

## ***Westpac KiwiSaver Scheme***

**BT** Funds Management

BT Funds Management (NZ) Limited is the scheme provider and Westpac New Zealand Limited is the distributor of the Westpac KiwiSaver Scheme.

This is an investment statement for the purposes of the Securities Act 1978 and has been prepared as at 21 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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Who is involved in providing it for me?	<b>19</b>
How much do I pay?	<b>20</b>
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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>.

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

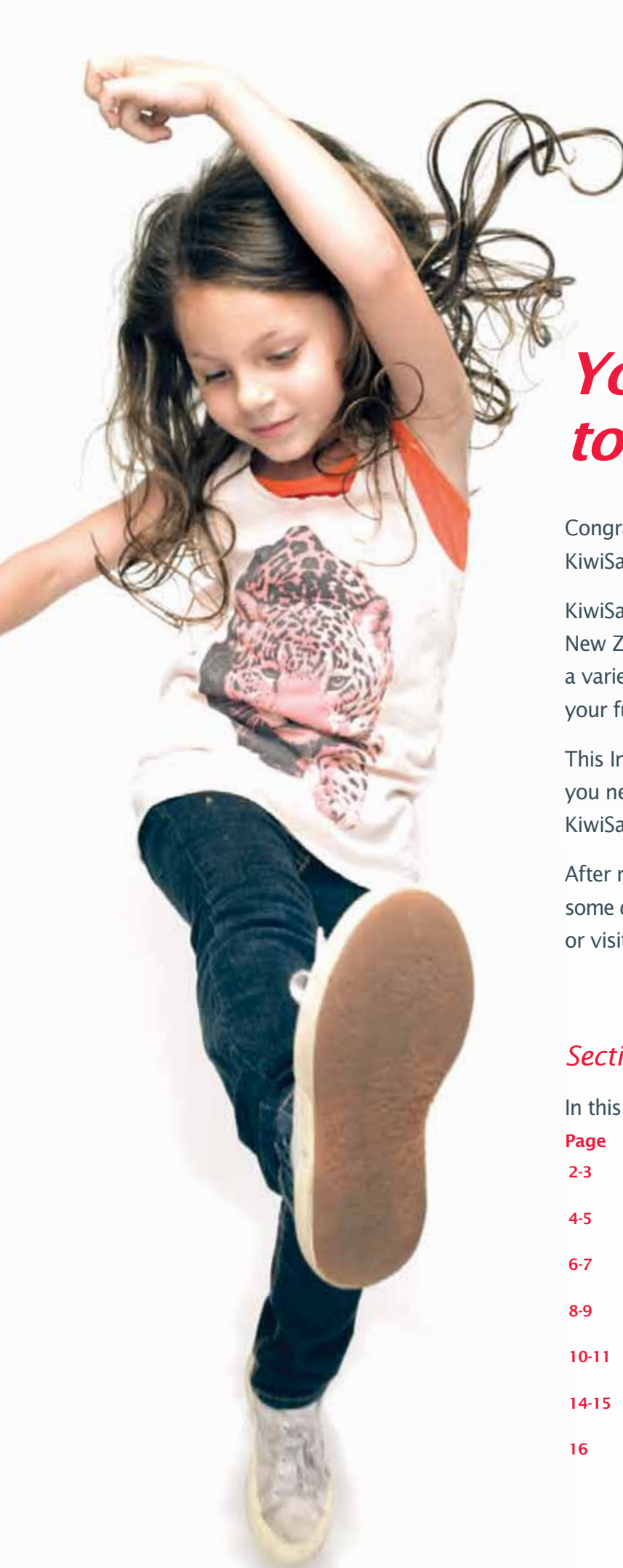
Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at <http://www.fspr.govt.nz>.

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

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Investments made in the Westpac KiwiSaver Scheme do not represent bank deposits or other liabilities of Westpac Banking Corporation ABN 33 007 457 141 (Westpac), Westpac New Zealand Limited (Westpac NZ) or other members of the Westpac group of companies. They are subject to investment and other risks, including possible delays in payment of withdrawal amounts in some circumstances, and loss of investment value, including principal invested. The ultimate holding company of BT Funds Management (NZ) Limited (BT) is Westpac. None of BT, Westpac NZ, Westpac, any member of the Westpac group of companies, The New Zealand Guardian Trust Company Limited (as Trustee), or any director or nominee of any of those entities, or any other person guarantees the Westpac KiwiSaver Scheme's performance, returns or repayment of capital. The Westpac KiwiSaver Scheme is not offered, and this investment statement does not constitute an offer, in any jurisdiction other than New Zealand.





## ***Your first step to a better future.***

Congratulations on choosing to find out more about KiwiSaver and the Westpac KiwiSaver Scheme.

KiwiSaver has been set up by the Government to help New Zealanders save for a better retirement. It offers a variety of incentives that can make saving easier and your future brighter.

This Investment Statement sets out the information you need to know about KiwiSaver and the Westpac KiwiSaver Scheme before deciding whether to join.

After reading this Investment Statement you may have some questions. If you do, just call us on 0508 972 254 or visit any of our 200 branches nationwide.

### ***Section 1***

In this section you can learn more about

**Page**

- 2-3** The benefits of KiwiSaver
- 4-5** The KiwiSaver incentives you may be entitled to
- 6-7** The benefits of joining KiwiSaver early
- 8-9** How much you need to contribute
- 10-11** The Westpac KiwiSaver Scheme investment options
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- 16** How to join the Westpac KiwiSaver Scheme

# Five fantastic reasons to join KiwiSaver.

KiwiSaver is a voluntary long term savings initiative that helps New Zealanders prepare for their retirement. Here are five reasons why you should consider becoming a member.



**You get \$1,000 just for joining.**

Everyone who joins KiwiSaver for the first time gets a \$1,000 kick-start from the Government paid into their KiwiSaver account.



**You may get Member Tax Credits which boost your savings.**

If you are a member of a KiwiSaver scheme, live in New Zealand and are aged 18 or over, the Government will contribute 50 cents for every dollar you contribute, up to a maximum Government contribution of \$521 each year, until you turn 65 or have been a KiwiSaver member for five years, whichever is later.

This means that, provided you're eligible, if you contribute \$1,042 or more between 1 July and 30 June each year, the maximum Member Tax Credit of \$521 will also be paid to your KiwiSaver account.



**You may get contributions from your employer.**

If you're over 18 and contributing to KiwiSaver from your salary or wages, your employer also has to contribute an amount equal to at least 2% of your gross salary or wages (subject to eligibility criteria).

From 1 April 2012 employer contributions will have employer's superannuation contribution tax (ESCT) deducted from them before they are credited to your KiwiSaver account. ESCT is usually the same as or less than your marginal tax rate.

The current Government intends that from 1 April 2013 the minimum employer contribution rate will increase to 3% of your gross salary or wages.



**You could use your savings to buy your first home.**

Once you've been a KiwiSaver member for three years, you may be eligible to withdraw all or part of your own and your employer's contributions to put towards the purchase of your first home. In some circumstances you may also qualify as a second chance home buyer.



**You could get a home purchase subsidy.**

After three years of contributing to KiwiSaver, you may be entitled to a first home purchase subsidy. The subsidy is administered by Housing New Zealand and is \$1,000 for each year you've been contributing to KiwiSaver, up to a maximum of \$5,000.

*Conditions and eligibility criteria apply to these incentives (other than the kick-start).*

*These are the key KiwiSaver benefits applying as at the date of this Investment Statement. They could change in future ([www.kiwisaver.govt.nz](http://www.kiwisaver.govt.nz) or [www.westpac.co.nz/kiwisaver](http://www.westpac.co.nz/kiwisaver) will generally give up-to-date details).*

# *Six reasons to do it with the Westpac KiwiSaver Scheme.*

The Westpac KiwiSaver Scheme is currently one of the largest and fastest growing KiwiSaver schemes in New Zealand, with one in six Kiwis who have actively chosen to join KiwiSaver choosing this scheme.



## *Experts at investing.*

BT Funds Management (NZ) Limited (BT) is the investment arm of Westpac in New Zealand and has a specialist investment team based in New Zealand. BT is one of New Zealand's leading fund managers. In managing the Westpac KiwiSaver Scheme, BT complements its skill and expertise through alliances with global investment managers, to manage risk and work towards growing the value of our members' investments.



## *Online access.*

With Westpac Online Banking you can view your Westpac KiwiSaver Scheme account at any time and it will appear alongside other Westpac accounts you may have.



## *Hotpoints.<sup>®</sup>*

Hotpoints earned on Westpac credit cards can be converted to contributions to the Westpac KiwiSaver Scheme.



## *Choose from a range of investment options.*

The Westpac KiwiSaver Scheme offers a range of investment options to suit just about everyone, no matter how far you are from retirement. If you are unsure about which investment option is best for you, you can speak to one of our financial advisers.



## *Financial advice.*

Westpac has a team of financial advisers throughout New Zealand whose job it is to help customers make good financial decisions, like how to invest wisely. They are experts in KiwiSaver and professionally qualified to help. Speak to your local Westpac branch or call us on 0508 972 254 if you would like to talk to an adviser.



## *We're here to help.*

Our team is available to help you by phone, online or in person at our 200 branches nationwide.



*BT Funds Management (NZ) Limited (BT) is the scheme provider and Westpac New Zealand Limited is the distributor of the Westpac KiwiSaver Scheme.*

# KiwiSaver made simple.

You're never too young, or too close to retirement age, to start saving for your retirement. With a number of unique incentives to help people save, it is easy to see how KiwiSaver can work for people across different life stages. Some examples are set out below, based on the key KiwiSaver incentives applying as at the date of this Investment Statement.\*

## *If you're under 18.*

You automatically get a \$1,000 kick-start and you can start putting away small amounts to get into the savings habit. Some of your KiwiSaver savings can also be used in the future to help buy your first home.



## *If you're over 18, have never owned a home and earn a salary or wage.*

Once you've been a KiwiSaver member for at least 3 years, you can take out all or part of your own and your employer's contributions to use towards the purchase of your first home.






## *If you're a salary or wage earner, own a home and are over 18.*






KiwiSaver allows you to choose a contribution rate of 2% (proposed to increase to 3% from 1 April 2013), 4% or 8% of your gross salary or wages depending on your financial situation. The Member Tax Credits and your employer's contributions are an added incentive.



### **KiwiSaver incentives that may be available**

-  \$1,000 kick-start
-  Saving towards a first home withdrawal
-  First home purchase subsidy

### **KiwiSaver incentives that may be available**

-  \$1,000 kick-start
-  Member Tax Credits
-  Compulsory employer contributions
-  Saving towards a first home withdrawal
-  First home purchase subsidy

### **KiwiSaver incentives that may be available**

-  \$1,000 kick-start
-  Member Tax Credits
-  Compulsory employer contributions



See page 2 for details about KiwiSaver incentives



*If you're self-employed and over 18 (and not paying PAYE tax).*

The Westpac KiwiSaver Scheme has no minimum contribution, so you can contribute as little or as much as you like, depending on your financial situation.

*If you're not currently working and are over 18.*

If you're not employed, a stay at home parent or a beneficiary, you can still join KiwiSaver. The Westpac KiwiSaver Scheme has no minimum contribution, so you can contribute as little or as much as you like, depending on your financial situation.

*If you're approaching retirement and earn a salary or wages.*

You have paid off, or nearly paid off, your home loan and are now looking towards retirement. You have some savings for retirement but you may also contribute to KiwiSaver to make the most of the Member Tax Credits and compulsory employer contributions.



**KiwiSaver incentives that may be available**



\$1,000 kick-start



Member Tax Credits



Saving towards a first home withdrawal (if you've never owned a home)



First home purchase subsidy

**KiwiSaver incentives that may be available**



\$1,000 kick-start



Member Tax Credits



Saving towards a first home withdrawal (if you've never owned a home)



First home purchase subsidy

**KiwiSaver incentives that may be available**



\$1,000 kick-start



Member Tax Credits



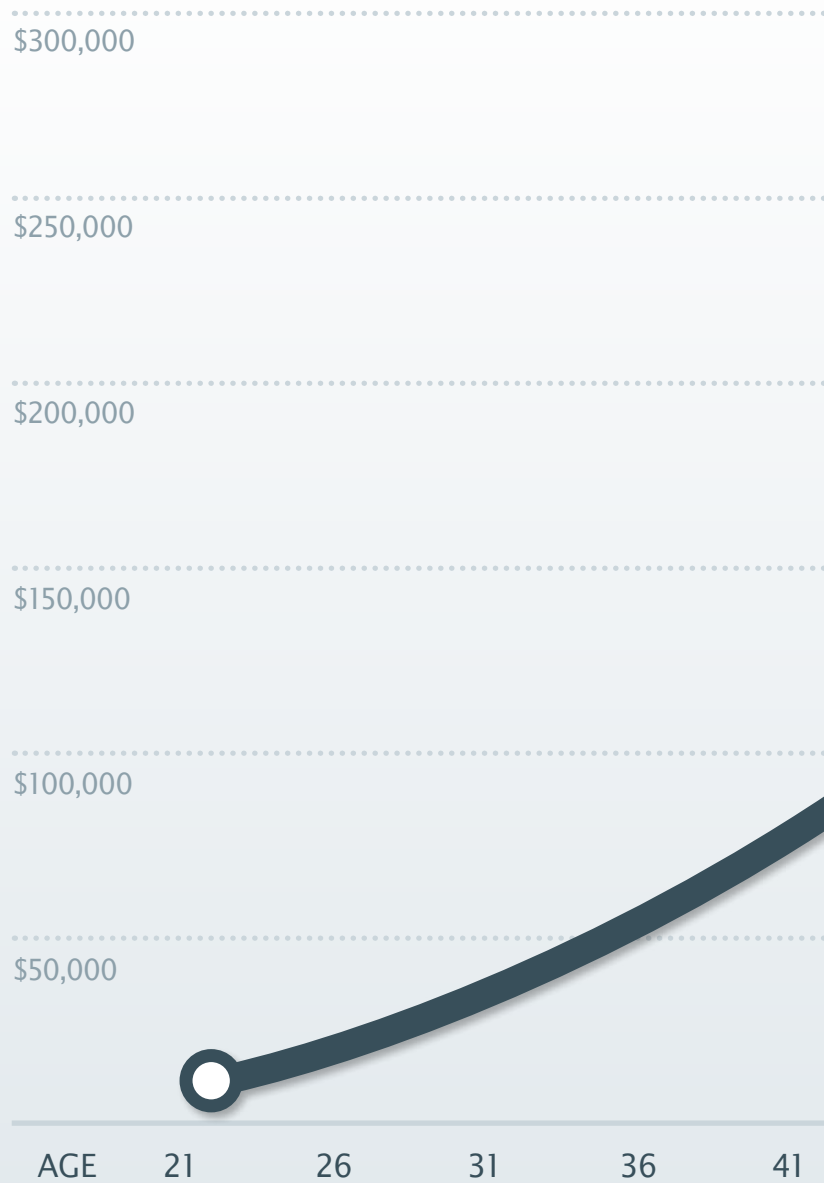
Compulsory employer contributions

\* Conditions apply to incentives other than the \$1,000 kick-start and not all KiwiSaver members in each category will qualify. The KiwiSaver incentives could change in future. The kick-start is available to every member joining their first KiwiSaver scheme.

# The benefits of joining KiwiSaver early.

Both James and Sarah save for 22 years and put in exactly the same amount. But at age 65 who is better off?

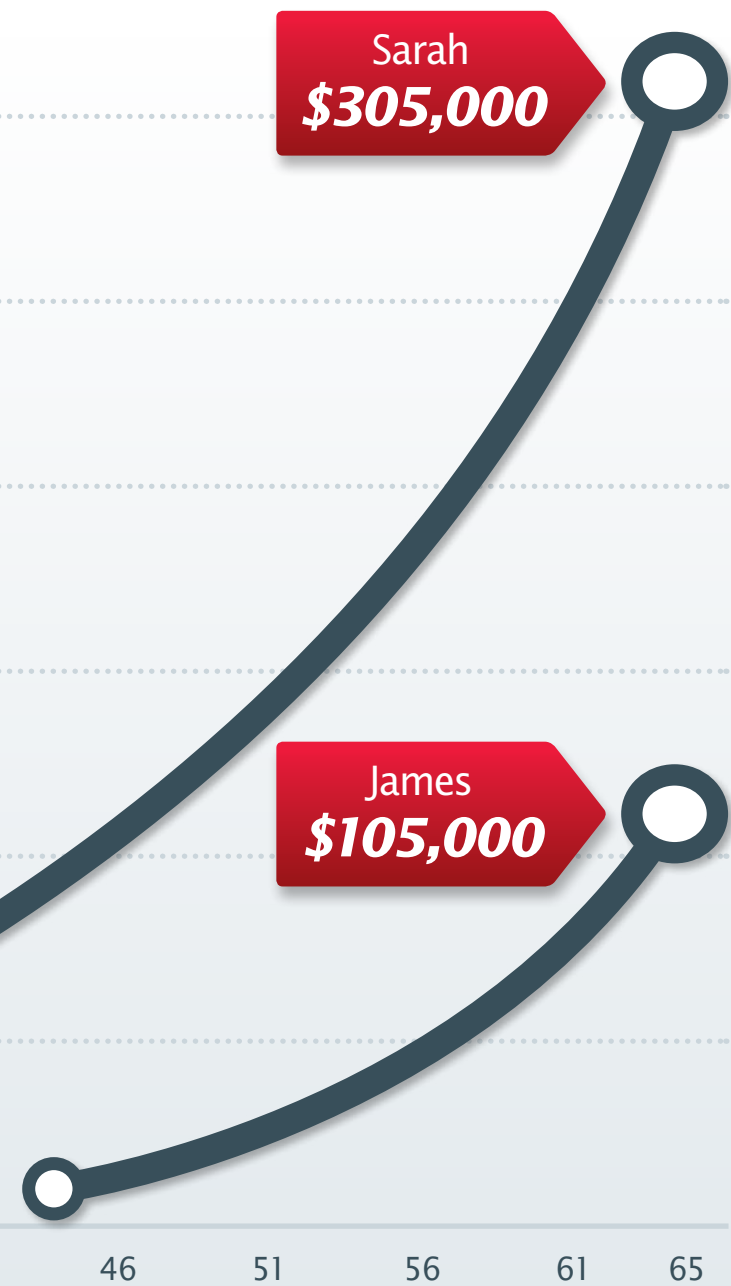
**Sarah is 21**, and initially invests \$2,000 into KiwiSaver. She invests a further \$2,000 each year until she turns 43.



