable to meet its financial obligations;
- Technological or other failure impacting on the Plan or the financial markets;
- Future changes to securities, superannuation or tax legislation that affect the operation of the Plan or your returns.

For the reasons above it is reasonably foreseeable that if you cease to be a member of the Plan a short time after joining you may not receive, in full, the value of your contributions made to the Plan including any returns.

You will not be required to pay any more money to the Plan in respect of your investment other than those amounts set out in the **How much do I pay?** section on page 6 and any tax liabilities attributed to you.

In managing risk, the Plan may invest in financial derivatives, such as futures and options, in respect of both currencies and investment markets. The Investment Manager does not use derivatives for reasons other than risk protection and currency management.

Returns from assets which are invested offshore are affected by movements between the New Zealand dollar and other currencies. This risk is managed by assessing the likely moves in currency markets and altering the currency exposure where appropriate.

Investments into the Plan are not guaranteed. Although the Investment Manager aims to minimise risk through sound management philosophy, process and discipline, investment into the Plan may result in capital losses as well as capital gains.

Insolvency of the Plan

In the unlikely event that the Plan becomes insolvent, i.e. its liabilities exceed its assets, you would not have any liability to pay money to any person as a result of the insolvency of the Plan.

If the Plan becomes insolvent it will be wound up in accordance with the provisions of the Trust Deed.

Members will rank equally and will be paid in accordance with the Trust Deed. Claims on the assets of the Plan that will rank ahead of members in the event of the Plan being wound up or put into liquidation will include any outstanding expenses of the Plan, any claims preferred at law, tax and the costs of winding up the Plan. If the Plan winds up and the member is not entitled to make a withdrawal then the value of the member's benefits will be transferred to another KiwiSaver scheme in accordance with the KiwiSaver Act. Further details about termination of the Plan can be found under **How do I cash in my investment?** on page 14.

At the date of this Investment Statement the Trustees are not aware of any claims on the assets of the Plan (other than any liability for income tax) that it would be reasonable to expect it to foresee, given the nature of the Plan, that would or may rank equally with the claims of the members in the event of the Plan being terminated.

Can the investment be altered?

As explained under **How much do I pay?** on page 6, as at the date of this Investment Statement, if you are an employee, you can vary your contributions between the fixed rates of 2%, 4% and 8% of your salary or wages. The 2% rate will be applied if, on or after the date you first join the Plan you do not choose a contribution rate or you commence new employment without notifying your new employer of your contribution rate.

Note: From 1 April 2012, the ESCT exemption will cease. From that date, ESCT will be levied on the employer contribution at the employee's marginal tax rate.

Individual members may change their contributions by contacting the Administration Manager. In addition, any member can make further voluntary contributions to the Plan. For further information see **How much do I pay?** on page 6.

The required rates of contribution by a member to a KiwiSaver scheme may be changed from time to time by Order in Council of the government.

The Trustees may alter minimum investment levels and, subject to the KiwiSaver Act, increase or impose fees (see section **What are the charges?** on pages 7–8). The Trustees may also alter the terms of the Trust Deed, although any changes are subject to the KiwiSaver Act.

Switching between Investment Portfolios

You may switch between the Investment Portfolios, at any time by advising the Trustees in writing. You may also alter your future contributions by advising the Trustees in writing. A fee may be charged (see section **What are the charges?** on pages 7–8).

Transfers

You may transfer to another KiwiSaver scheme at any time, by becoming a member of that scheme. In certain limited circumstances, you may be compulsorily transferred between KiwiSaver schemes under the KiwiSaver Act. You can only belong to one KiwiSaver scheme at one time and your benefit will be transferred to the scheme you transfer to.

Additional Investment Portfolios

The Trustees, with the written consent of the Founder, may add other investment portfolios to the Plan, or terminate an existing Portfolio. If the Trustees terminate an Investment Portfolio, members investing in that Investment Portfolio will be required to switch to other Investment Portfolios. Any such switch will not incur a switching fee. The investment strategy and policies of the Investment Portfolios may also be changed at any time. We will notify you of any material changes.

You are entitled to cease making contributions to the Plan as detailed in the section **How much do I pay**? on page 6.

Changes in law

Legislation, including the KiwiSaver Act, may be amended from time to time by the government and any such amendments may impact on the Plan and any benefits payable in respect of the Plan.

How do I cash in my investment?

Funds are locked in until the End Payment Date (see **What returns will I get?** on page 9).

In special circumstances, such as if you were to suffer from a serious illness, permanently emigrate, or suffer financial hardship, you may apply in writing to the Trustees to have early access to your Member Account (for further details see Withdrawals before Retirement under **What returns will I get?** on page 9). Applications will be treated on an individual basis and the Trustees reserve the right, subject to the KiwiSaver Act, to grant or withhold access and to charge an early withdrawal fee of up to 5% (maximum of $50) of the amount withdrawn.

The Trust Deed does not permit a member to sell his or her interest in the Plan to another person. You also cannot borrow against, use as security for a loan or assign to another person, the benefits payable to you under the Plan.

The Trustees intend to operate the Plan indefinitely, but there is provision in the Trust Deed for the Plan to be terminated. If the Plan was terminated, the Trustees would notify all members and the Financial Markets Authority immediately after passing the resolution to wind up the Plan. The Trustees would then realise the Plan's assets and apply the proceeds in the following order of priority:

- Meet all fees, costs and expenses and liabilities of the Plan;
- Distribute any surplus money in each Investment Portfolio and any balance in the Reserve Account to members on a pro rata basis depending on the amount of their respective interests in the Investment Portfolio at the winding-up date;
- Transfer members' Member Accounts to another KiwiSaver scheme of their choice or to a default scheme allocated by Inland Revenue.

You may transfer from the Plan to another KiwiSaver scheme at any time by contracting directly with the new KiwiSaver scheme provider.

Who do I contact with enquiries about my investment?

Inquiries on transactions, operations or details of your Member Account

Aon New Zealand
Level 2, AMP Centre
29 Customs Street West Auckland
Phone: **0800 MAS RETIRE (627 738)**

Advice on the level or nature of your investments and savings

MAS
19-21 Broderick Road
Johnsonville, Wellington
Phone: 0800 800 627

If you are not happy with the response to your query from either source, please contact:

Investment Products Manager
MAS
19-21 Broderick Road
PO Box 13042
Johnsonville, Wellington
Phone: **0800 800 627**
Email: **investments@mas.co.nz**

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

Complaints may be made to:

The Trustees
Medical Assurance Society KiwiSaver Plan
19-21 Broderick Road
PO Box 13042,
Johnsonville Wellington
Phone: **0800 800 627**

If you have followed the Manager's internal complaints procedure and you are dissatisfied with the outcome, you may refer your complaint to the Dispute Resolution Scheme to which the Manager belongs:

Insurance and Savings Ombudsman
Level 7, Dimension Data House
99–105 Customhouse Quay
Wellington 6011
PO Box 10845,
Wellington
Phone: **(04) 499 7612**

What other information can I obtain about this investment?

Annual report

Members will automatically be sent a copy of the Annual Report for the Plan each year.

Personal statement

After returns are allocated at the end of March and September each year, you will receive a personal statement detailing the balance of your account in each Investment Portfolio at the end of the half year (30 September or 31 March).

Other legal documents – Trust Deed, Registered Prospectus and Financial Statements

Other information concerning the Plan is contained or referred to in the current registered Prospectus and Financial Statements and in the Trust Deed. Copies of this material are:

- Available free of charge from Aon New Zealand or Medical Assurance Society;
- Filed on a public register at the Companies Office of the Ministry of Economic Development and can be viewed on the Companies Office website **www.business.govt.nz/companies.** Copies may also be obtained (a fee may be payable) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726 (prospectus and financial statements only).