As you can see, because Sarah started earlier, she was able to benefit more from compounding returns (earning a return on returns already earned), meaning that her investment grew more over time.

The big difference in the amounts James and Sarah have at retirement illustrates the significant impact time can have on your savings.





**James is 43**, and also invests \$2,000 into the same KiwiSaver investment fund. He adds \$2,000 each year until he turns 65.



This is an example only. It shows two members who join KiwiSaver on 1 January 2012. It does not reflect actual returns and is not a prediction of future returns (which are subject to investment and other risks, including loss of income and principal invested). The figures are based on a return of 5% per year after investment management and trustee fees, expenses and tax (at a prescribed investor rate of 28%). The figures assume monthly administration fees of \$2.59 are then deducted. Member Tax Credits of \$521.43 per year for the years that James and Sarah were contributing to KiwiSaver and the \$1,000 kick-start payment are included. It assumes no withdrawals, contribution holidays or employer contributions.

# How much do I need to contribute?

## *Salary or wage earner.*

If you're paid a salary or wages then, as at the date of this Investment Statement, you must contribute a minimum of 2% of your gross salary or wages. This contribution is deducted from your after-tax pay by your employer and paid to your KiwiSaver scheme via Inland Revenue. The current Government intends to increase the minimum contribution to 3% from 1 April 2013, matching the intended employer contribution increase.

If you wish, you can choose to contribute more - either 4% or 8% of your gross salary or wages – by completing a KiwiSaver deduction form (KS2) from [www.ird.govt.nz](http://www.ird.govt.nz) and handing it to your employer.

## *Self employed or not earning a salary or wage.*

If you are not currently earning a salary or wage, you can still contribute to KiwiSaver at a level that suits you. The Westpac KiwiSaver Scheme requires no minimum contribution amounts for members who are not earning a salary or wage, meaning that you can contribute as much or as little as your financial circumstances allow.

# Other important things you should know about KiwiSaver.

## *Taking a holiday from saving.*

You can choose to take a break from saving, called a "contributions holiday", after 12 months of KiwiSaver membership by applying to Inland Revenue. If you are suffering, or likely to suffer, financial hardship within your first 12 months of membership you may apply for an early contributions holiday.

## *Topping up your KiwiSaver.*

You can also make regular contributions by direct debit by completing the form at the back of this Investment Statement or from your bank account by one-off lump sum payments or regular automatic payments. You can set these up using Westpac Online Banking or by visiting any Westpac branch. Contributions can also be made by others on your behalf. You'll need to ensure they have your IRD number to reference the payment correctly.

If you are self-employed (and not paying PAYE tax) or not currently earning a salary or wages, you can make contributions directly to the Westpac KiwiSaver Scheme. You can contribute as little or as much as you want.

## *When can I withdraw my savings?*

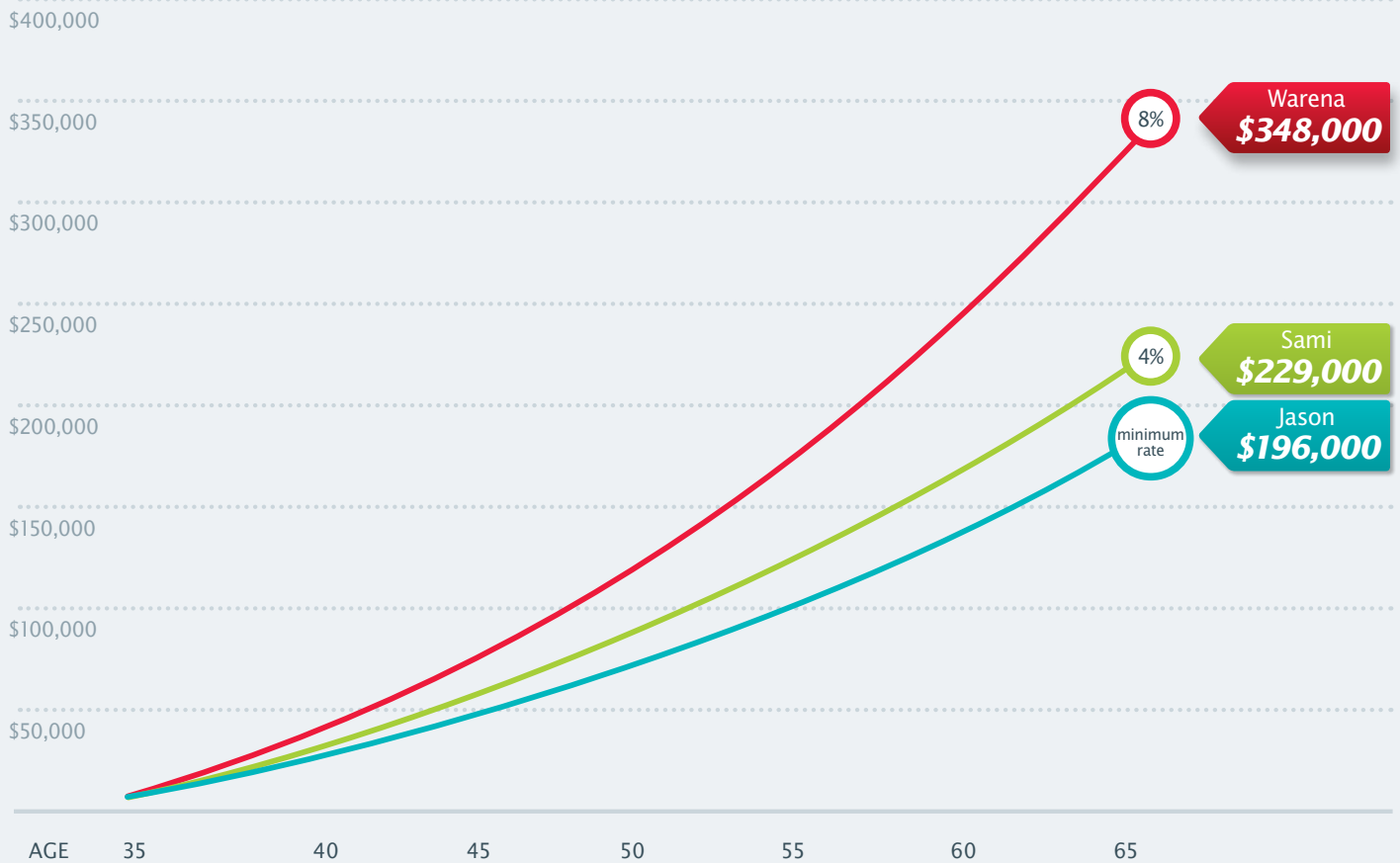
Your KiwiSaver savings are generally locked in until you qualify for New Zealand superannuation (currently 65), or until you have been a member of a KiwiSaver scheme (or a complying superannuation fund) for at least five years, whichever is later.

### **There are certain circumstances where you can apply to make an early withdrawal:**

- The purchase of a first (or in limited cases a subsequent) home.
- Significant financial hardship.
- Serious illness.
- If you leave New Zealand permanently.
- Where required by statute, or upon death.

*It's important to know that some early withdrawals will exclude the Government kick-start and Member Tax Credits.*

# A little extra makes a lot of difference.



Warena, Sami and Jason all join KiwiSaver when they are 35 years old and they are each earning a salary of \$45,000. While Jason contributes at the minimum rate (2%, increasing to 3% on 1 April 2013), Sami contributes at a rate of 4% and Warena at a rate of 8%.

Here's how their savings might compare over 30 years (around the time they'll retire). As you can see, just a small amount extra over a long period of time can add up to a lot of extra money for your retirement.

This is an example only. It shows three members who join KiwiSaver on 1 January 2012. It does not reflect actual returns and is not a prediction of future returns (which are subject to investment and other risks, including loss of income and principal invested). The figures are based on a return of 5% per year after investment management and trustee fees, expenses and tax (at a prescribed investor rate of 17.5%). The figures assume monthly administration fees of \$2.59 are then deducted. The graph assumes no increase to salary during the period. From 1 April 2012 employer contributions are subject to Employer's Superannuation Contribution Tax and this is assumed to be at a rate of 17.5%. The table takes into account the current Government's intention to increase the minimum employee and minimum employer contribution rates from 2% to 3% on 1 April 2013. The \$1,000 Government kick-start and Member Tax Credits have been taken into account. Member Tax Credits are calculated at 50 cents for every \$1 each member contributes (up to a maximum Member Tax Credit of \$521.43 per year). The graph assumes eligibility for Member Tax Credits for the full period. The graph also assumes no withdrawals are made and no contribution holidays are taken.



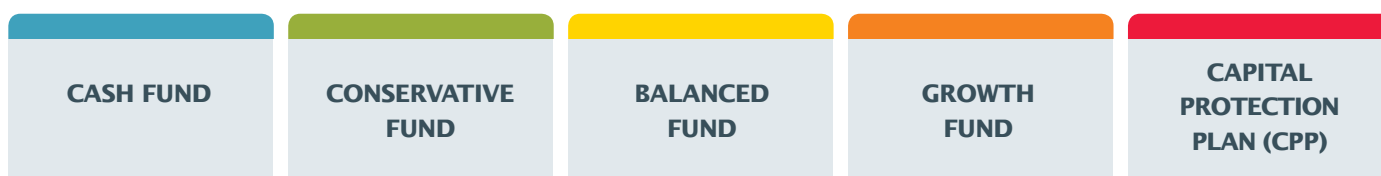


# *The Westpac KiwiSaver Scheme investment options.*

The Westpac KiwiSaver Scheme offers five different investment options. When you join the Westpac KiwiSaver Scheme you can indicate on your application form which investment option you wish to invest in.

Each investment option invests your KiwiSaver contributions differently. To ensure you select the right investment option it is important that you read the following information. If you have further questions phone our KiwiSaver team on 0508 972 254, to make an appointment with a financial adviser.

*You can choose from any of the following investment options:*



Each investment option is designed with a specific investment objective and timeframe in mind.

Some investment options aim to generate modest and consistent returns each year while others look to achieve potentially higher returns over longer periods of time. To achieve these different outcomes, each investment option holds varying levels of cash, fixed interest, shares and property.

## *So how do I decide which Westpac KiwiSaver Scheme investment option is best for me?*

A good start is to ask yourself the following questions:

### ***How long before I turn 65 or want to withdraw my funds to help purchase my first home?***

This gives you a KiwiSaver investment timeframe. All Westpac KiwiSaver Scheme investment options have a minimum recommended investment timeframe.

**Short to medium term** (3 – 5 years)

**Medium term** (5 – 7 years)

**Medium to long term** (7 – 10 years)

**Long term** (10 years plus)

### ***Do I want to protect the value of my contributions or do I want them to grow?***

This will help you decide what's more important to you – the predictability that over your investment timeframe there will be less variation in the level of returns you receive, or the potential to grow your savings through higher returns.

### ***If I want the value of my contributions to grow, how much volatility (up and down movements) am I prepared to accept? Can I tolerate negative growth in the short-term to achieve higher long-term returns?***

This will help you understand how comfortable you are balancing short term volatility or fluctuations in returns against your longer term aspirations to grow your money.

The table below provides a snapshot of each investment option.

FUND TYPE	INVESTMENT TIMEFRAME	TYPICAL INVESTMENT MIX	FUND CHARACTERISTICS
<b>CASH FUND</b>	<b>3-5 YEARS</b>	<b>100%</b> Cash	<ul style="list-style-type: none"> <li>Aims to deliver stable returns with lower levels of variability</li> <li>Provides low levels of volatility and investment risk</li> <li>Long term returns are likely to be lower than for investments that include shares</li> </ul>
<b>CONSERVATIVE FUND</b>	<b>5-7 YEARS</b>	<b>20%</b> Cash <b>19%</b> NZ Fixed Interest <b>36%</b> International Fixed Interest <b>5%</b> Listed Property <b>10%</b> NZ Shares <sup>1</sup> <b>10%</b> International Shares	<ul style="list-style-type: none"> <li>Aims to deliver more stable returns than the Balanced Fund or Growth Fund</li> <li>Provides low levels of investment risk</li> <li>Provides lower levels of growth potential over the long term than the Balanced Fund or Growth Fund</li> <li>Returns will vary and could be low or negative at times</li> </ul>
<b>BALANCED FUND</b>	<b>7-10 YEARS</b>	<b>5%</b> Cash <b>15%</b> NZ Fixed Interest <b>20%</b> International Fixed Interest <b>5%</b> Listed Property <b>20%</b> NZ Shares <sup>1</sup> <b>30%</b> International Shares <b>5%</b> Alternative Investments <sup>2</sup>	<ul style="list-style-type: none"> <li>Aims to provide medium level returns over the long term, but higher volatility than the Cash Fund and Conservative Fund.</li> <li>Provides medium levels of investment risk</li> <li>Provides the potential for high returns over the long term</li> <li>Returns will vary and may be low or negative at times</li> </ul>
<b>GROWTH FUND</b>	<b>10+ YEARS</b>	<b>5%</b> Cash <b>5%</b> NZ Fixed Interest <b>10%</b> International Fixed Interest <b>10%</b> Listed Property <b>25%</b> NZ Shares <sup>1</sup> <b>38%</b> International Shares <b>7%</b> Alternative Investments <sup>2</sup>	<ul style="list-style-type: none"> <li>Aims to provide high potential returns over the long term, but also a higher potential for fluctuations in the level of returns</li> <li>Provides strong opportunity for greater returns over the long term</li> <li>Returns will vary and are likely to be low or negative in some years</li> </ul>
<b>CAPITAL PROTECTION PLAN (CPP)</b>	<b>10+ YEARS</b>	Initially invests mainly in international and NZ shares <sup>1</sup> . Can invest in bonds or deposits.	<ul style="list-style-type: none"> <li>Aimed at protecting each member's initial capital on maturity of each CPP Fund</li> <li>Returns will vary and are likely to be low or negative in some years (although the CPP Funds are designed to protect a member's initial investment at maturity)</li> </ul>

1. From time to time up to 50% of the NZ Shares asset allocation can be invested in the Australian sharemarket.

2. Alternative investments refer to a growing range of investments that do not fall within the main asset classes. Alternative investments can be based on publicly traded securities like shares, bonds and derivatives (which include hedge funds, absolute return funds and commodity investments) or private securities (which can include venture capital and private equity). Investment strategies that may be found in some alternative investments include the use of gearing, short selling (selling something you do not own with a view to buying it back later at a lower price), and more extensive use of derivatives. Although the benchmark asset allocation towards alternative investments for the Conservative Fund is zero, that fund may from time to time have an exposure to alternative investments.

The above table shows typical investment mixes at the date of this Investment Statement. Actual mixes may vary considerably from time to time. In preparing the asset exposure of the portfolios, we have taken into account both direct and indirect investments and the effects of futures and options contracts.

# Why do some investment strategies offer greater growth potential?

As a general rule, investments with the lowest level of risk can be expected to generate the lowest returns over the long term. Likewise, investments that have the potential to generate the highest returns can be the most unpredictable and volatile (in terms of moving up and down in value) over the short term.

Historically, investment strategies with higher amounts invested in shares and property have generated higher returns, but are more volatile (up and down movements). While investors with a higher exposure to shares and property may enjoy better long-term growth they often experience periods of negative returns.

On the other hand, an investment strategy which invests higher amounts in cash and fixed interest can be expected to provide more stable returns each year, but generally lower returns.

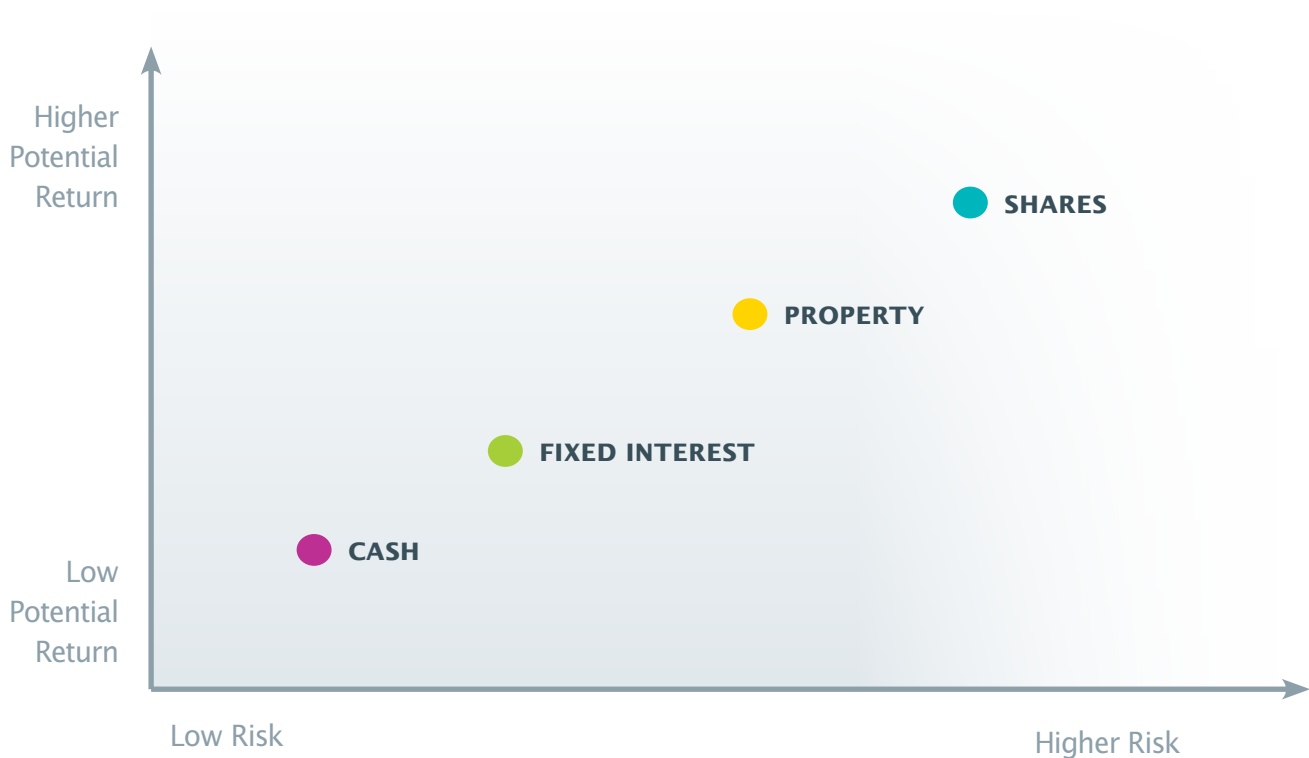
An effective way to try and balance risk and return is to ensure the investment timeframe of your chosen fund reflects your investment time frame, and the investment profile of the fund reflects your appetite for risk.