When you join

You will be sent information:

- Confirming your investment options.
- Detailing your Member Account references (i.e. account number).

On-request investor information

You are entitled to receive any of the following information free of charge:

- The value of your investments and other details we have for each investment;
- A copy of the most recent Investment Statement;
- A copy of the part of the member register relating to you;
- A copy of the Trust Deed;
- The most recent annual report and financial statements (when available);
- The most recent prospectus and any associated documents.

Copies of this information can be requested free of charge from Aon New Zealand or Medical Assurance Society by writing to the address set out under the heading **Who is involved in providing it for me?** on page 5.

Use of your personal information

The Trustees will hold personal information about you for the purpose of administering your benefits in the Plan. The Trustees will, when appropriate, relay this information to advisers of the Plan for the purposes of the Plan. It may also be used to identify and offer you other services or products available from Medical Assurance Society that may suit your needs.

You have the right, subject to certain limitations in the Privacy Act 1993, to see any personal information relating to you and to request that it be corrected if you think any detail is wrong. On request the Trustees will give you the name and address of any person or organisation which has personal information about you that has been provided by the Trustees.

Which investment option is best for me?

Avoiding sleepless nights

Once you have decided to start a Medical Assurance Society KiwiSaver Plan, you will want to ensure you invest in a way that suits your needs. Completing this profiler can help you establish which of the investment options may best suit you.

It is important to understand the risks associated with investing as there is a chance that you will receive less from your investments than what you expect. There is a direct relationship between risk and return, meaning that there are greater risks associated with potentially higher returns and vice versa. For example the Aggressive Asset Portfolio can produce very high returns – however it comes with the very real risk that you might lose money over a shorter period of time.

Risk vs return

Income assets are generally defined as cash and fixed interest investments where returns consist of interest payments and a repayment of capital at some future date.

Growth assets include property and shares. The primary source of returns from growth assets is an increase in the capital value.

On a risk/return basis, income assets have lower returns and lower risks than growth assets. So investors who want to earn higher returns over the long term generally have a higher proportion of growth assets in their investment portfolios; however risk increases as the proportion of growth assets increases.

Step 1 – work out your risk profile

What is your age?	**Circle one**
Over 60 years	1
51–60 years	2
41–50 years	3
31–40 years	4
18–30 years	5

For this investment my main objective is	
To avoid losing money.	1
To keep up with the bank deposit rate.	2
To achieve returns marginally above the bank deposit rate.	3
To achieve returns well above the bank deposit rate.	4
To achieve the highest returns I can.	5

Which sentence best reflects your investment attitude?	
I do not want to see my portfolio lose value at any time.	1
I like to minimise risks and am willing to assume only limited risks.	2
I am comfortable with my investments losing their value for a short period, provided it is likely they return to their original value.	3
I am prepared to see my investment reduce in value for a period provided this gives prospects of superior gains over the long term.	4
I would expect to see my investment reduce in value for a period, and I am comfortable with this as my investment goal is based on the long term.	5

Investment markets can go up and down in value. By how much could the value of your total portfolio go down over one year before you would feel uncomfortable?	
Any fall in value would make me feel uncomfortable.	1
2–5%	2
6–10%	3
11–15%	4
16% or more	5

With which of the following investment options do you feel most comfortable?	
Mainly cash and fixed interest.	1
Mainly cash and fixed interest with some growth assets.	2
A range of fixed interest and some diversified property and share investments.	3
Mainly shares and property, with some income assets.	4
Mainly shares and property.	5

Now add up your scores

Scoring	Your risk profile
5–7	Defensive
8–11	Conservative
12–18	Balanced
19–22	Growth
23–25	Aggressive

Step 2 – match your profile to an investment option

Profile	Description	The MAS Portfolio suited to this profile is...
Defensive	You require a strong emphasis on the security of your savings over time and wish to have a high degree of stability in your return.	Cash or Defensive
Conservative	You place a strong emphasis on the security of your savings over time but also want a small degree of capital growth.	Conservative
Balanced	You want to grow your savings, at the same time being prepared to accept a small degree of variability in your investment return.	Balanced
Growth	You want to grow your savings, at the same time being prepared to accept a medium degree of variability in your investment return.	Growth
Aggressive	You want to maximise capital growth in your savings and are comfortable with a higher degree of variability in the value of your investment.	Aggressive or Global Equities

Step 3 – make your investment choice

In the **recommended** column tick the box that matches your risk profile from step 1.