You might like to complete the risk profile survey on page 14 to help you understand your risk profile.

If you would like help deciding which Westpac KiwiSaver Scheme investment option is best for you, call us on 0508 972 254 to make an appointment with a financial adviser.

*The graph below shows how different investments have different risk and potential return profiles.*

It is intended solely to illustrate this concept – it is not a prediction of the future returns from, or the investment performance of, any of the Westpac KiwiSaver Scheme investment options.





## It's never too late to start.



You may feel that it's too late to join KiwiSaver and that it's not really going to make a difference. If you are under 65, no matter how close you are to retiring, whatever you save with KiwiSaver will help you enjoy a better retirement.

In this example, 50 year old Alex earns a gross salary of \$50,000 per annum and contributes an amount equal to 8% of his gross salary to KiwiSaver each year until he reaches 65.

This is an example only. It shows a member who joins KiwiSaver on 1 January 2012. It does not reflect actual returns and is not a prediction of future returns (which are subject to investment and other risks, including loss of income and principal invested). The figures are based on a return of 5% per year after investment management and trustee fees, expenses and tax (at a prescribed investor rate of 28%). The figures assume monthly administration fees of \$2.59 are then deducted. They assume no increase to salary during the period. From 1 April 2012 employer contributions are subject to Employer's Superannuation Contribution Tax and this is assumed to be at a rate of 17.5%. The graph takes into account the current Government's intention to increase the minimum employee and minimum employer contribution rates from 2% to 3% on 1 April 2013. The \$1,000 Government kick-start and Member Tax Credits have been taken into account. Member Tax Credits are calculated at 50 cents for every \$1 contributed (up to a maximum Member Tax Credit of \$521.43 per year). The graph assumes eligibility for Member Tax Credits for the full period. The graph also assumes no withdrawals are made and no contribution holidays are taken.



# Risk profiler.

The following risk profiler will help you decide which investment option is right for you. If you are planning on withdrawing your funds from KiwiSaver to help with the purchase of your first home (or if you expect to qualify as a second chance home buyer), you may want to consider simply investing in the Cash Fund.

**This questionnaire should be treated as a guide only, to help you determine your tolerance for risk. The outcome of the questionnaire should not be treated as investment advice or a personal financial plan. It's important to note that you may wish to obtain advice before making a decision, by speaking to a financial adviser.**

If you don't choose an investment option, your investment in the Westpac KiwiSaver Scheme will be automatically invested into the Conservative Fund. You are able to change this investment option (or any other option you choose) at any time in the future.

**For each question tick the number that most closely reflects your views on investing:**

**1. How many years do you have until you plan to withdraw money from the Westpac KiwiSaver Scheme?**

- |   | SCORE |
|---|-------|
| <input type="radio"/> 5 years or less.  | 1     |
| <input type="radio"/> 5 to 10 years.    | 2     |
| <input type="radio"/> 10 to 15 years.   | 3     |
| <input type="radio"/> 15 years or more. | 4     |

**2. How do you rate your willingness to take financial risks?**

- |   | SCORE |
|---|-------|
| <input type="radio"/> I do not take any risks when it comes to my money | 1     |
| <input type="radio"/> I am a conservative risk taker.                   | 2     |
| <input type="radio"/> I am a moderate risk taker.                       | 3     |
| <input type="radio"/> I enjoy taking risks.                             | 4     |

**3. When faced with a major financial decision are you more concerned about the possible losses or the potential gains?**

- |  | SCORE |
|--|-------|
| <input type="radio"/> Always the possible losses.  | 1     |
| <input type="radio"/> Usually the possible losses. | 2     |
| <input type="radio"/> Usually the potential gains. | 3     |
| <input type="radio"/> Always the potential gains.  | 4     |

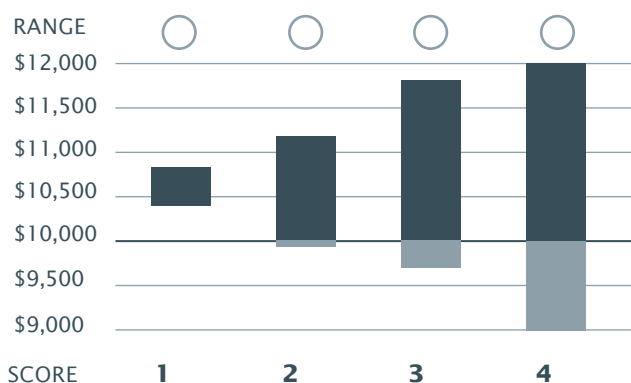
**4. Investments can go up and down in value. By how much would a long term investment (more than 7 years) of \$10,000 have to go down before you would begin to feel uncomfortable?**

- |  | SCORE |
|--|-------|
| <input type="radio"/> I cannot tolerate any fall in my investment value. | 1     |
| <input type="radio"/> \$500 (5%).  | 2     |
| <input type="radio"/> \$1,000 (10%).                                     | 3     |
| <input type="radio"/> \$2,000 or more (20%+).                            | 4     |

**5. Which of the following best describes your investment experience?**

- |  | SCORE |
|--|-------|
| <input type="radio"/> Bank deposits and term investments only. | 1     |
| <input type="radio"/> Bank deposits and property.              | 2     |
| <input type="radio"/> Bank deposits, property and shares.      | 3     |
| <input type="radio"/> Mainly shares or managed funds.          | 4     |

**6. Which of the following value ranges for a long term investment (more than 7 years) of \$10,000, including any investment gain or loss, would you feel most comfortable with in any one year?**



**TOTAL SCORE:**

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Use your score from the questionnaire on the previous page and match it to an Investment Profile below. Remember that the questionnaire is only a guide. Being comfortable with your investment is one of the keys to successful investing. If the Investor Description doesn't sound like you, review the descriptions for the other profiles and select an investment option which has a description that is the closest match to how you feel about investing. If you would like help with selecting an investment option, call us on 0508 972 254 to make an appointment with a financial adviser.

SCORE	INVESTMENT PROFILE	INVESTOR DESCRIPTION	INVESTMENT OPTION
6-7	DEFENSIVE	You are a cautious investor looking for a high level of security. You want your investment to have a major emphasis on income assets (in this case, solely cash, and fixed interest). You are not willing to place any of your investment in growth assets (shares or property).	CASH FUND
8-12	CONSERVATIVE	You are a conservative investor looking for some growth, but you wish to remain cautious. You would expect a major portion of your investment to be allocated to income assets (cash and fixed interest), with the remaining portion allocated to growth assets (predominately shares and some property).	CONSERVATIVE FUND
13-18	BALANCED	You are willing to tilt your portfolio towards growth assets (predominately shares and some property), which you are aware are likely to fluctuate in value. In order to minimise the impact of these fluctuations, you would like your investment to contain a reasonable allocation of income assets (cash and fixed interest) but have a higher allocation to growth assets.	BALANCED FUND
19-24	GROWTH	You are willing to place a greater emphasis on growth assets (predominately shares and some property) over income assets (cash and fixed interest). You therefore wish for a greater percentage of your investment to be invested in growth assets as these have the potential to generate higher returns than income assets over the longer term.	GROWTH FUND



### *More than 10 years to retirement?*

If, from the date you join the Westpac KiwiSaver Scheme, you have more than 10 years until you retire, and you want an investment option designed to protect your capital while offering you the potential to benefit from the level of returns offered by shares, you may want to consider investing in the Capital Protection Plan (the CPP). Full information on the CPP Funds and how they operate is contained in Section 2 under the heading **“Further information – the Capital Protection Plan”**.

**CAPITAL PROTECTION PLAN (CPP)**



# How to join the Westpac KiwiSaver Scheme.

You can join the Westpac KiwiSaver Scheme in three simple steps:

1

Read the rest of this Investment Statement, which contains important information about the Westpac KiwiSaver Scheme.

2

Complete and sign the application form in Section 3 of this Investment Statement.

3

Return your completed application form to your nearest Westpac branch, or post it to Westpac KiwiSaver Scheme, PO Box 695, Wellington 6140.

**If you have any questions or need any additional information you can contact us on 0508 WPAC KIWI (0508 972 254) between 8.30am and 5.30pm, Monday to Friday.**

Once we have received your signed and completed application form, we'll let Inland Revenue know that you have chosen the Westpac KiwiSaver Scheme. If you are employed, Inland Revenue will contact your employer to arrange deductions from your salary or wages. If you're not employed and would like to make regular contributions, just complete the direct debit form at the back of this Investment Statement and return it with your application form. Alternatively you can make lump sum payments whenever it suits you, as outlined under the heading "How much do I pay?".

## *Transferring to the Westpac KiwiSaver Scheme*

If you are already a member of another KiwiSaver scheme, and would like to transfer to the Westpac KiwiSaver Scheme, all you need to do is complete the application form as outlined above and return the form to your nearest Westpac Branch, or post it to Westpac KiwiSaver Scheme, PO Box 695, Wellington 6140 and we will do the rest for you.

You may also be able to transfer the investment you hold in another superannuation scheme even if it is not a KiwiSaver scheme. To find out more, just contact us on 0508 972 254 between 8.30am and 5.30pm, Monday to Friday.



## *Section 2*

More detailed information on the Westpac KiwiSaver Scheme.

### **Page**

- 18** What sort of investment is this?
- 19** Who is involved in providing it for me?
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- 30** Can the investment be altered?
- 31** How do I cash in my investment?
- 32** Who do I contact with inquiries about my investment?
- 32** Is there anyone to whom I can complain if I have problems with the investment?
- 33** What other information can I obtain about this investment?
- 34** Further information – the Capital Protection Plan

## What sort of investment is this?

This Investment Statement offers membership in the Westpac KiwiSaver Scheme, which is a registered KiwiSaver scheme under the KiwiSaver Act 2006 (the Act). The main purpose of the Westpac KiwiSaver Scheme is to provide retirement benefits to members and to assist members to save for their retirement.

**The amount you receive when a benefit is payable from the Westpac KiwiSaver Scheme will depend on the basis for the benefit payment, the contributions made by you and for your benefit, the returns achieved on those contributions, and the tax and fees deducted from your investment. As a KiwiSaver scheme, there are some restrictions on when benefits from the Westpac KiwiSaver Scheme can be paid which are explained under the heading “What returns will I get?”.**

### How does the Westpac KiwiSaver Scheme work?

The Westpac KiwiSaver Scheme allows members to pool their money to achieve greater buying power and access to a wider range of investments, as well as the benefit of professional investment management.

You can choose from five different investment options, offering access to a wide range of investments. Each investment option is a managed fund or funds (Funds). The money you contribute buys units in the Fund you choose. Each unit represents a share of the Fund's assets, so changes to the market value of the assets affect the value of each unit. Returns to each Fund are reflected in the value of the unit price for the Fund, which will fluctuate with changes in the value of that Fund's investments. The value of your investment can go up or down as the market value of the assets changes (reflected by an increase or decrease in unit values).

In the following pages you will find important information you need to know before you make a decision to join the Westpac KiwiSaver Scheme. It includes things we have to tell you by law, and other information we think you'll find useful. If you have any questions after you have read this Investment Statement please call us on 0508 WPAC KIWI (0508 972 254).

### Who can join KiwiSaver?

You are eligible for membership of a KiwiSaver scheme if you are:

- under the qualification age for New Zealand Superannuation (currently 65); and
- living or normally living in New Zealand, or a State Services employee serving outside of New Zealand; and
- a New Zealand citizen or entitled to be in New Zealand indefinitely.

### How do I join the Westpac KiwiSaver Scheme?

There are a number of ways you can join the Westpac KiwiSaver Scheme. These are set out below.

It is important to understand that if you opt into KiwiSaver, you won't be able to opt out at a later date.

Only new employees who are automatically enrolled through Inland Revenue (either into a KiwiSaver scheme chosen by their employer or into one of the government appointed default providers' KiwiSaver schemes) can opt out, between two and eight weeks after the date of starting employment and being automatically enrolled.

### Opting In

If you are already in employment, self employed or not currently employed, you can opt into the Westpac KiwiSaver Scheme by completing the application form at the back of this Investment Statement and returning it to us at the address noted on the application form.

### Employees starting new employment

If you are not already a member of a KiwiSaver scheme when you first start employment with your employer, and your employer has chosen the Westpac KiwiSaver Scheme for its staff, you will be automatically enrolled in the Westpac KiwiSaver Scheme unless you select another KiwiSaver scheme. Members of the Westpac KiwiSaver Scheme automatically enrolled through this process are deemed to have acknowledged and agreed to the terms set out in **Section F** of the application form.

If your employer has chosen the Westpac KiwiSaver Scheme and you do nothing further, your contributions and any contributions received on your behalf will be invested in the Conservative Fund. You can select a different investment option though, simply by completing the application form at the back of this Investment Statement or obtaining a “switch” form from any Westpac branch. Further information on how to change your investment option is outlined in the section headed “**Can my investment be altered?**”.

### Investment options

There are currently five investment options available in the Westpac KiwiSaver Scheme, each with a different level of risk and potential return:

- Cash Fund
- Conservative Fund
- Balanced Fund
- Growth Fund
- Capital Protection Plan

More details about the options, and choosing the right one for you, can be found under the heading “**The Westpac KiwiSaver Scheme investment options**” in Section 1. You can choose which of the investment options you wish to invest in. If your employer has chosen the Westpac KiwiSaver Scheme for you, or you have not specified a Fund on your application form, then you will initially invest in the Conservative Fund.

### An overview of how the Westpac KiwiSaver Scheme works

Once you become a member of the Westpac KiwiSaver Scheme, two accounts will be opened in your name as follows:

- Your Transaction Account, which receives all contributions made by you and for your benefit before they are invested.
- Your Investment Account, which reflects the investment option(s) you have chosen and invests the contributions which have passed through your Transaction Account.

Every contribution made to the Westpac KiwiSaver Scheme by you and for your benefit will be paid to your Transaction Account. Your Transaction Account balance is invested into the Cash Transaction Fund and is deposited with a major bank (at the date of this Investment Statement, Westpac) where it will earn interest, until such time as it is transferred to your Investment Account.

You are required to keep a minimum balance in your Transaction Account. This is set by the Manager. The current minimum balance is \$50, but may be waived by the Manager in certain circumstances. The minimum balance may be higher for members investing in the Capital Protection Plan. Any fees which are not deducted from the Funds but instead are payable by members individually, such as the monthly administration fee, will be paid from your Transaction Account.

If your Transaction Account balance falls below the minimum, an amount will be transferred from your Investment Account to your Transaction Account, to ensure your Transaction Account balance is above the minimum. If you invest in the Capital Protection Plan, the Manager may set a higher minimum balance for your Transaction Account as no amounts are intended to be transferred from the CPP funds.

The Transaction Account also has a maximum balance amount (except for members who have selected the Capital Protection Plan, in which case there is no maximum amount). If the balance of your Transaction Account exceeds the maximum balance amount, currently \$100, the excess will be transferred to your Investment Account.

You can find out the minimum and maximum balances set by the Manager from time to time by calling 0508 WPAC KIWI (0508 972 254).

### **Valuation of the Funds and your Transaction Account**

Each Fund is unitised and as such your investment in the Westpac KiwiSaver Scheme is measured in units in each Fund. The Manager will generally calculate a unit price each business day which will reflect the market value of assets, less any liabilities. However, there may be some times where the Manager is not able to calculate a unit price. Because of the different tax rates of members, accrued income tax is not taken into account in calculating the net value of a Fund or the unit price.

A Fund's unit price will rise and fall as the value of the assets of that Fund rises or falls (depending on market conditions).

Your Transaction Account is represented by an interest in the Cash Transaction Fund which is also unitised.

More information on the pricing of units is set out in the prospectus, which is available on request by calling 0508 WPAC KIWI (0508 972 254). You can also find out the balance of your investment in the Westpac KiwiSaver Scheme by calling us.

## ***Who is involved in providing it for me?***

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The Westpac KiwiSaver Scheme was established by trust deed on 4 April 2007 and is a registered KiwiSaver scheme under the Act. The Westpac KiwiSaver Scheme has accepted members since 1 July 2007.

BT Funds Management (NZ) Limited is the scheme provider and Westpac NZ is the distributor of the Westpac KiwiSaver Scheme.

### **The Trustee**

The trustee of the Westpac KiwiSaver Scheme is:

The New Zealand Guardian Trust Company Limited  
Level 7  
Vero Centre  
48 Shortland Street  
Auckland 1010  
PO Box 1934  
Auckland 1140  
New Zealand  
Telephone: (09) 377 7300

As at the date of this Investment Statement, the Trustee has legal responsibility for the administration of the Westpac KiwiSaver Scheme. The Trustee holds (itself

or through nominees) all of the assets of the Westpac KiwiSaver Scheme.

### **The Manager and promoters**

The investment manager and administration manager of the Westpac KiwiSaver Scheme is BT Funds Management (NZ) Limited (the Manager).

The Manager's principal place of business is Westpac on Takutai Square, 16 Takutai Square, Auckland 1010, New Zealand.

The Manager and its directors are also promoters of the Westpac KiwiSaver Scheme in terms of the Securities Act 1978. The directors of the Manager are Ian Nicholas New of Wellington, New Zealand, George Frazis of Auckland, New Zealand, Richard Warren Jamieson of Sydney, Australia, David Alexander McLean of Auckland, New Zealand and Mark John Smith of Sydney, Australia.

The directors can be contacted at Westpac on Takutai Square, 53 Galway Street, Auckland 1010, New Zealand, phone 0508 972 254. The directors of the Manager may change from time to time without notice to members. A list of directors of the Manager is available online at [www.business.govt.nz/companies](http://www.business.govt.nz/companies).



Westpac NZ and its directors are promoters of the Westpac KiwiSaver Scheme in terms of the Securities Act 1978.

Westpac NZ's principal place of business is:  
Westpac on Takutai Square  
16 Takutai Square, Auckland 1010, New Zealand

The contact address of Westpac NZ and each director is:  
Westpac on Takutai Square  
53 Galway Street, Auckland 1010, New Zealand

The directors of Westpac NZ are Philip Matthew Coffey of Sydney, Australia, George Frazis of Auckland, New Zealand, Christopher John David Moller of Lower Hutt, New Zealand, Janice Amelia Dawson of Auckland, New Zealand, Ralph Graham Waters of Sydney, Australia and Peter David Wilson of Wellington, New Zealand.