In the "final decision" column confirm how you **actually** want to invest – this may be different from what is recommended for you.

Things to consider in your final choice:

- Time before you require access to your investment. The sooner you need access to it the more conservative you should be.
- Other investments. If you have other investments you may be more comfortable being more or less aggressive depending on the risk profile of your other investments.

Recommended *From Step one*		**Final decision** *Percentages should add to 100%*	
Defensive	☐	Cash	%
		Defensive	%
Conservative	☐	Conservative	%
Balanced	☐	Balanced	%
Growth	☐	Growth	%
Aggressive	☐	Aggressive	%
		Global Equities	%

Step 4 – transfer to page 19 of your application

This risk profiler is for your records. Please transfer your score (from step 1) to section D, of your application (page 19).

Glossary

Cash. Money invested in cash management accounts that are typically at call or short-term deposit with higher interest rates than cheque/bank accounts.

Fixed Interest. Money invested in a range of mortgages or government and corporate bonds. These investments generally provide good capital security, however they don't generally aim to increase in capital value.

Property. Money invested in retail, industrial and commercial buildings. Property generally provides rental returns and capital growth over the long term.

Shares. Money invested in New Zealand and overseas shares. Shares vary in value with the sharemarket, and generally provide strong capital growth over the long term.

MORNINGSTAR MAS

Application to Invest

On completion send to:
MAS Superannuation, FREEPOST 884, PO Box 3167, Shortland Street, Auckland 1140.

A. MAS Membership details

Is the investor a MAS Member?

☐ Yes – write your Member number *(if known)* ____________________

☐ No – what is the name of the (i) MAS Member you know/are related to OR (ii) organisation you work for?

Name

Relationship *(e.g. employer or parent)*

B. Investor details

Title Surname

First name(s)

Date of birth | Gender ☐ Male ☐ Female

IRD number ☐☐☐ ☐☐☐ ☐☐☐

Your prescribed investor rate* (please tick one) ☐ 10.5% ☐ 17.5% ☐ 28%

*** Refer to page 13 for information on determining you PIR; if an elected tax rate is not selected, 28% will apply.**

Occupation

Postal address

Email

Phone | Fax

Mobile

If you are not an employee (and paying PAYE) skip to section "D"

C. Employer details

	My main employer *(if this is a DHB we only need the DHB's name below)*	**My secondary employer details** *(only if you have a second job)*
Elected contribution rate (as a % of gross wages or salary) *(tick only one for each employer)*	☐ 2% ☐ 4% ☐ 8%	☐ 2% ☐ 4% ☐ 8%
Employer name		
Employer's postal address		
Employer phone		
Employer's IRD number *(if known)*		

D. My risk profile

Step 1 – complete the risk profiler on page 17 – 18. This will help you to decide what may be the best investment option for you.

Step 2 – show your risk profile here. What was your total score *(from page 17)*? ☐

E. My contributions

How will we receive your contributions? Please tick all the options below that apply. You can make additional lump sum contributions at any time.

☐ 1. From my employer(s) – DHB members with superannuation splitting: please complete the 'DHB Contributions form'. Please check your payroll commences contributions.

☐ 2. Lump sum (opening) contribution $

☐ 3. Regular contribution. Please complete the direct debit on page 21.