The directors of Westpac NZ may change from time to time without notice to members. A list of the directors of Westpac NZ is available online at [www.business.govt.nz/companies](http://www.business.govt.nz/companies).

The addresses referred to above in respect of the Manager and Westpac NZ and their directors, and of the Trustee, may change from time to time without notice to members. Details of the addresses of the Manager and its directors, Westpac NZ and its directors and the Trustee are available online at [www.business.govt.nz/companies](http://www.business.govt.nz/companies).

Under the KiwiSaver Amendment Act 2011, the Manager and the Trustee must amend the governance arrangements for the Westpac KiwiSaver Scheme by no later than 30 September 2012 to ensure that:

- the Manager becomes the issuer of membership interests in the Westpac KiwiSaver Scheme for securities legislation purposes and is legally responsible for the administration of the Scheme, and
- the Trustee becomes the external supervisor of the Westpac KiwiSaver Scheme and is responsible for overseeing the Manager and for the custody of Scheme assets.

Throughout this Investment Statement, "we", "our" or "us" means the Manager. The Trustee has delegated the management and administration of all investments, the admission of new members, receipt of contributions, maintenance of records, and other functions to the Manager.

In managing the Westpac KiwiSaver Scheme we may utilise the skills and expertise of specialist underlying investment managers or administrators, which may be added to, removed, or replaced at any time without notice being given to you. Details of any specialist underlying investment managers or administrators currently being utilised can be obtained by calling us on 0508 WPAC KIWI (0508 972 254). Details of the specialist underlying investment managers may also be obtained from [www.westpac.co.nz](http://www.westpac.co.nz) or, in the case of the administrators, the prospectus for the Westpac KiwiSaver Scheme.

The capital protection in respect of the CPP Funds (as described under the heading "**Further information – the Capital Protection Plan**") is provided by Westpac Banking Corporation ABN 33 007 457 141, incorporated in Australia (New Zealand Branch). Westpac is a company registered in New South Wales, Australia. In New Zealand, its principal place of business is at Westpac on Takutai Square, 16 Takutai Square, Auckland. For further information on Westpac please refer to the most recent Disclosure Statement in respect of Westpac which can be accessed at the internet address [www.westpac.co.nz](http://www.westpac.co.nz) or in any Westpac NZ branch, and the Disclosure Statement for each quarter for the previous two years which is available at the internet address [www.westpac.com.au](http://www.westpac.com.au).

### **Responsible Investment**

Responsible investment, including environmental, social, and governance considerations, is not taken into account in the investment policies and procedures of the Westpac KiwiSaver Scheme as at the date of this Investment Statement.

## ***How much do I pay?***

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### **Your contributions**

Members are required to make contributions as prescribed by the Act. A minimum contribution rate applies for employees earning salary or wages (see below). If you are not an employee, how much you contribute to the Westpac KiwiSaver Scheme is up to you.

#### **Employee contributions**

If you are an employee you can choose to contribute amounts equal to 2% (the current Government intends to increase this minimum contribution rate to 3% from 1 April 2013), 4% or 8% of your gross salary or wages. If you don't choose a contribution rate, then your employee contributions will be deducted at the minimum rate.

Your salary or wages for the purpose of KiwiSaver includes sums received by way of bonus, commission, extra salary, gratuity or overtime pay. It also includes

parental leave payments out of public money, and ACC compensation (but excludes accommodation benefits and redundancy payments).

If no tax deductions are required to be made from your salary or wages under the PAYE rules (and you are not a private domestic worker) then you are not required to contribute to KiwiSaver from your salary or wages.

Your employer will deduct your contributions automatically from your after tax salary or wages and pay them directly to Inland Revenue. Inland Revenue will pass your contributions to the Westpac KiwiSaver Scheme.

If the Westpac KiwiSaver Scheme is your first KiwiSaver scheme, then your contributions will be held by Inland Revenue for three months from the date your first contribution is received by them (or after they know you are a member). During that period, your contributions will be held by Inland Revenue in an interest-bearing account.

You can change the level of contributions that are being deducted between the minimum employee contribution rate of 2% (likely to increase to 3% from 1 April 2013), 4% and 8%, or take a contributions holiday from time to time. Further information on how to change an employee contribution rate or apply for a contributions holiday is outlined under the heading “**Can the investment be altered?**”. In addition, you can also make voluntary contributions to the Westpac KiwiSaver Scheme as outlined under the heading “Lump sum or regular contributions”, below.

### **Contributions if you are self employed or not earning salary or wages**

If you are self employed or not currently working, you can contribute directly to the Westpac KiwiSaver Scheme. There is currently no minimum contribution amount for persons who are self employed or not earning salary or wages.

You can make contributions by direct debit or by lump sum payments as outlined below.

### **Lump sum or regular contributions**

You, and any other person on your behalf (other than an employer), can also make contributions direct to the Westpac KiwiSaver Scheme. You can set up a regular investment plan now by completing both the application form and a direct debit authority or if you choose to do so later, you can contact us on 0508 WPAC KIWI (0508 972 254) to obtain the required forms.

You can also make lump sum payments direct to the Westpac KiwiSaver Scheme by transferring an amount from your bank account to BTNZ KiwiSaver Nominees Limited (account number 03-0104-0588267-05) accompanied by:

- (a) your IRD number;
- (b) your last name; and
- (c) your member number (if known).

There is also the ability for someone else on your behalf to make a lump sum or regular contribution direct to Inland Revenue for your benefit accompanied by:

- (a) details of your name and address;
- (b) details of your IRD number; and
- (c) any other information that Inland Revenue may require.

Contributions through Inland Revenue to any KiwiSaver scheme can also be made at any Westpac NZ branch.

### **Employer contributions**

Your employer must contribute amounts equal to 2% (the current Government intends to increase this contribution to 3% from 1 April 2013) of your gross salary or wages to your KiwiSaver scheme while you are contributing from your salary or wages (i.e. not during a contributions holiday) provided:

- you are aged 18 or over;
- you have not yet reached the age at which you are entitled to withdraw your investment from a KiwiSaver scheme; and
- your employer does not make employer contributions for your benefit to another superannuation scheme

which discharge its compulsory employer contribution obligations (see the Westpac KiwiSaver Scheme prospectus for more information).

The compulsory employer contribution amount is calculated on the basis of an employee’s salary or wages, excluding parental leave payments out of public money and ACC compensation.

Your employer may also make additional voluntary contributions to the Westpac KiwiSaver Scheme on your behalf. All employer contributions must be made through Inland Revenue.

### **Government contributions**

Under current law, the Government will make certain contributions to KiwiSaver for you. These are set out below.

#### **Kick-start contribution**

The Government will pay a \$1,000 kick-start contribution to the first KiwiSaver scheme you join. Inland Revenue will normally pay your kick-start contribution approximately three months after you join a KiwiSaver scheme.

#### **Member Tax Credit**

Each year the Government will pay a contribution (called a Member Tax Credit) of 50 cents for every dollar you contribute, up to a maximum Member Tax Credit of \$521.43 per year. This equals around \$10 a week.

The amount of the Member Tax Credit is currently calculated in accordance with a statutory formula which is based on the total amount of your contributions to a KiwiSaver scheme (and any complying superannuation fund) each year commencing 1 July and ending 30 June the following year, and the period during that year that you meet the eligibility requirements for Member Tax Credits as outlined below.

You are eligible for the Member Tax Credit from age 18 until you are eligible to receive a retirement benefit (currently age 65 or 5 years after joining KiwiSaver, whichever is later) and while your principal place of residence is New Zealand. If there are periods during your membership of KiwiSaver where your principal place of residence is not New Zealand you will not be eligible for Member Tax Credits during these times and you are required to advise the Manager. If at any time in the future you live outside of New Zealand for part of the year, please call us on 0508 972 254 or +649 367 3317 as this may affect your Member Tax Credit entitlements.

We will claim Member Tax Credits annually on your behalf after 30 June. Once received from Inland Revenue, we will credit the Member Tax Credit to your Transaction Account, where it will then be used to purchase units in the Fund or Funds that you have chosen (or the Fund to which you have been allocated) in the same proportions as other contributions.

If during a year commencing 1 July and ending on 30 June the following year:

- you were already a member of the Westpac KiwiSaver Scheme (and/or another KiwiSaver scheme) but were under 18 or lived outside New Zealand; or

- you joined KiwiSaver for the first time;

then your Member Tax Credit entitlement for that year will be calculated in proportion to the length of time you were eligible to receive Member Tax Credits during the year.

If you also contribute to a complying superannuation fund, Member Tax Credits will be paid to the fund or scheme that applies for them first. Your Member Tax Credit entitlement from the Westpac KiwiSaver Scheme for a year will reduce to the extent of any Member Tax Credit already paid to a complying superannuation fund for your benefit in respect of the same year.

The rules regarding Member Tax Credits, and their availability, may change from time to time.

### Transferring from another KiwiSaver scheme or superannuation scheme

You can transfer amounts from other superannuation or KiwiSaver schemes (including overseas schemes) to the Westpac KiwiSaver Scheme. The amount received (which will be whatever amount is notified to us by the manager or trustee(s) of the other scheme) will be treated as a contribution to the Westpac KiwiSaver Scheme and invested in the Fund or Funds that you have chosen (or been

allocated to) in the same proportions as other contributions. There may be fees associated with such a transfer.

### Transferring a UK pension

At the date of this Investment Statement the Westpac KiwiSaver Scheme is a Qualifying Recognised Overseas Pension Scheme (QROPS) approved by HM Revenue and Customs (HMRC) to accept transfers from UK pension schemes. There are certain criteria which must be met to maintain QROPS status, and this status may be revoked by HMRC. Members can contact 0508 972 254 to find out the QROPS status of the Westpac KiwiSaver Scheme and the process for completing a transfer from a UK pension scheme.

### Transferring from an Australian scheme

As at the date of this Investment Statement, it is expected that before the end of 2012 you will be permitted to transfer funds from an Australian complying superannuation scheme to a KiwiSaver scheme if you have permanently emigrated to New Zealand. The Westpac KiwiSaver Scheme intends to offer this facility as soon as practicable after the enabling legislation comes into force. For more information about whether this law change has taken effect, call us on 0508 972 254.

## What are the charges?

The following charges are or may be payable by you or the Westpac KiwiSaver Scheme to the Trustee, to us, or to persons associated with either of us. The charges may be payable directly or indirectly, including by deduction from the value of your units, and will affect the returns you receive.

Charges for the Westpac KiwiSaver Scheme include administration, management and Trustee fees and expenses. All fees and charges (which could include the introduction of performance fees) can be changed from time to time as set out under the heading “Changes to fees” later in this section.

We will endeavour to tell you of any adverse changes in fees (other than increases to administration fees that reflect consumer price index increases). You can find out the level of a fee by calling us on 0508 WPAC KIWI (0508 972 254).

#### Entry, exit, transfer and switching fees

At the date of this Investment Statement, no fee is payable for:

- joining the Westpac KiwiSaver Scheme;
- making contributions;
- making withdrawals from the Westpac KiwiSaver Scheme;
- transferring out of the Westpac KiwiSaver Scheme to another KiwiSaver scheme; or
- switching your investment option.

A fee of up to \$500 may be payable when funds are transferred to the Westpac KiwiSaver Scheme from

an overseas superannuation scheme. This fee will be deducted from the amount being transferred to the Westpac KiwiSaver Scheme.

#### Administration charge

This is currently charged at the rate of \$2.59 per month and may be adjusted annually in line with movements in the consumer price index. The administration charge is generally paid monthly from your Transaction Account on the first working day of each month.

#### Investment management charges

The Manager charges a fee for providing investment management services. The fees for each Fund as at the date of this Investment Statement are set out below:

Fund	Investment Management Fee (gross per year)
Cash Fund	0.30%
Conservative Fund	0.55%
Balanced Fund	0.65%
Growth Fund	0.70%
CPP Funds	0.65%

With the exception of the CPP Funds, the investment management charges are payable from the assets of each Fund, and are calculated daily as a percentage of the total gross value of the relevant Fund. For CPP Funds the investment management charge is a percentage of the

total gross value of the growth assets (i.e. all assets except any zero-coupon bonds) held by the Fund, and is paid monthly in arrears.

The investment management charge for a CPP Fund will be determined on the establishment of that CPP Fund and may differ from the fee set out above. We will endeavour to tell you of any adverse changes to the investment management fee of any CPP Fund as soon as practicable.

### **Trustee fee**

The Trustee is entitled to a fee for the services that it provides as Trustee as follows:

- 0.065% per annum of the gross value of the Westpac KiwiSaver Scheme assets up to \$100 million, and
- 0.050% per annum of the gross value of the Westpac KiwiSaver Scheme assets which exceed \$100 million.

This fee is apportioned equitably between the Funds and is calculated daily and paid by the Funds monthly in arrears.

### **Capital Protection Provider's fee**

The Trustee pays to the Capital Protection Provider (as defined under the heading "**Further information – the Capital Protection Plan**") a fee equal to 0.80% per annum of the value of the growth assets (i.e. all assets except the zero-coupon bonds) held by a CPP Fund. This fee accrues daily, and is paid monthly in arrears out of the assets of each CPP Fund.

The fee paid to the Capital Protection Provider for future CPP Funds will be determined on the establishment of the relevant CPP Fund and may differ from the fee set out above. If the level of this fee increases for any CPP Fund we will endeavour to tell you of any adverse changes. You can find out the level of the Capital Protection Provider's fee by calling us on 0508 WPAC KIWI (0508 972 254) or by visiting your nearest Westpac NZ branch.

### **Expenses**

The Manager and Trustee are entitled to be reimbursed for all expenses, costs or liabilities incurred by them acting as Manager and Trustee respectively. The amount of these expenses cannot be ascertained until they are incurred and will vary from time to time. These reimbursable expenses include, but are not limited to:

- (a) costs and expenses of the Trustee, Manager, auditors, solicitors, valuers and other advisers, including those related to the preparation of the Westpac KiwiSaver Scheme's trust deed (and any amendments to it) and any offer documents;
- (b) member correspondence and communications;
- (c) interest on any borrowing, GST and any other taxes;
- (d) banking service charges; and
- (e) charges associated with custody, clearing, settlement, operations and accounting services.

All expenses paid by the Westpac KiwiSaver Scheme are shown in its annual report and financial statements (and you may request a free copy of the financial statements from the Manager at the address shown in the section headed "**Who is involved in providing it for me?**"). These expenses are apportioned equitably by the Manager

between the Funds. The Manager reserves the right not to charge any expenses.

The Trustee and Manager are indemnified by the Westpac KiwiSaver Scheme for any liabilities, losses and costs incurred in acting in their respective capacities.

### **Changes to fees**

The Trustee and/or the Manager may change the fees described in this section (which could include the introduction of performance fees) from time to time subject to the 'reasonable fees' restrictions prescribed by the Act. The Manager may, in respect of the Westpac KiwiSaver Scheme and either generally or in respect of any particular member or members, waive part or all of any management or administration fee. We will endeavour to tell you of any adverse changes (other than increases to the administration charge reflecting consumer price index increases) as soon as practicable.

### **Taxes**

Fees stated do not include GST. GST will be added to fees and charges where applicable.

### **Issue price and withdrawal amount**

Although this is currently not the policy of the Manager, you should note that the issue price of units in a Fund may be greater than the withdrawal price of units. Any differences between the issue price and withdrawal price will be reflective of how the value of the Fund's assets is calculated, and will not reflect a fee being paid to the Manager or any other person. A "spread" between the issue price and withdrawal price could also exist in funds in which a Fund invests. Again, this will not represent a fee to any party.

### **Effect on returns**

All fees and expenses paid out of the assets of each Fund will affect the returns of that Fund. The degree of the effect will depend upon the size of the fee or expense.

### **Advisers**

The Manager may, at its discretion, pay amounts (including non-monetary benefits) from the fees it receives to financial advisers or other persons approved by the Manager, including Westpac NZ. These payments are not an additional cost to members. Under current law, your adviser must provide you with details of this remuneration. Financial advisers are in all respects acting as your agent, and not as agent for the Manager or Trustee. Neither the Manager nor the Trustee is responsible for the advice given by these advisers.

### **Related party investment arrangements and transactions**

The Westpac KiwiSaver Scheme may invest (directly or indirectly) in other funds where the trustee, manager or responsible entity is the Manager, or is related to the Manager. If the Westpac KiwiSaver Scheme invests in such funds, the Westpac KiwiSaver Scheme will not pay the entry fee (if any) or the management fee for those funds. If the trustee of those funds is the Trustee (or a related entity), then in addition the trustee fee relevant to those



funds will not be charged to the relevant Fund. Any other fees or expenses are not rebated and will affect the value of the Funds.

The Westpac KiwiSaver Scheme may also use related parties to provide services in respect of the Funds or the Westpac KiwiSaver Scheme. These arrangements will be on arm's length terms.

As at the date of this Investment Statement, the Cash Transaction Fund comprises a deposit with Westpac. The Westpac KiwiSaver Scheme pays arm's length banking fees to Westpac in relation to those deposits.

## ***What returns will I get?***

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Your returns from the Westpac KiwiSaver Scheme will be reflected in the amount you receive when you make withdrawals.

The value of your investment and your returns will depend on the interest earned on your Transaction Account, and the value of the assets in the Fund or Funds into which you have invested (and any interest or dividends those assets earn). Your investment in the Westpac KiwiSaver Scheme is represented by units in a Fund or Funds. The unit price is the price you pay when contributions are invested in units in a Fund and the price you receive when units are redeemed from the Fund (subject to any adjustments for tax). The unit price includes the capital growth and losses of each asset in the Fund as well as any income earned after allowing for the payment of fees and expenses. The unit price can increase or decrease in value depending on market conditions. Because of the different tax rates of members, accrued income tax is not taken into account in calculating the net value of a Fund or the unit price. There are no forms of reserves or retentions that affect returns.

Assets may be split into growth assets and income assets, where growth assets refer to investments such as shares and property, and income assets generally describe cash and fixed interest investments. Typically growth assets have the potential to achieve capital growth over the medium to long term and involve more risk with the potential for higher returns. Income assets tend to provide generally steady, but lower levels of return. The more growth assets you have in an investment, the higher your potential returns may be over the long term.

### **Returns from a CPP Fund**

A CPP Fund has a capital protected amount (Protected Amount) which for each member is an amount equal to the original amount invested in that CPP Fund (except where the member has partially withdrawn from that CPP Fund). If the aggregate value of the units in a CPP Fund held by a member (less taxes) is less than the Protected Amount for that member on the maturity date of that Fund, being 10 years from the commencement of that CPP Fund, the Capital Protection Provider will be obliged to pay the shortfall (Shortfall) (plus any income tax on the Shortfall) into the CPP Fund on that date (or, if later, the date on which the growth assets of that CPP Fund are sold or transferred).

### **Fees to be reasonable**

The Act requires fees charged by KiwiSaver schemes to be reasonable.

Members or the Financial Markets Authority can apply to the Court for an order that an unreasonable fee be annulled or reduced. Any such application must be made within one year of the day that the fee is imposed or debited.

Under the Act, when any fee to which the reasonable fees restrictions apply is increased, the Financial Markets Authority must be notified as soon as reasonably practicable after the increase takes effect.

The Protected Amount may reduce on the occurrence of a "tax change event", as described under the heading "What are my risks?". The Protected Amount will also reduce in the case of a member who partially withdraws from the CPP Fund. Further details on the Capital Protection Plan can be found under the heading "**Further information – the Capital Protection Plan**".

### **Withdrawals**

As the Westpac KiwiSaver Scheme is principally designed to provide members with benefits when they reach retirement, generally you cannot make a withdrawal until the later of:

- (a) the date on which you reach the New Zealand superannuation qualification age (currently age 65); or
- (b) the date on which you have been a member of a KiwiSaver scheme (or a complying superannuation fund) for 5 years.

In limited circumstances, and where relevant criteria are met, earlier withdrawals may be permitted.

The amount you are able to withdraw from the Westpac KiwiSaver Scheme will depend on:

- the amount contributed to the Westpac KiwiSaver Scheme by you and for your benefit;
- the investment performance of the assets of the Fund or Funds you invest in;
- fees, charges and expenses payable (as described under the heading "**What are the charges?**");
- taxation (see the heading "**General information about taxes**"); and
- the reason for your withdrawal.

In some cases, neither:

- your \$1,000 kick-start contribution amount; nor
- any of the Member Tax Credits credited or transferred to the Westpac KiwiSaver Scheme for your benefit (disregarding positive or negative returns on those contributions);

can be withdrawn. Those kick-start contribution and Member Tax Credit amounts, together, are referred to in this Investment Statement as your "Government Contributions Amount".

Amounts of tax payable on income derived in the period up to the date of withdrawal may be accounted for by the Manager, including by way of cancelling units for no consideration.

As no distributions are paid, the only date or dates upon which returns are paid to you will be the date or dates that you make a withdrawal from a Fund or the Westpac KiwiSaver Scheme. These dates will be dependent upon your own personal circumstances and accordingly are not known by the Manager and/or the Trustee.

#### **Early withdrawal for the purchase of a first home**

You may be eligible to make a withdrawal for the purpose of purchasing your first home (which excludes the Government Contributions Amount) if:

- you have not previously made a withdrawal from a KiwiSaver scheme for purchasing a home; and
- at least three years have passed since Inland Revenue received the first KiwiSaver contribution in respect of you (or since you became a member of a KiwiSaver scheme); and
- the land to be purchased is, or is intended to be, your principal place of residence; and
- you have never before owned land (limited exceptions apply).

This withdrawal right may also be available to 'second chance' home buyers who meet the first three of the above criteria, if Housing New Zealand determines that they are in the same financial situation as a first home buyer. Further details are available on the Housing New Zealand website [www.hnzc.co.nz](http://www.hnzc.co.nz).

An amount transferred to KiwiSaver from an Australian complying superannuation scheme (disregarding positive or negative returns) cannot later be withdrawn for a home purchase.

The Trustee will require documents and evidence to support any such withdrawal application, including an unconditional sale and purchase agreement. If the withdrawal is approved, the withdrawal amount will be paid directly to your solicitor to enable completion of the purchase. Your solicitor can only pay that amount to the vendor as part of the purchase price at settlement, and must repay the Trustee if settlement is not completed by the due date (or by any agreed extended date).

In addition, currently a home purchase subsidy of up to \$5,000 may be available to certain people who are members of a KiwiSaver scheme. Further information on the subsidy and the eligibility criteria for the subsidy can be found on the Housing New Zealand website – [www.hnzc.co.nz](http://www.hnzc.co.nz). Any subsidy will be payable by the Government and not the member's KiwiSaver scheme.

#### **Early withdrawal due to significant financial hardship**

You may apply to make a withdrawal if you are experiencing or likely to experience significant financial hardship. The Trustee will require documentation to support your application. If your application is approved, the amount withdrawn may be limited to the amount that, in the Trustee's opinion, is required to alleviate

the hardship (up to a maximum of the value of your investment less the Government Contributions Amount).

#### **Early withdrawal in the case of serious illness**

You may apply to make a withdrawal in the event of a serious illness. Serious illness is defined as an injury, illness or disability:

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

If your application is approved, you can withdraw a lump sum up to the total value of your investment (including the Government Contributions Amount). The Trustee will require documentation to support your serious illness withdrawal request.

#### **Early withdrawal in cases of permanent emigration or transfer to a foreign scheme**

As at the date of this Investment Statement, if you have permanently emigrated from New Zealand you can apply to withdraw the full value of your investment (excluding Member Tax Credits) one year after your permanent emigration. Evidence will be required to support your permanent emigration withdrawal request.

Alternatively any time after you have permanently emigrated, you may apply to transfer the full value of your investment (excluding Member Tax Credits) to an overseas superannuation scheme, provided that the overseas scheme is authorised for that purpose by regulations made under the Act. As at the date of this Investment Statement, no such regulations have been made.

Under trans-Tasman savings portability legislation which (as at the date of this Investment Statement) is expected to take effect before the end of 2012, a KiwiSaver scheme member who permanently emigrates to Australia:

- will not be permitted to make a cash withdrawal on the basis of permanent emigration; but
- will be permitted to transfer his or her full KiwiSaver entitlements (including Member Tax Credits) to an Australian complying superannuation scheme.

For more information, including whether this law change has taken effect, call us on 0508 WPAC KIW (0508 972 254).

#### **Withdrawal on death**

The Trustee will pay out your full KiwiSaver balance upon your death to:

- your personal representative (i.e. the executors or administrators of your estate); or
- a claimant (such as a surviving partner or caregiver) under the Administration Act 1969 if your KiwiSaver balance is less than a prescribed amount (currently \$15,000) and certain other conditions are met.

#### **Other withdrawals**

The Trustee must comply with the provisions of any legislation or a Court order that requires it to release

some or all of your funds from the Westpac KiwiSaver Scheme, whether or not you have reached the New Zealand superannuation qualifying age.

Funds transferred to KiwiSaver from an Australian complying superannuation scheme will be permitted to be withdrawn if you have reached age 60 and satisfy the 'retirement' definition in Australian legislation.

### Payment

Withdrawals are paid out of your investment in the Funds and may include the balance in your Transaction Account (if you are withdrawing in full). Withdrawals will normally be paid within 10 business days of your request being approved and are paid by direct credit to your bank account or as otherwise required by virtue of the type of withdrawal (e.g. a first home withdrawal will be paid to your solicitors). Where able to be withdrawn, Member Tax Credits may only be withdrawn upon providing the Manager and the Trustee with a statutory declaration stating the periods in which your principal place of residence was New Zealand. These contributions may not be withdrawn to the extent that the Manager or the Trustee have notice that your claim to a Member Tax Credit is wrong.

Any amount not available for withdrawal at any particular time will remain invested in the Westpac KiwiSaver Scheme until it becomes available for withdrawal.

Where a member's investment is withdrawn or transferred from a CPP Fund prior to the maturity of that CPP Fund, the amount payable in respect of the member's units in the CPP Fund will be their value as at the date on which they are withdrawn (less taxes). The value of each unit will be a proportionate share of the net value of the CPP Fund, which will be reduced by any fees or other amounts paid (or due) to the Capital Protection Provider (which may include payments under the indemnities given to the

Capital Protection Provider (as further described in the prospectus)).

This means that if a member withdraws or transfers from a CPP Fund prior to maturity, the member will not have the benefit of any capital protection, but (through a reduced unit price) will have "paid" part of the cost of that protection.

To protect members, the Manager can suspend or delay payment of withdrawals in certain circumstances, or where it is impractical for the Manager to determine the value of a Fund or realise assets in a Fund. The Manager may suspend withdrawals for a period of up to 30 days or such longer period as permitted by the Trustee.

As at the date of this Investment Statement, the person legally responsible for the payment of returns is the Trustee. However, performance of this function is delegated to the Manager.

### General information about returns

Please note that no person or party guarantees the performance of the Westpac KiwiSaver Scheme, returns or repayment of capital. There is no Crown guarantee in respect of any KiwiSaver scheme or investment product of a KiwiSaver scheme.

In relation to the Capital Protection Plan, the Capital Protection Provider provides the protection as described under the heading "Further information – the Capital Protection Plan".

### How do I find out the value of my investment?

There are a number of ways you can easily find out the current value of your investment. You can:

- set up Westpac Online Banking and check your balance via the internet;

## Quick Reference Guide

The table below is a useful guide showing, as at the date of this Investment Statement, what contributions are payable when you withdraw from the Westpac KiwiSaver Scheme.

Circumstance	KiwiSaver Contribution			
	Member Tax Credit	Employer contributions	Member contributions	\$1,000 Government kick-start
Purchase of first home <sup>1</sup>	X	✓	✓	X
Significant financial hardship	X	✓	✓	X
Serious illness	✓	✓	✓	✓
Permanent emigration <sup>2</sup>	X	✓	✓	✓
Permanent emigration (and transfer to a foreign superannuation scheme authorised by regulations) <sup>2</sup>	X	✓	✓	✓
Death	✓	✓	✓	✓
Age of eligibility for New Zealand Superannuation, or five years membership (whichever is latest)	✓	✓	✓	✓

1. If Housing New Zealand determines that a previous home owner is in the same financial situation as a first-time buyer, then that KiwiSaver member may also be eligible to withdraw as if they were purchasing a first home.

2. See "permanent emigration" section for expected changes to the law regarding withdrawals when a member permanently emigrates to Australia.

- call at a Westpac NZ branch; or
- phone us on 0508 WPAC KIWI (0508 972 254) between 8.30am and 5.30pm on normal business days.

The Manager will also send members an annual member and tax statement summarising each member's accounts, including contributions received and tax paid during the year, and the member's accumulated balance at the end of the year.

## General information about taxes

We set out below the current tax treatment of the Westpac KiwiSaver Scheme. Tax legislation, its interpretation, and the rates and bases of taxation may change. The application of taxation laws depends on a member's individual circumstances and therefore members should seek professional tax advice on the tax consequences of their investment.

### How the Westpac KiwiSaver Scheme is taxed

The Westpac KiwiSaver Scheme is a Portfolio Investment Entity (PIE) for tax purposes.

Any gain made by the Westpac KiwiSaver Scheme from the sale of shares:

- in companies resident in New Zealand; or
- in certain companies that are resident in Australia, listed on approved Australian Stock Exchange ("ASX") indices (which currently include the Standard & Poors All Ordinaries Index) and maintain a franking credit account;

is not subject to any tax under the PIE regime.

Dividends on these shares are taxable but may be offset by any imputation credits or foreign withholding tax credits received.

For tax purposes, the Westpac KiwiSaver Scheme will generally be treated as deriving taxable income equal to 5% of the daily average market value of its Foreign Investment Fund ("FIF") international equity interests for each income year. FIF international equity interests generally include shares in overseas companies (other than companies referred to above) and units in overseas unit trusts.

Any dividends or profits from sales of most FIF international equity interests are not taxed. Generally, a tax deduction may not be claimed for any losses in respect of a FIF international equity interest. See the registered prospectus for the Westpac KiwiSaver Scheme for more details.

The Westpac KiwiSaver Scheme is taxed under the ordinary tax rules in respect of its other income, and is therefore taxed on all interest received.

### Westpac KiwiSaver Scheme taxed at a member's Prescribed Investor Rate (PIR)

The Manager will calculate daily the amount of taxable income (or loss) and any tax credits or other amounts attributable to you from the Westpac KiwiSaver Scheme. The Manager will pay tax on the taxable income attributed to you at your PIR. Your PIR will be one of the following rates (assuming you provide us with your correct IRD number):

- 10.5% where you are a New Zealand tax resident and in either of the two previous income years you earned less than or equal to both:
  - \$14,000 of taxable income (excluding income from PIEs); and
  - \$48,000 in total taxable income and net income from any PIEs (after subtracting losses from PIEs); or
- 17.5% where you are a New Zealand tax resident, and do not qualify for the lowest rate, but in either of the two previous income years you earned:
  - \$48,000 or less of taxable income (excluding your income from PIEs); and
  - \$70,000 or less in total taxable income and net income from any PIEs (after subtracting losses from any PIEs); or
- 28% where you do not qualify for either of the lower rates.

Please indicate your correct PIR on the application form. There is a chart we have provided with the application form in Section 3 to help you calculate your PIR.

The Manager reflects PIE tax attributed to each member by cancelling for no consideration units held by the member equal in aggregate value to the PIE tax paid by the Westpac KiwiSaver Scheme in respect of that member. This cancellation will usually occur after the end of the Westpac KiwiSaver Scheme's income year. However, if a member receives a benefit from the Westpac KiwiSaver Scheme or switches between Funds during the year, then immediately prior to the payment of the benefit or the switch, the Manager may cancel units held by the member equal in aggregate value to the PIE tax on the income attributed to those units.

If you do not provide your PIR and your correct IRD number, then any taxable income attributed to you as a result of your investment in the Westpac KiwiSaver Scheme will be taxed at 28%.

If your PIR changes, you must inform the Manager. If your notified PIR is too low, then you may be obliged to pay any tax shortfall (plus any interest and penalties), and may be required to file a tax return. Any excess tax paid on your behalf by the Manager if your notified PIR is too high cannot be claimed back as PIE tax is a final tax.

### Tax on employer contributions

Until 31 March 2012, employer contributions to the Westpac KiwiSaver Scheme will be exempt from tax for amounts of up to 2% of an employee's gross salary or wages while the employee contributes from pay and is aged 18 or over.

From 1 April 2012, all employer contributions will be subject to employer's superannuation contribution tax at the rates set out in the Westpac KiwiSaver Scheme prospectus. These rates will usually be the same as, or less than, the employee's marginal tax rate.

More information on PIEs, and on tax generally, is contained in the registered prospectus for the Westpac KiwiSaver Scheme.

Further information on PIRs can be found at [www.ird.govt.nz](http://www.ird.govt.nz).



# What are my risks?

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## General information about risks

Risk is the likelihood of a member not getting all their money back, or getting a lower return than expected. All investments have some level of risk. In general terms, the lower the risk is, the lower the potential returns will be over the long term. A higher exposure to growth assets tends to mean a greater potential for negative returns in the short term. To compensate for this risk the Funds with higher exposure to growth assets have the potential for higher returns over the medium to long term. Volatility is the word used to describe how much the value of the investment varies. The levels of volatility are likely to increase during periods of investment market uncertainty.

Information about the risk profiles of the Cash Fund, Conservative Fund, Balanced Fund and Growth Fund is set out at pages 11 and 15 and the risk profile of the CPP Funds is explained at pages 34 and 35 (see also Specific risks relating to CPP Funds at the end of this section).

The Cash Transaction Fund returns arise from investments in a reputable registered bank (being, at the date of this Investment Statement, Westpac). Those returns are related to the on-call rate for that bank. The returns are only likely to be negative in the unlikely event that the registered bank fails to meet its obligations.

The main risks to capital and returns are variations in the market value or returns of the Fund or Funds a member has chosen. If market conditions have been poor or a member invests for a short time and returns are less than the charges paid, the value of the member's investment will be affected. If a member ends their investment in these circumstances, it is reasonably foreseeable that the member could get back less than they paid in.

Some examples of the risks that may produce this result, and that are involved in an investment in the Funds, include:

- *investment risk*: exposure to a security may be affected by unexpected changes in that security's or sector's business environment. The value of share and fixed interest derivatives is linked to the value of the underlying assets and can be highly volatile. As with all investment decisions, there is a risk that actual performance does not meet expectations.
- *market risk*: markets are affected by a host of factors including economic, taxation and regulatory conditions, market sentiment, political events, movements in interest rates and currency, and environmental and technology issues.
- *regulation risk*: any change in tax or other applicable legislation or regulations could impact on a relevant Fund's returns. Changes to legislation or regulations may impact on the features of KiwiSaver available to members (for example Government and employer contributions or withdrawal provisions).
- *contractor risk*: a third party may fail to properly provide services to the Manager in relation to the Westpac KiwiSaver Scheme.

- *credit risk*: there is a risk that a borrower or other counterparty may default. This potentially arises with various securities including fixed interest and mortgage securities or derivatives.
- *product risk*: changes may be made to the Westpac KiwiSaver Scheme from time to time including changing a Fund's aim, strategy or asset allocation targets, benchmarks and specialist investment managers and administrators, adding to, closing or winding up the Funds or the Westpac KiwiSaver Scheme, and changing the fees and charges or minimum amounts. Further details of how the Westpac KiwiSaver Scheme can be changed are set out under the heading "**Can the investment be altered?**".
- *operational risk*: risks associated with a failure of internal processes and procedures, fraud, litigation, disruption to business by industrial disputes, systems failures, pandemics, natural disasters and other unforeseen external events which might affect the business of the Manager or the Westpac KiwiSaver Scheme and its Funds.

In managing risks (particularly market and currency risk) financial instruments known as derivatives may be used. A derivative is a financial contract whose value depends on the future value of underlying assets such as shares, bonds, currency or cash. Examples of derivatives include swaps, warrants, structured notes, futures contracts, options and forward rates agreements. Derivatives may be used as an alternative to investing in the physical asset or as a risk management tool, by providing a similar exposure to the investment without buying or selling the asset underlying the derivative. It is not the Manager's policy for derivatives to be used to gear a Fund (that is, to obtain greater exposure to markets than the net asset value of the Fund). If for any reason (including market movements or cash flows) a Fund becomes geared, the Fund will be realigned as soon as practicable to remove any gearing. The underlying funds that the Westpac KiwiSaver Scheme invests into may be permitted to use gearing.

As the Westpac KiwiSaver Scheme is a PIE, there is a risk that the Scheme may lose its PIE status if the Scheme fails to satisfy the PIE eligibility criteria (as defined in the Income Tax Act 2007) and that failure is not remedied within the period permitted under that Act. In this case the Westpac KiwiSaver Scheme will be taxed as a widely-held superannuation scheme at 28% on all taxable income. The Manager has implemented processes to monitor ongoing PIE eligibility compliance for the Westpac KiwiSaver Scheme, and has a number of powers available to it to proactively manage this risk.