I wish to invest $ per*

* Choose from weekly; fortnightly; monthly; quarterly; 6-monthly; annually

Start date *(allow at least 5 working days)*:

F. How I wish to invest

Show how you wish your contributions to be divided amongst our seven portfolios

Portfolio	% (add to 100%)
Cash	
Defensive	
Conservative	
Balanced	
Growth	
Aggressive	
Global Equities	

Important note

We suggest you invest in the portfolio that matches your risk profile (see Section D). You can invest everything in one portfolio or divide across any or all seven portfolios.

If you do not indicate anything we will invest 100% in the Defensive Portfolio.

G. Identification of new investors

By law we need to verify your identity. We will need a copy of ONE of the following with your application – current driver licence; marriage certificate; passport or birth certificate. For minors a copy of their birth certificate as evidence of guardianship (or other evidence of guardianship if required).

H. Personal information and declaration

Personal information

The information on this application is to enable Medical Assurance Society ("MAS") to arrange and administer your investment(s) and to correspond with you in relation to your investment(s). Under the Privacy Act 1993, you have the right to access and correct any personal information held by MAS.

Medical Assurance Society as agent

I hereby irrevocably appoint MAS or its authorised agents to act as my agent to arrange and administer all aspects of this investment with all relevant parties; to make enquiries on my behalf regarding this investment; to provide relevant parties with all relevant information about me in connection with this investment; and to take any action incidental to the above or reasonably necessary to effect this investment. I instruct all parties to act on the instructions of MAS when given pursuant to the above appointment and authorisation

Declaration

I acknowledge I have received and read the Investment Statement relating to the securities I am applying for. I agree to be bound by the terms and conditions of the Plan's Trust Deed(s), together with any amendments that may be made from time to time. I understand I am permitted to have only one active KiwiSaver account and in the event that there is another account open I permit the Trustees to arrange transfer of my funds. I confirm that the information supplied on this form is correct.

I. Signature

Signature of investor and/or parents(s)/guardian(s)* **Date**

Name of investor AND/OR parents(s)/guardian(s) if investor is aged under 18 (print clearly)

** If the application is for a person aged 16-17, the parent or guardian must co-sign with the investor. If the investor is under 16 all parents/guardians of the investor must sign on behalf of the investor. By signing you confirm you have read and accepted the terms and conditions specified in Section "H" on behalf of the investor named in Section "B".*

☐ Identification (as per Section G) included

Direct debit authority

On completion send to:
MAS Superannuation, FREEPOST 884, PO Box 3167, Shortland Street, Auckland 1140
Phone **0800 800 627**. Facsimile **(04) 477 0109**

TO BE COMPLETED BY ALL CUSTOMERS MAKING REGULAR CONTRIBUTIONS

Bank instructions

Name of Bank Account Holder (please print)

Customer to complete bank/branch number and account number and suffix of account to be debited.

Account number

Bank | Branch | Account number | Suffix

Bank

Branch

Membership number

Authority

Authority to accept Direct Debits
(Not to operate as an assignment or an agreement)

Authorisation code

0	6	0	9	9	3	3

I/We authorise you until further notice in writing to debit my/our account with you all amounts which Medical Assurance Society New Zealand Limited (hereinafter referred to as the Initiator), Head Office, PO Box 13042, Johnsonville, Wellington 6440, 19-21 Broderick Road, Johnsonville, Wellington 6037, Telephone 0800 800 627, Facsimile (04) 477-0109, 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 overleaf.

Information to appear in my/our bank statement (to be completed by the Customer)

Payer Particulars

Authorised signature

Date

Authorised signature

Date

For Bank use only

Approved	Date received	Recorded by	Checked by	Bank stamp
00993 01 | 91				

Original – retain at branch. Duplicate – forward to Initiator if requested.

Conditions of this Authority to Accept Direct Debits

1. The Initiator:

a) Undertakes to give written notice to the Acceptor of the commencement date, frequency and amount at least 10 calendar days before the first Direct Debit is drawn (but not more than two calendar months). This notice will be provided either:

   i) in writing; or

   ii) by electronic mail where the Customer has provided prior written consent to the Initiator. Where the Direct Debit system is used for the collection of payments which are regular as to frequency, but variable as to amounts, the Initiator undertakes to provide the Acceptor with a schedule detailing each payment amount and each payment date.

   In the event of any subsequent change to the frequency or amount of the Direct Debits, the Initiator has agreed to give advance notice at least 30 days before changes come into effect. This notice must be provided either:

   – in writing; or

   – by electronic mail where the Customer has provided prior written consent to the Initiator.

b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

c) May, upon receiving an "authority transfer form" (dated after the day of this authority) signed by me/us and addressed to a bank to which I/we have transferred my/our bank account, initiate Direct Debits in reliance of that transfer form and this Authority for the account identified in the authority transfer form.

2. The Customer may:

a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.

b) Stop payment of any Direct Debit to be initiated under this Authority by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.

c) Where a variation to the amount agreed between the Initiator and the Customer from time to time to be direct debited has been made without notice being given in terms of clause 1 a) above, request the Bank to reverse or alter any such Direct Debit initiated by the Initiator by debiting the amount of the reversal or alteration of the Direct Debit back to the Initiator through the Initiator's Bank, PROVIDED such request is not made more than 120 days from the date when the Direct Debit was debited to my/our account.

3. The Customer acknowledges that:

a) This Authority 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 Authority until actual notice of such event is received by the Bank.

b) In any event this Authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.

c) 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 Authority. Any other dispute lies between me/us and the Initiator.

d) Where the Bank has used reasonable care and skill in acting in accordance with this Authority, the Bank accepts no responsibility or liability in respect of:

   – accuracy of information about Direct Debits on Bank Statements.

   – any variations between notices given by the Initiator and the amounts of Direct Debits.

e) The Bank is not responsible for, or under any liability in respect of the Initiator's failure to given written advance notice correctly 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.

f) Notice given by the Initiator in terms of clause 1 a) to the debtor responsible for the payment shall be effective. Any communication necessary because the debtor responsible for payment is a person other than me/us is a matter between me/us and the debtor concerned.

4. The Bank may:

a) In its absolute discretion conclusively determine the order of priority payment by it of any monies pursuant to this or any other Authority, cheque or draft properly executed by me/us and given to or drawn on the Bank.

b) At any time terminate this Authority as to future payments by notice in writing to me/us.

c) Charge its current fees for this service in force from time-to-time.

d) 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.

District Health Board Contributions

MAS

On completion send to:
MAS Superannuation, FREEPOST 884, PO Box 3167, Shortland Street, Auckland 1140.

Please check with your DHB for the current position on splitting employee contributions and employer contributions specific to you.

Type of application

☐ This is is a new application.

☐ This is a change to my existing contributions.

☐ This is a change to my DHB. My old DHB was ____________________

Member details

Title	Surname
First name(s)	Member number
Name of DHB	Department
Employee number	IRD number ☐☐☐ ☐☐☐ ☐☐☐

Contributions

Do you have a Medical Assurance Society Retirement Savings Plan? ☐ Yes ☐ No

Please pay: ______ % to the Medical Assurance Society Retirement Savings Plan.

Do you have a Medical Assurance Society KiwiSaver Plan? ☐ Yes ☐ No

Employee contributions can only be 2%, 4% or 8%.

Please pay: ______ % to the Medical Assurance Society KiwiSaver Plan.

Authorisation

By signing below you authorise MAS to act as your agent for the purposes of setting up this salary deduction arrangement with your DHB, and authorise the DHB to provide MAS with all the information they require to carry this out.

Signature ____________________ Date ____________________

For District Health Board and MAS use only

Member name:

Bank account for payments

Bank	Branch	Account number	suffix
0 6	0 5 4 1	0 1 0 7 5 6 4	0 0 0

(Member name) (Member number) (IRD number)

Payroll schedules

Please send by either:
Email: massuper@aon.co.nz
Fax: attn: MAS Super – 09 362 9821
Enquiries: phone 0800 MAS RETIRE (0800 627 738)