A member may incur a tax liability as a result of advising the wrong PIR or failing to advise the Manager when their PIR increases.

It is important that you choose a Fund with an investment strategy and risk profile acceptable to you. Section 1 includes a table which provides a snap-shot of the Westpac KiwiSaver Scheme investment options including their risk and return characteristics.

## Specific risks relating to CPP Funds

### Insolvency of the Capital Protection Provider

The liability of the Capital Protection Provider to pay the Shortfall (as described under the heading “Further information – the Capital Protection Plan”) is an unsecured obligation. Accordingly, in the event of the insolvency of the Capital Protection Provider, there can be no assurance that all or any part of the Shortfall would be recoverable by the Trustee.

If the Shortfall is not paid in full, the Protected Amount for each member will be redeemed proportionately with the number of units held.

### Failure to achieve a return above the initial unit price contribution

The Capital Protection Plan is designed to give you the opportunity to earn the higher returns normally associated with growth assets without the risk of losing your initial contributed capital (other than through the insolvency of the Capital Protection Provider or a “tax change event” described below).

The goal of generating higher returns is implemented by having as much of the CPP Fund as possible invested in growth assets. However, the Manager is also required to preserve the capital value of the Fund. It does this by reducing the amount invested in growth assets if the value of the assets of the CPP Fund falls below certain predetermined levels. Instead, some (or, if there is a very dramatic fall in the value of the growth assets, all) of the assets of the CPP Fund are placed in a form of deposit with the Capital Protection Provider that is designed to recover part of the value of the assets over time but does not produce a positive investment return (these are sometimes called zero coupon bonds or deposits).

Such zero coupon bonds or deposits would be invested with the Capital Protection Provider and would be unsecured obligations of the Capital Protection Provider. Accordingly, in the event of the insolvency of the Capital Protection Provider, there can be no assurance that all or any part of these obligations would be recoverable by the CPP Fund. The Manager must follow these requirements, and has no discretion to take a different approach. The Capital Protection Provider has the power to enforce the rebalancing of the investment of the CPP Fund as described above. It can also take control of the investment of the CPP Fund if certain other “close out events” occur, including if the CPP Fund is invested in breach of the investment guidelines or if valuation information is not delivered as required to the Capital Protection Provider and (in either case) the Capital Protection Provider reasonably believes that the value of the net assets of the CPP Fund is or soon will fall below predetermined capital protection levels.

Where part of the assets of the CPP Fund are invested in zero coupon bonds or deposits, this is likely to reduce the return over time that could be gained by full investment in growth assets. If a decline in the value of the growth assets is sufficiently large or sustained, this could result in all of the assets of the CPP Fund being invested in zero coupon bonds or deposits. If this were to occur, it would be likely to result in a nil return over and above the Protected Amount.

More information on the levels by which the value of a CPP Fund’s growth assets must fall to require a rebalancing of the CPP Fund’s assets as described above, and on the rebalancing required, is set out in the prospectus.

### Tax change event

The amount payable by the Capital Protection Provider includes an amount to cover income tax payable (under income tax law as at the date of this Investment Statement) by the CPP Fund on receipt of that amount. If a “tax change event” occurs the amount payable by the Capital Protection Provider may not be sufficient to cover the Protected Amount.

Essentially a “tax change event” comprises changes in tax laws, or the interpretation of such laws, which would otherwise increase any payment to be made or costs incurred by the Capital Protection Provider. If a “tax change event” occurs the Capital Protection Provider will not be required to incur additional after-tax cost which arises as a result of the “tax change event”. This means that members may get less than the original issue price of the units in the CPP Fund on maturity.

### Delay in realising or transferring assets

In some circumstances it may not be possible to realise or transfer the assets of a CPP Fund on its stated maturity date. In these circumstances the Capital Protection Provider is not required to make payment in respect of the Protected Amount until such realisation or transfer has taken place.

### Winding up the Westpac KiwiSaver Scheme or a Fund

You are not liable to pay money to any person as a result of the insolvency of the Westpac KiwiSaver Scheme, a Fund or the Trustee. The Westpac KiwiSaver Scheme (or any Fund) may be wound up by the Manager. Alternatively, the Financial Markets Authority may order the Westpac KiwiSaver Scheme to be wound up in certain circumstances under legislation.

If a Fund is wound up, the assets of that Fund will be called in and applied first to meet the claims of any creditors of that Fund (whether preferred, secured or unsecured). Then, each member will be given the opportunity, within a reasonable period of time, to transfer to another Fund or another KiwiSaver scheme.

If a Fund is wound up and you do not choose to transfer to another Fund or KiwiSaver scheme within a reasonable period of time, then you will no longer be eligible to be a member of the Westpac KiwiSaver Scheme, and Inland Revenue will transfer you to a new KiwiSaver scheme.

When a member transfers, the value of their investment in the Fund will be transferred to the new Fund or KiwiSaver scheme.

There are no claims relating to a Fund that rank equally with the claims of members.

If the Westpac KiwiSaver Scheme is wound up, each Fund will be wound up as described above. If you do not choose to transfer to another KiwiSaver scheme, Inland Revenue will transfer you to a new KiwiSaver scheme.

## Can the investment be altered?

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There are some circumstances where you can alter your investment and some where the Manager or Trustee can make changes. If the Manager or Trustee make material changes to your investment then they will endeavour to notify you.

### Changes to contributions

If you are an employee, you can change your contribution rate between the minimum contribution rate of 2% (likely to increase to 3% from 1 April 2013), 4% and 8% by notifying your employer of the new rate. You may only change your contribution rate once every three months unless your employer agrees otherwise. If you are self employed or not currently earning an income and are making payments to the Westpac KiwiSaver Scheme, you can change the amount and frequency of your contributions at any time.

### Contributions Holidays

If contributions are being deducted from your salary or wages, you can apply to Inland Revenue to take a contributions holiday, during which your employer will cease to deduct contributions from your pay. A contributions holiday may be granted by Inland Revenue if:

- you are suffering or are likely to suffer financial hardship, in which case a contribution holiday of three months (or a longer period, if Inland Revenue agrees) may be granted; or
- 12 or more months have passed since your first contribution was received by Inland Revenue or a KiwiSaver scheme, in which case you may take a contributions holiday at any time and the length of the holiday is a minimum of three months and a maximum of five years.

When your contributions holiday period expires, you can apply to Inland Revenue for another contributions holiday (and there is no limit to the number of times you can apply for a contributions holiday).

Your employer will also suspend any mandatory contributions it is making to KiwiSaver on your behalf for the period of your contributions holiday. Your employer will resume its contributions once you commence making contributions to KiwiSaver from your gross salary or wages.

You may resume contributing at any time by giving notice to your employer, requiring your employer to start making deductions from your salary or wages.

### Switching

You generally have the opportunity to choose another investment option and to switch your investment into that Fund, subject to such terms as the Manager may determine from time to time. You can do this by:

- Directing future contributions to another Fund or Funds; and/or

- Moving your existing units from one or more Funds into another Fund or Funds.

If you wish to switch from a CPP Fund, you must transfer all of your investment in the CPP Fund to a new Fund. If you switch to another Fund from a CPP Fund prior to the maturity of that CPP Fund, your capital in that CPP Fund will not have the benefit of any capital protection as explained under the heading “**Further information – the Capital Protection Plan**” later in this section.

### Funds and alterations to the Westpac KiwiSaver Scheme

As at the date of this Investment Statement, the Trustee and/or the Manager may make alterations to your investment, by:

- (a) terminating, amalgamating or closing Funds;
- (b) changing the investment policy and objectives of the Funds;
- (c) amending the trust deed of the Westpac KiwiSaver Scheme (subject to the restrictions set out in the Act);
- (d) altering the fees and charges and the minimum levels of investment for accounts;
- (e) changing specialist investment managers and administrators (this will not be notified to members);
- (f) discontinuing the Capital Protection Plan (in terms of offering new CPP Funds) and changing the features of a CPP Fund so that they are different from previous CPP Funds;
- (g) changing the trustee of the Westpac KiwiSaver Scheme;
- (h) winding up the Westpac KiwiSaver Scheme; and
- (i) amending the documents establishing capital protection for a CPP Fund.

Some alterations concerning the CPP Funds require the consent of the Capital Protection Provider. More details are set out in the prospectus.

The Trustee and/or the Manager may, on your behalf, automatically transfer all or part of your investment from your Transaction Account to a Fund, or vice versa, or from one Fund to another, and change the investment options in which you are investing. These circumstances include:

- **CPP Fund opening:** It is currently intended that one CPP Fund will be launched every year on or around 1 October. Accordingly, once a year the portion of contributions accumulated in a Transaction Account for the purposes of a CPP Fund will be switched from that member's Transaction Account into the CPP Fund for that year (subject to the amount switched being greater than the minimum amount required to be invested in the CPP Fund).
- **CPP Funds maturity:** Upon maturity of a CPP Fund, each member's investment in that CPP Fund will automatically be switched to that member's Transaction Account or to a new CPP Fund.

- **Conservative Fund:** In certain circumstances, the Manager may change the investment options in which you are investing by allocating a portion of your investment to the Conservative Fund. This means a portion of your Transaction Account and your additional contributions will be invested in that Fund in accordance with the revised investment options. These circumstances include, for members investing in the Capital Protection Plan, if you are within 10 years of the age of eligibility for NZ superannuation on the maturity of a CPP Fund, if a new CPP Fund has differences from CPP Funds which have been previously established, or if we discontinue the Capital Protection Plan.
- **Transaction Account:** All contributions will initially be invested in your Transaction Account. A minimum balance must be retained in your Transaction Account at all times. If your Transaction Account balance falls below the minimum, an amount set by the Manager to ensure your Transaction Account is above the minimum balance will be transferred from your Investment Account, and deposited to your Transaction Account.

A maximum amount may also be set for the Transaction Account. Amounts over any maximum will be periodically transferred to your Investment Account.

By becoming a member of the Westpac KiwiSaver Scheme, as a term of your membership contract, you consent to

those changes being made, and you authorise the Trustee and Manager to make those changes. By becoming a member, as a term of the trust deed for the Westpac KiwiSaver Scheme, you appoint the Manager as your attorney to do all things (including signing documents) which are necessary or desirable for the Manager to exercise its power (including making changes as described above) or to fulfil a member's obligation under the trust deed or as set out in this Investment Statement.

## Changes in legislation

The KiwiSaver and PIE regimes are both underpinned by legislation and in some cases Government policy. Any changes to that legislation (and other regulatory requirements), or that policy, may impact on your membership of the Westpac KiwiSaver Scheme.

Where the expression "current" or "currently" is used in this Investment Statement in relation to legislation, a policy or a practice, it refers to that legislation, policy or practice as at the date of this Investment Statement. For more up-to-date information from time to time, you should visit the Government's website [www.kiwisaver.govt.nz](http://www.kiwisaver.govt.nz).

For more information, including as to the permissibility of transfers from Australian or UK schemes, call us on 0508 WPAC KIWI (0508 972 254).

## How do I cash in my investment?

As it is a KiwiSaver scheme, you generally cannot make a withdrawal from the Westpac KiwiSaver Scheme until the later of:

- the date on which you reach the New Zealand superannuation qualification age (which is currently 65); or
- the date, if later, on which you have been a member of a KiwiSaver scheme or a complying superannuation fund for 5 years.

In limited circumstances, where relevant criteria are met, earlier withdrawals may be permitted as follows:

- for the purpose of purchasing your first (or in limited cases a subsequent) home;
- in cases of significant financial hardship;
- in cases of serious illness;
- in cases of permanent emigration; and
- where required by statute or upon the death of a member.

Details of the criteria associated with each of these circumstances, and the manner in which a member may make an application under each of these circumstances, are set out under the heading "What returns will I get?". A summary of the amounts that may be withdrawn in each circumstance is set out in the table under the heading "Quick Reference Guide".

If you'd like to talk about withdrawals with us, call us on 0508 WPAC KIWI (0508 972 254). We'll be happy to explain

the process and send you everything you need. You can send your withdrawal request in writing to:

Westpac KiwiSaver Scheme  
PO Box 695  
Wellington 6140

### Sale

The rights and interests of a member in the Westpac KiwiSaver Scheme are personal and may not be transferred to another person, charged or otherwise dealt with or used as security.

### Transfer to another KiwiSaver scheme

You may voluntarily transfer from the Westpac KiwiSaver Scheme to another KiwiSaver scheme at any time by contracting directly with the provider of the KiwiSaver scheme you wish to transfer to. There may be fees associated with this action.

You may also be involuntarily transferred by Inland Revenue from the Westpac KiwiSaver Scheme to another KiwiSaver scheme if:

- you cease to be eligible to be a member of the Westpac KiwiSaver Scheme, and you do not voluntarily transfer to another scheme;
- the Westpac KiwiSaver Scheme or a Fund is being wound up, and you do not voluntarily transfer to another KiwiSaver scheme or Fund; or



- (c) your membership of the Westpac KiwiSaver Scheme has not been allotted in accordance with securities legislation.

If you want to transfer to another KiwiSaver scheme you must transfer the whole of your investment in the Westpac KiwiSaver Scheme.

### **Cessation of membership**

In addition, a member's membership in the Westpac KiwiSaver Scheme will cease on the occurrence of any of the following:

- (a) the member's death;
- (b) the member receiving the member's full benefit from the Westpac KiwiSaver Scheme and ceasing to have any further entitlement;
- (c) the member transferring from the Westpac KiwiSaver Scheme to another KiwiSaver scheme and ceasing to have an entitlement under the Westpac KiwiSaver Scheme (you can only be a member of one KiwiSaver scheme at a time);
- (d) the Manager determining that the member will cease to be a member where:
  - (i) the balance in all the member's accounts (including any Investment Account and any Transaction Account) reaches zero; and
  - (ii) the Manager gives notice to the member that membership is terminated.

### **When will I be paid out?**

Payment is generally made within 10 business days of your request being approved, at the unit price applicable on the day when the Manager accepts your request. Unit prices change regularly so the amount paid may differ from any amount quoted to you earlier. The Manager may deduct taxes paid or payable from any amount withdrawn, including by way of cancelling units for no consideration.

### **Suspension powers**

If the Manager believes that it is not practicable, or would be materially prejudicial to the interests of any Members:

- (a) for benefits to be paid from the Westpac KiwiSaver Scheme or a Fund; or
- (b) for persons to withdraw from, or transfer to or from, the Westpac KiwiSaver Scheme or a Fund; or
- (c) to calculate the net value of a Fund;

then the Manager may (with the prior consent of the Trustee) suspend the payment of benefits by, and/or withdrawals or transfers from, the Westpac KiwiSaver Scheme.

No suspension may exceed 30 days unless a longer period is permitted by the Trustee.

### **Winding up**

The Westpac KiwiSaver Scheme (or any Fund) may be wound up by the Manager. Further details on winding up are contained under the heading "What are my risks?".

## ***Who do I contact with inquiries about my investment?***

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You can call your financial adviser or our Customer Relations Team on 0508 WPAC KIWI or 0508 972 254, visit your local Westpac NZ branch, or write to us at PO Box 695, Wellington 6140, for anything to do with your investment. Our principal place of business is set out in the section "Who is involved in providing it for me?".

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

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If there is a problem please call your financial adviser or our Customer Relations Team on 0508 WPAC KIWI (0508 972 254), visit your local Westpac NZ branch, or write to us at PO Box 695, Wellington 6140, for anything to do with your investment. Our principal place of business is set out in the section "Who is involved in providing it for me?".

If you are still not happy, you can contact the Trustee: Relationship Manager, Corporate Trusts, The New Zealand Guardian Trust Company Limited

Level 7, Vero Centre  
48 Shortland Street  
Auckland 1010  
PO Box 1934  
Auckland 1140  
Phone: (09) 377 7300

The Manager is a member of the 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 (the FSP Act).

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 (at no cost to you). You can contact the Banking Ombudsman as follows:

Level 11, BP House  
20 Customhouse Quay, Wellington 6011  
Email: help@bankomb.org.nz  
Phone: 0800 805 950  
Fax: 04 471 0548

Write to:  
Freepost 218002  
PO Box 10573, The Terrace,  
Wellington 6143.

The Trustee is a member of the independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL), which is also approved by the Ministry of Consumer Affairs for FSP Act purposes. Under the terms of that scheme, the Trustee has 40 days to respond to your complaint. If you are not satisfied by the Trustee's response you may refer the matter to FSCL as follows:

Financial Services Complaints Limited  
45 Johnston Street  
PO Box 5967  
Lambton Quay  
Wellington 6145  
Email: [info@fscl.org.nz](mailto:info@fscl.org.nz)  
Phone: 0800 347 257

Full details of how to access the FSCL scheme can be obtained from FSCL's website [fscl.org.nz](http://fscl.org.nz). There is no cost to you to use the services of FSCL.

Complaints about your investment may also be made in certain circumstances to:

Financial Markets Authority (FMA)  
Level 8, Unisys House  
56 The Terrace  
PO Box 1179  
Wellington 6140  
Phone: 04 472 9830  
Fax: 04 472 8076

## ***What other information can I obtain about this investment?***

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Other information about the Westpac KiwiSaver Scheme, the Manager and the Trustee is contained or referred to in the prospectus and financial statements.

You can call 0508 WPAC KIWI (0508 972 254) and ask us for a copy, at no charge, of the prospectus, investment statement or financial statements (complying with the Financial Reporting Act 1993) for the Westpac KiwiSaver Scheme. Copies of the trust deed, prospectus and financial statements and other documents of, or relating to, the Westpac KiwiSaver Scheme are filed at the Companies Office of the Ministry of Economic Development and are available for public inspection at Level 18, ASB Centre, 135 Albert St, Auckland 1010. The documents can be viewed on the Companies Office website at [www.business.govt.nz/companies](http://www.business.govt.nz/companies).

### **Keeping track of your progress**

If you have obtained your login and password, you can find details of your Westpac KiwiSaver Scheme investment on Westpac Online Banking at [www.westpac.co.nz](http://www.westpac.co.nz). Each year we'll send you a copy of the Westpac KiwiSaver Scheme annual report (if required by law), and you'll also get an annual personalised statement containing details of your investment (including the amount of each type of contribution received by the Trustee on your behalf and

your "member's accumulation" at the end of the year). And of course you can call us if you'd like an update on your investment at any time.

### **Information on request**

You are entitled to request copies at any time of the:

- trust deed (including any amendments);
- prospectus;
- material contracts detailed in section 10 of the prospectus;
- latest value of your investment, being the balance of your Transaction Account together with the value of your Investment Account;
- most recent annual report of the Westpac KiwiSaver Scheme;
- most recent financial statements of the Westpac KiwiSaver Scheme and any auditor's report; and
- current investment statement for the Westpac KiwiSaver Scheme.

You should make your request by calling us on 0508 WPAC KIWI (0508 972 254). The information will be provided to you free of charge within 5 working days, except that there is currently a charge of 20 cents a page for a copy of the trust deed.

## ***Further information – the Capital Protection Plan***

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The Capital Protection Plan will work broadly as follows:

Until the opening date for a CPP Fund, the member's contributions will be invested in their Transaction Account (and will earn interest).

The minimum investment amount in a CPP Fund is currently \$1,000. On the opening date of a CPP Fund, if the money in a member's Transaction Account (less the minimum amount that must remain in the Transaction Account) exceeds the prescribed minimum, it will be switched into that CPP Fund. The Manager has the ability to change the minimum investment amount for a CPP Fund. You can find out the current minimum amount from time to time by calling 0508 WPAC KIWI (0508 972 254).

After the opening date of a CPP Fund, no more investments in that particular CPP Fund will be permitted. Contributions will again accumulate in a member's Transaction Account until the opening date of the next CPP Fund when they will be switched to that Fund (subject to applicable minimums).

This process will continue as new CPP Funds are opened, so that, if a member remains in the Capital Protection Plan, the member will be invested in a number of different CPP Funds.

At launch, a CPP Fund is invested in growth assets (such as New Zealand, Australian and international shares). If the value of the growth assets of the CPP Fund falls below certain predetermined levels, the Manager will adjust that CPP Fund by investing some or all of the assets of the Fund in zero coupon bonds or deposits with the Capital Protection Provider. One of the main outcomes of doing this is a reduction in the percentage of growth assets that the Fund is invested in. Growth assets typically have a higher potential return in the long term but at the same time have more risk of periods of lower returns. As a result, there is (in principle) a reduced risk of large losses, but equally the scope for greater returns from the growth investment strategy is reduced. In financial terms, there would be expected to be less volatility, but lower returns.

The Manager will monitor and adjust the asset allocation of each CPP Fund throughout the life of the CPP Fund to strike a predetermined balance between maximising the returns that can be used to meet the expenses of the CPP Fund and generating returns to the members, whilst ensuring that the capital value of that CPP Fund is protected.

Each CPP Fund has a fixed term and matures ten years after the opening date (unless notified otherwise by the Manager). Each member invested in a CPP Fund will have a capital protected value equal to the original amount invested in the CPP Fund by that member (except where the member has partially withdrawn from the CPP Fund). This means that at maturity, if the aggregate value of the units held by the member in that CPP Fund is less than that Protected Amount a party selected by the Manager

(Capital Protection Provider) will be obliged (subject to the exception below) to pay that Shortfall (plus any income tax on the payment of the Shortfall) to the Trustee on the maturity date (or, if later, the date that the growth assets of that CPP Fund are sold or transferred).

If, on maturity of the CPP Fund, the value of the net assets of the CPP Fund has risen, the member will still benefit from the increase in value of the CPP Fund's net assets.

On maturity of the CPP Fund, the CPP Fund's assets will be realised (so that the CPP Fund's only assets are bank deposits) or in some cases transferred to the next CPP Fund to be opened. If it is not possible or practicable to realise the assets of the CPP Fund, or to transfer the assets of that CPP Fund to another Fund by the maturity date, the Capital Protection Provider is not required to make payment of the Protected Amount until the realisation or transfer has been effected. The member's investment in the CPP Fund will then be switched to the member's Transaction Account, or transferred to the next CPP Fund. Amounts switched to the Transaction Account will then be added to any other contributions to be switched to the next CPP Fund, on the opening date of that Fund.

In circumstances where a member transfers or withdraws all or part of their investment in a CPP Fund prior to maturity of that Fund the capital protection is lost for the withdrawn/transferred investment and the member will receive the value of the withdrawn/transferred units at that time, which may have fallen.

The amount of capital protection lost is equal to the proportion of the number of units withdrawn divided by the total number of units held prior to that withdrawal. For example, if a member has 1,000 units in the CPP Fund immediately before the withdrawal, and 200 units are withdrawn, the member will lose 20% of their capital protection.

If you switch from a CPP Fund to a different Fund before the maturity date of the CPP Fund, you are required to transfer all of your investment in the CPP Fund to the new Fund. In that case you will lose all of your capital protection in respect of the amount invested in the CPP Fund.

The amount payable by the Capital Protection Provider includes an amount to cover income tax payable (under income tax law as at the date of this Investment Statement) by the CPP Fund on receipt of that amount. If a "tax change event" occurs (such as a change in tax laws or the interpretation of those laws), the Capital Protection Provider will not be required to incur additional after-tax cost which arises as a result of that event. In these circumstances, a member may get less than the Protected Amount in the relevant CPP Fund on maturity (any reduction in the Protected Amount would be in proportion to the number of units held by the member).

The Protected Amount for each member in a CPP Fund is protected on an after-tax basis. Because of the different tax rates of members, this means that members may receive

differing levels of benefits from the capital protection per unit they hold. It may also mean that differing amounts will be payable for the redemption of units in the CPP Fund at the maturity date of the CPP Fund.

If you are within ten years of the age of eligibility for NZ superannuation on the maturity of a CPP Fund, we will endeavour to seek your instructions as to whether or not you wish to invest in the next CPP Fund. If we cannot get your instructions a reasonable time before the opening date of the next CPP Fund, the Manager will switch your investment option from the Capital Protection Plan to the Conservative Fund (which will mean that the portion of your investment accumulated for the next CPP Fund and future contributions are allocated to the Conservative Fund (subject to the required balance in the Transaction Account)).

The Capital Protection Provider will not have a direct relationship with members, and will be liable only to the Trustee.

The Capital Protection Provider does not guarantee the obligations of the Trustee or the Manager to members, and neither the Trustee, the Manager nor any other person guarantees the performance of the Capital Protection Provider.

### **The opening date for CPP Funds**

Each CPP Fund is intended to open on or about 1 October each year, and the maturity date of each CPP Fund will be 10 years from its opening date, unless (in both cases) the Manager and the Capital Protection Provider agree otherwise. The Capital Protection Provider for the current CPP Fund on offer is Westpac. The investment policy of that CPP Fund, including the events that can trigger a requirement for more of the CPP Fund to be invested in zero coupon bonds or deposits of the Capital Protection Provider, is described in more detail under the heading “**Specific risks relating to CPP Funds**” on page 29.

Each future CPP Fund will offer “capital protection”, but the structure of the capital protection, the term, Capital Protection Provider, investment policy and fees (as described under the heading “**What are the charges?**”) of each CPP Fund will vary. If the term of a CPP Fund is longer than 10 years, the Capital Protection Provider is not Westpac or has a credit rating of less than A, there are any adverse changes to the fees associated with

the CPP Fund as compared with the fees contained in this statement, the investment policy of the CPP Fund is materially different from the investment policy described in this Investment Statement, or the Manager or Trustee otherwise considers the terms of the CPP Fund are materially and adversely different, we will endeavour to give you notice of the differences (but otherwise we will not). If we do not hear from you otherwise within 30 days of giving the notice, we will withdraw you from the Capital Protection Plan, and allocate the relevant portion of your investment accumulated for the next CPP Fund and future contributions to the Conservative Fund (subject to the required minimum balance in the Transaction Account).

The terms and structure of the capital protection arrangements for a CPP Fund may be altered before the relevant opening date. We will endeavour to notify you of any material alteration a reasonable time before the opening date, and the procedure set out earlier in the previous paragraph will then be followed.

If you do not want to continue in the Capital Protection Plan, please contact us as described under the heading “**Who do I contact with inquiries about my investment?**”. You have the right to stop future contributions to your Transaction Account being switched to CPP Funds, and to make withdrawals or transfers as described under the heading “**How do I cash in my investment?**”. If we determine not to, or for any reason cannot, open a CPP Fund in any year, or discontinue the Capital Protection Plan, we will endeavour to notify you. Unless we are discontinuing the Capital Protection Plan, your contributions will continue to accumulate in the Transaction Account until the next CPP Fund is open, and your participation in the Capital Protection Plan will then continue, unless you instruct otherwise. If the plan is discontinued, we will allocate your future contributions (that would have been applied to the next CPP Fund) to the Conservative Fund unless you instruct us otherwise within 30 days of giving the notice referred to above. This means that your relevant investment in the Transaction Account is switched to the Conservative Fund, and then the applicable future contributions are paid to the Conservative Fund in accordance with revised investment options.

Further details of the Capital Protection Plan are contained in the prospectus.



# *Section 3*

Westpac KiwiSaver Scheme  
Application Form:

## **Page**

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**39–46** Westpac KiwiSaver Scheme Application Forms

**47** Direct Debit Authority Form

# Applying to join the Westpac KiwiSaver Scheme

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Congratulations on deciding to join the Westpac KiwiSaver Scheme. All you need to do now is complete and return the Application Form attached in this section.

It's important to complete all sections of the Application Form so to help you we've included some useful information about completing the Application Form.

## Section A: Your Details

Please complete all of the information in Section A. It is important to ensure that the correct IRD number is entered for the person applying for membership of the Westpac KiwiSaver Scheme. If you (or the person you are completing the Application Form for) do not have an IRD number you can contact Inland Revenue directly to obtain one.

If you are unsure of your IRD number, you can contact Inland Revenue on 0800 377 774 to have it confirmed.

It's important to ensure that you select the correct Prescribed Investor Rate (PIR) for tax purposes. We've included a chart with the Application Form to help you calculate your PIR. If no PIR is selected on your Application Form, we are required to apply the default rate of 28%.

## Section B: Contribution Details

### Employed

If you are employed, you can select the rate at which you want contributions to be deducted from your after-tax salary or wages by notifying your employer. If no rate is selected, your contributions will be deducted at the default rate – this is an amount equal to 2% (likely to increase to 3% from 1 April 2013) of your gross salary or wages.

Should you wish to make additional contributions by way of deduction from your bank account, you will need to complete the Direct Debit Form (which follows the Application Form) and return it together with your Application Form.

### Self employed or not currently employed

If you are not earning a salary or wages you will be able to choose whether or not you wish to contribute and at what amounts and frequency. Should you wish to make contributions by way of deduction from your bank account, you will need to complete the Direct Debit Form (which follows the Application Form) and return it together with your Application Form.

## Section C: Investment Election

This section of the Application Form allows you to select your investment option (i.e. the Fund or Funds you wish to invest in). If you do not make an investment election, your contributions to the Westpac KiwiSaver Scheme will automatically be invested in the Conservative Fund.

## Section D: Transfers

This section should be completed if you wish to transfer your investment in another superannuation scheme to the Westpac KiwiSaver Scheme. If you are currently a member of

another KiwiSaver scheme, we'll transfer this investment to the Westpac KiwiSaver Scheme on your behalf.

## Section E: Confirmation of Identity

Under the Financial Transactions Reporting Act 1996, we are required to verify your identity before you join the Westpac KiwiSaver Scheme.

Please ensure that the appropriate forms of identification are provided with your Application Form as outlined under Section E.

Where you are not applying to join the Westpac KiwiSaver Scheme via a Westpac branch, any forms of identification will need to be verified by your employer or a person legally able to certify your identification (as set out in Section E).

Where applying to join the Westpac KiwiSaver Scheme on behalf of a minor who is under the age of 18, you will need to provide documentation that confirms both your own and the child's identity and also that you are the child's legal guardian.

If you are not a parent listed on the child's birth certificate, then we will require either:

- Documents that prove that you are the child's legal guardian, for example:
  - a certified copy of a guardianship order; or
  - certified copies of a deceased parent's death certificate and a will appointing you as a legal guardian; or
- If that is not possible, a signed statutory declaration confirming that you are a legal guardian.

## Information and Privacy Acknowledgments

By becoming a member of the Westpac KiwiSaver Scheme:

- You acknowledge that the personal information supplied by you with your Application Form, and any other personal information you may provide from time to time in relation to the Westpac KiwiSaver Scheme, will be held securely by the Manager and the Trustee (at the address of the registry provider) and may be disclosed to Westpac, Westpac NZ, and any other entity that is involved in the administration and management of the Westpac KiwiSaver Scheme including IRD and any regulatory body, for the purposes of managing and administering your Westpac KiwiSaver Scheme investment. This information may be used by the Manager and its related companies to make available the full range of services offered by the Manager and its related companies, and unless otherwise requested, these services may be offered to you via email. Any such email will include an unsubscribe facility should you wish to opt out of receiving such information.
- You acknowledge that you have the right to access and correct this information subject to the provisions of the Privacy Act 1993. This information may be used to update other information about you held by any member of the Westpac group of companies.

- You authorise the Trustee or the Manager or any other related company to provide information to you regarding your KiwiSaver investment via facsimile, email and telephone and to act on instructions regarding your investment received via facsimile, email or telephone. The fax number, email address and phone number that the Trustee or the Manager may

provide information to, and act on instructions from, are those detailed by you in your Application Form (or as otherwise notified to the Trustee or the Manager in writing by you from time to time).

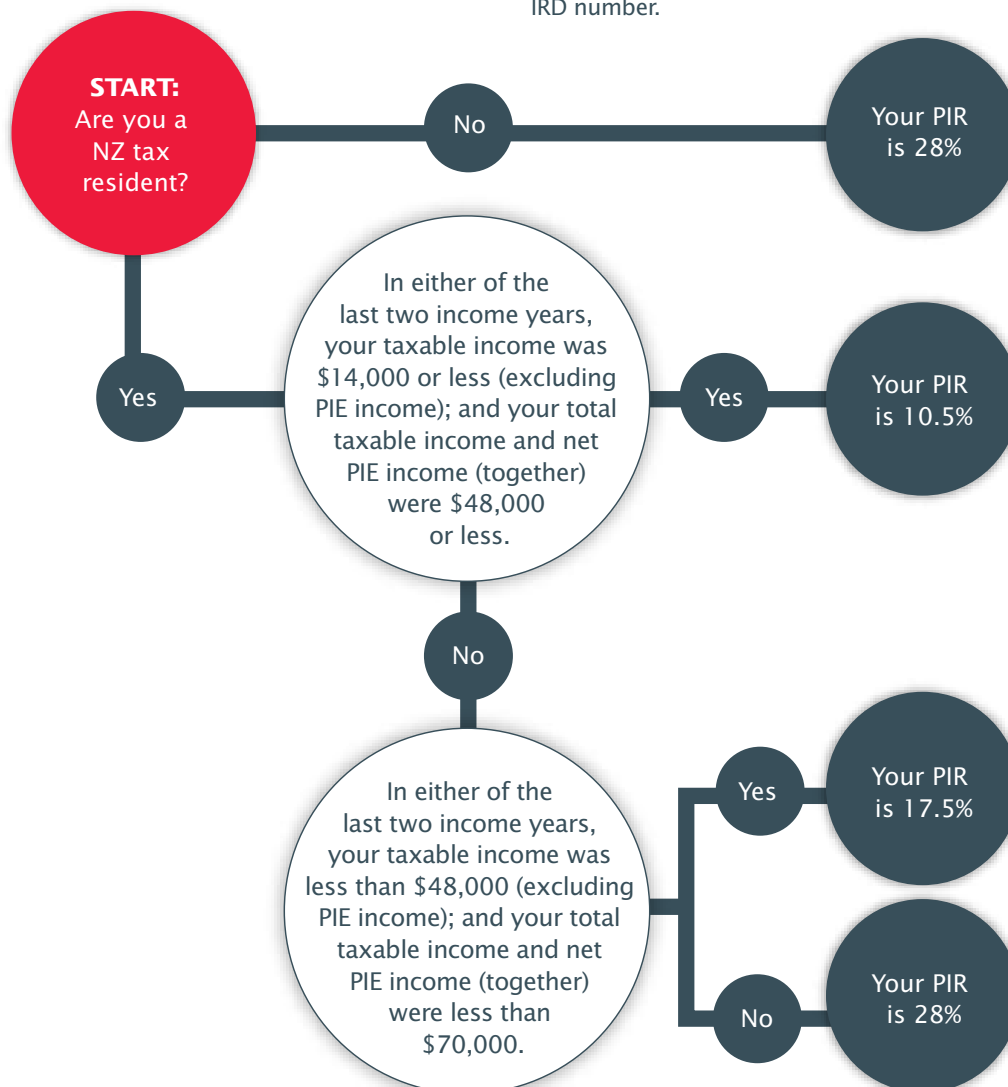
- You consent to telephone conversations being recorded and listened to for training purposes or to provide security for transactions.

## How to calculate your Prescribed Investor Rate (PIR)

The Westpac KiwiSaver Scheme is a Portfolio Investment Entity (PIE) for tax purposes. Tax payable or refundable on your investment will be calculated at the Prescribed Investor rate (PIR) held for you. It is important to elect the correct PIR rate to ensure you pay the correct amount of tax (if no rate is selected, the top rate will apply).

The below chart can be used by members and people applying to join the Westpac KiwiSaver Scheme. The Prescribed Investor Rates (PIRs) available to members are 10.5%, 17.5% and 28%. An 'income year' is 1 April to 31 March.

We have assumed you have provided us with your correct IRD number.



If you elect a PIR of 10.5% or 17.5% and this is the correct rate for your personal circumstances, then the PIE tax paid on your investment will be a final tax, meaning that you will not need to file a tax return or pay any further tax in regards to your investment in the Westpac KiwiSaver Scheme. In calculating your PIR, taxable income includes non NZ-sourced income even if (from 1 April 2012) you were not resident when it was earned. New residents will be able to elect out of this treatment in some cases (see [www.ird.govt.nz](http://www.ird.govt.nz)).

The information in this guide is intended for general tax information purposes only and does not constitute tax advice. You should not rely upon the content of this information. The information is based on legislation current at 21 September 2011. Taxation legislation, its interpretation and the rates and bases of taxation may change. The application of taxation laws depends upon individual circumstances. Members and intending members should seek professional advice on the taxation implications of investing and should not rely solely on the information in this guide. Further information on PIRs and on tax can be found under the heading 'General information about returns' in the Westpac KiwiSaver Scheme Investment Statement, or on the IRD website [www.ird.govt.nz](http://www.ird.govt.nz)



This application is for the Westpac KiwiSaver Scheme.

\* denotes compulsory information

A: Your Details

Mr Mrs Miss Ms Other (please specify)

\*First name

Middle name(s)

\*Surname

\*Date of birth DAY / MONTH / YEAR

\*IRD number

If you are unsure of your IRD number, you can contact Inland Revenue on 0800 377 774 to have it confirmed.

\*Prescribed Investor Rate (PIR) (tax rate) 10.5% 17.5% 28%

If you are unsure of your PIR, please refer to page 38.

\*Physical address NUMBER & STREET SUBURB TOWN/CITY POSTCODE

\*Postal address (if different from above) NUMBER & STREET SUBURB TOWN/CITY POSTCODE

Phone numbers HOME MOBILE

Email address

Please add my Westpac KiwiSaver Scheme investment to my existing Westpac Online Banking

We are required to verify the identity of every applicant for membership. For applicants under 16 years of age we also require identification for all legal guardians and proof of their relationship to the applicant.

B: Contribution Details

Employees – Compulsory Contribution

If you are paid a salary or wages you must contribute at the minimum rate of 2% (likely to increase to 3% from 1 April 2013) of your gross salary or wages as prescribed by legislation.

Self employed (not paying PAYE tax), persons not in paid employment and employees wanting to make additional contributions – Voluntary Contribution

Regular Contribution

My contribution paid direct to the Westpac KiwiSaver Scheme by direct debit will be (please also complete the attached Direct Debit form):

Amount Commencing From \$ DAY / MONTH / YEAR

Contribution frequency

Fortnightly Monthly Other (please specify)

Lump Sum Contribution

I would like to make an initial lump sum contribution of

\$

(Please attach your cheque made payable to BTNZ KiwiSaver Nominees Limited and crossed "Not Transferable"). Further lump sum contributions can be made by using Westpac Online Banking, visiting a branch or posting a cheque to PO Box 695, Wellington 6140.

C: Investment Election

Please choose your investment selection (tick one of the options below). If no option is chosen, your contributions will be allocated to the Conservative Fund.

Option One An investment strategy in accordance with the following table:

Table with 2 columns: Investment Funds, Percentage of Contributions. Rows include Cash Fund, Conservative Fund, Balanced Fund, Growth Fund, and Total (100%).

If the percentage allocation above does not equal 100%, then the remaining portion will be invested in the Conservative Fund. We advise you to speak with a financial adviser before selecting your investment strategy.

OR

Option Two Capital Protection Plan (100% of contributions)



## D: Transfers

If you are a member of another KiwiSaver scheme we'll take care of the transfer of your investment to the Westpac KiwiSaver Scheme. Your current scheme has 35 days to complete the transfer from the date we notify them of your membership.

By signing this form you authorise the provider of your existing KiwiSaver scheme to provide to the Manager of the Westpac KiwiSaver Scheme any of your personal information necessary to complete this transfer to the Westpac KiwiSaver Scheme.

Existing KiwiSaver scheme name / provider

If you are unsure of your scheme or provider, we will still attend to the transfer.

If you wish to transfer an investment from a superannuation scheme other than KiwiSaver please complete the details below. We will contact you for your approval before we apply for the transfer.

Existing superannuation scheme name / provider

## E: Confirmation of identity

We are required by law to verify the identity of customers.

### Applicant is over 18 years

If you are 18 years or older please either complete **section (i)** or attach the document(s) required by **section (ii)**, then sign in **section F** as the applicant.

### Applicant is 16 or 17 years

If you are aged 16 or 17 years, please either complete **section (i)** or attach the document(s) required by **section (ii)** or attach a certified\* copy of your birth certificate, **and** then ask one parent (legal guardian) to attach the document(s) required by **section (iii)** and sign **section F** together with you.

If you are aged 16 or 17 years and are married, in a civil union or in a de facto relationship then you will not need a parent / guardian either to provide identification or to sign this form, but we will need a certified\* copy of your marriage or civil union licence (or proof of the de facto relationship).

### Applicant is under 16 years

If the applicant is under 16 years, then both parents (all legal guardians) need to attach the document(s) required by **section (iii)** and sign in **section F**.

#### (i) Westpac Customer

Please provide us with your Westpac bank account number and then go to **section F**.

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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BANK

BRANCH

ACCOUNT NUMBER

SUFFIX

#### (ii) Non-Westpac Customer

Please attach a certified\* copy of **one** of the following in the name of the applicant (please tick):

- New Zealand photo ID drivers licence
- NZ firearms licence
- Current passport (personal details page)

If you don't have any of the above identification, please attach certified\* copies of any **two** of the following (please tick):

- Current tertiary institution card
- Current social welfare benefits certificate
- Current citizen certificate
- Current marriage certificate
- Other bank's credit card (only one credit card can be used for identification purposes)

Please ensure that at least one of your identity documents has a copy of your signature.

#### (iii) Legal Guardians enrolling an Applicant under the age of 18

Please attach a certified\* copy of the birth certificate of the applicant (this must be in English) for proof of guardianship, if not already provided for identification purposes.

Each legal guardian must provide identification as set out in **section (ii)**.

If the legal guardian is **not** named on the birth certificate, please refer to page 37 for details of the additional documentation required.

### Application Form Checklist

#### If you are completing this form for a child under 16 years, please check:

- Have you attached the child's birth certificate?
- Have two parents (all legal guardians) signed section F?
- Have both parents attached identification (see section E)?

#### If you are aged 16 or 17 years, please check:

- Have you attached your birth certificate?
- Has one of your parents (a legal guardian) signed section F with you?
- Has this parent attached identification (see section E)?

\*'Certified' means certified as a true copy of the original with an original signature by one of the following: a Westpac staff member at any Westpac Branch, your employer, Justice of the Peace, Notary Public, Deputy Registrar or Registrar of the court, Member of Parliament or Solicitor.

**F: Declaration and authorisation**

- I apply for membership of the Westpac KiwiSaver Scheme. I have received and read the Investment Statement dated 21 September 2011 and agree to be bound by the terms and conditions of the KiwiSaver Act 2006, the Trust Deed, the Investment Statement and the Prospectus (all as amended or replaced from time to time) relating to the Westpac KiwiSaver Scheme. I confirm that I meet the eligibility criteria specified under the section headed "Who can join KiwiSaver?" in the Investment Statement and that I acknowledge and agree to the "Information and Privacy Acknowledgments" specified in the Investment Statement.
- I acknowledge and agree that:
  - if a transaction request is invalid or insufficient information is provided it will not be processed until valid documentation is received;
  - if the Trustee or the Manager reasonably believes a signature on a document, such as a withdrawal request, to be genuine, the Trustee or the Manager is entitled to rely on that signature and will not be liable for any loss I may suffer if it is later found that the signature was a fraud;
  - if the Trustee or Manager makes an incorrect payment to me, the Trustee or Manager is entitled to deduct the amount incorrectly paid from any holding I have with the Trustee, Manager, or any related company of the Trustee or Manager.
- I acknowledge that neither the Trustee nor the Manager accepts any responsibility or liability whatsoever for any damage, costs, expenses, losses or liabilities incurred by any person as a result of the Trustee or the Manager acting on any instructions from an authorised signatory or authorised facsimile number. I agree to indemnify in all respects and hold harmless each of the Trustee and the Manager against any damage, costs, expenses, losses or liabilities which may arise by reason of the Trustee or the Manager accepting or acting on instructions from an authorised signatory or authorised facsimile number.
- I acknowledge that investments made in the Westpac KiwiSaver Scheme do not represent bank deposits with Westpac or Westpac NZ or any member of the Westpac group of companies and are not liabilities of the bank, that choosing an investment strategy is solely my responsibility and that neither the Trustee nor the Manager is to be regarded as representing or implying that any particular investment strategy is appropriate for my particular circumstances.
- I acknowledge that the ultimate holding company of BT Funds Management (NZ) Limited is Westpac Banking Corporation ABN 33 007 457 141, incorporated in Australia. None of the Trustee, the Trustee's nominee companies, the Manager,

Westpac, Westpac NZ, any other member of the Westpac group of companies, any directors of any of those entities, or any other person guarantees the performance or returns of the Westpac KiwiSaver Scheme or the repayment of capital.

- I consent to receiving a world wide web uniform resource locator (i.e. an email hyperlink) for access to an electronic copy of the annual report for the Westpac KiwiSaver Scheme.

**Signature of applicant**

Sign here if you are 16 years or older.

Signature	
Date	DAY / MONTH / YEAR

**Signature of legal guardian(s) of applicant under 18 years of age or where power of attorney exists**

Please complete and sign the following declaration if the application is being made:

- by or on behalf of someone under the age of 18 – in this case the declaration must be completed and signed by both parents/all legal guardians (or, for an applicant aged 16 or 17, by one parent/one legal guardian)
- by an individual who holds Power of Attorney

I confirm that I have Power of Attorney in respect of the applicant or (in the case of an applicant under the age of 18) that I am a parent/legal guardian of the applicant and authorised to sign on the applicant's behalf and I confirm that I have read and accepted the 'Declaration and authorisation' in the above section on behalf of the applicant named in the 'Your details' section.

Signature	
Name	
Date	DAY / MONTH / YEAR Phone number

Signature	
Name	
Date	DAY / MONTH / YEAR Phone number

Please return your completed application form to any Westpac NZ branch or post to: **Westpac KiwiSaver Scheme, PO Box 695, Wellington 6140**

**Westpac Staff Details**

Staff name

Referring branch (if applicable)

Staff signature

Staff number

Applicant's ID Verified

Date

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This application is for the Westpac KiwiSaver Scheme.

\* denotes compulsory information

A: Your Details

Mr Mrs Miss Ms Other (please specify)

\*First name

Middle name(s)

\*Surname

\*Date of birth DAY / MONTH / YEAR

\*IRD number

If you are unsure of your IRD number, you can contact Inland Revenue on 0800 377 774 to have it confirmed.

\*Prescribed Investor Rate (PIR) (tax rate) 10.5% 17.5% 28%

If you are unsure of your PIR, please refer to page 38.

\*Physical address \*NUMBER & STREET SUBURB \*TOWN/CITY \*POSTCODE

\*Postal address (if different from above) \*NUMBER & STREET SUBURB \*TOWN/CITY \*POSTCODE

Phone numbers HOME MOBILE

Email address

Please add my Westpac KiwiSaver Scheme investment to my existing Westpac Online Banking

We are required to verify the identity of every applicant for membership. For applicants under 16 years of age we also require identification for all legal guardians and proof of their relationship to the applicant. For applicants who are aged 16 or 17 we require identification for one legal guardian and proof of their relationship to the applicant. For further details please refer to section E.

B: Contribution Details

Employees – Compulsory Contribution

If you are paid a salary or wages you must contribute at the minimum rate of 2% (likely to increase to 3% from 1 April 2013) of your gross salary or wages as prescribed by legislation. You can choose to contribute more – either 4% or 8% – by notifying your employer.

Self employed (not paying PAYE tax), persons not in paid employment and employees wanting to make additional contributions – Voluntary Contribution

Regular Contribution

My contribution paid direct to the Westpac KiwiSaver Scheme by direct debit will be (please also complete the attached Direct Debit form):

Amount Commencing From \$ DAY / MONTH / YEAR

Contribution frequency

Fortnightly Monthly Other (please specify)

Lump Sum Contribution

I would like to make an initial lump sum contribution of

\$

(Please attach your cheque made payable to BTNZ KiwiSaver Nominees Limited and crossed "Not Transferable"). Further lump sum contributions can be made by using Westpac Online Banking, visiting a branch or posting a cheque to PO Box 695, Wellington 6140. We'll need your IRD number and surname as a reference.

C: Investment Election

Please choose your investment selection (tick one of the options below). If no option is chosen, your contributions will be allocated to the Conservative Fund.

Option One An investment strategy in accordance with the following table:

Table with 2 columns: Investment Funds, Percentage of Contributions. Rows include Cash Fund, Conservative Fund, Balanced Fund, Growth Fund, and Total (100%).

If the percentage allocation above does not equal 100%, then the remaining portion will be invested in the Conservative Fund. We advise you to speak with a financial adviser before selecting your investment strategy.

OR

Option Two Capital Protection Plan (100% of contributions)



## D: Transfers

If you are a member of another KiwiSaver scheme we'll take care of the transfer of your investment to the Westpac KiwiSaver Scheme. Your current scheme has 35 days to complete the transfer from the date we notify them of your membership.

By signing this form you authorise the provider of your existing KiwiSaver scheme to provide to the Manager of the Westpac KiwiSaver Scheme any of your personal information necessary to complete this transfer to the Westpac KiwiSaver Scheme.

Existing KiwiSaver scheme name / provider

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BANK

BRANCH

ACCOUNT NUMBER

SUFFIX

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- Current social welfare benefits certificate
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- Current marriage certificate
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  - if a transaction request is invalid or insufficient information is provided it will not be processed until valid documentation is received;
  - if the Trustee or the Manager reasonably believes a signature on a document, such as a withdrawal request, to be genuine, the Trustee or the Manager is entitled to rely on that signature and will not be liable for any loss I may suffer if it is later found that the signature was a fraud;
  - if the Trustee or Manager makes an incorrect payment to me, the Trustee or Manager is entitled to deduct the amount incorrectly paid from any holding I have with the Trustee, Manager, or any related company of the Trustee or Manager.
- I acknowledge that neither the Trustee nor the Manager accepts any responsibility or liability whatsoever for any damage, costs, expenses, losses or liabilities incurred by any person as a result of the Trustee or the Manager acting on any instructions from an authorised signatory or authorised facsimile number. I agree to indemnify in all respects and hold harmless each of the Trustee and the Manager against any damage, costs, expenses, losses or liabilities which may arise by reason of the Trustee or the Manager accepting or acting on instructions from an authorised signatory or authorised facsimile number.
- I acknowledge that investments made in the Westpac KiwiSaver Scheme do not represent bank deposits with Westpac or Westpac NZ or any member of the Westpac group of companies and are not liabilities of the bank, that choosing an investment strategy is solely my responsibility and that neither the Trustee nor the Manager is to be regarded as representing or implying that any particular investment strategy is appropriate for my particular circumstances.
- I acknowledge that the ultimate holding company of BT Funds Management (NZ) Limited is Westpac Banking Corporation ABN 33 007 457 141, incorporated in Australia. None of the Trustee, the Trustee's nominee companies, the Manager,

Westpac, Westpac NZ, any other member of the Westpac group of companies, any directors of any of those entities, or any other person guarantees the performance or returns of the Westpac KiwiSaver Scheme or the repayment of capital.

- I consent to receiving a world wide web uniform resource locator (i.e. an email hyperlink) for access to an electronic copy of the annual report for the Westpac KiwiSaver Scheme.

### Signature of applicant

Sign here if you are 16 years or older.

Signature	
Date	DAY / MONTH / YEAR

### Signature of legal guardian(s) of applicant under 18 years of age or where power of attorney exists

Please complete and sign the following declaration if the application is being made:

- by or on behalf of someone under the age of 18 – in this case the declaration must be completed and signed by both parents/all legal guardians (or, for an applicant aged 16 or 17, by one parent/one legal guardian)
- by an individual who holds Power of Attorney

I confirm that I have Power of Attorney in respect of the applicant or (in the case of an applicant under the age of 18) that I am a parent/legal guardian of the applicant and authorised to sign on the applicant's behalf and I confirm that I have read and accepted the 'Declaration and authorisation' in the above section on behalf of the applicant named in the 'Your details' section.

Signature	
Name	
Date	DAY / MONTH / YEAR Phone number

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Name	
Date	DAY / MONTH / YEAR Phone number

Please return your completed application form to any Westpac NZ branch or post to: **Westpac KiwiSaver Scheme, PO Box 695, Wellington 6140**

#### Westpac Staff Details

Staff name

Referring branch (if applicable)

Staff signature

Staff number

Applicant's ID Verified

Date

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# Westpac KiwiSaver Scheme

KiwiSaver Member Name: \_\_\_\_\_

Please tick one:

New Authority 
  
 IRD Number of Member

Change of Bank account for existing Regular contributions 
  
 Member Number (if existing Member)

Name of bank account \_\_\_\_\_

Customer (acceptor) to complete bank, branch number, account number and suffix of account to be debited.

Bank Branch number

Account number

-   
 Suffix

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

Authorisation code

0315587  
 (User number)

To the Manager, (Please print full postal address clearly for window envelope)

Bank Branch	
Mailing Address	
Town/City	

Date: \_\_\_\_\_ DAY / MONTH / YEAR

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

BTNZ KiwiSaver Nominees Limited (hereinafter referred to as the Initiator)

the registered Initiator of the above authorisation code, may initiate by Direct Debit.

I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this authority.

### Information to appear on my/our bank statement

Payer particulars	Member number	Payer reference
<input type="text"/> K <input type="text"/> I <input type="text"/> W <input type="text"/> I <input type="text"/> S <input type="text"/> A <input type="text"/> V <input type="text"/> E <input type="text"/> R <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Customer signature(s):

Signature	Date DAY / MONTH / YEAR
Signature	Date DAY / MONTH / YEAR

<div style="border: 1px solid black; padding: 5px; text-align: center;">                 Approved                   1558  <hr style="width: 50%; margin: 0 auto;"/>                 0 1   0 9             </div>	Westpac use only: <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 5px; width: 15%;">Date received:</td> <td style="border: 1px solid black; padding: 5px; width: 15%;">Recorded by:</td> <td style="border: 1px solid black; padding: 5px; width: 15%;">Checked by:</td> </tr> </table> <div style="margin-left: 100px; text-align: right; margin-top: 20px;"> <span style="font-size: 2em;">}</span> </div> <p style="text-align: right; margin-right: 50px;">Bank stamp</p> <div style="margin-left: 100px; text-align: right; margin-top: 20px;"> <span style="font-size: 2em;">}</span> </div> <p style="margin-top: 10px;">Original – Retain at branch Copy – Forward to Initiator if requested</p>	Date received:	Recorded by:	Checked by:
Date received:	Recorded by:	Checked by:		



## Conditions of this Authority to Accept Direct Debits

### 1. The Initiator:

- (a) Undertakes to give notice to the Acceptor of the commencement date, frequency and amount at least 10 calendar days before the first Direct Debit is drawn (but no more than 2 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 of at least 30 days before changes come into effect. This notice must be provided either:

- (i) in writing; or
  - (ii) 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.

### 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 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 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 made not 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 disputes lie 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:
- the 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 give 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.



