

TOWER KiwiSaver Scheme



Incorporating



Investment Statement

This investment statement is dated and prepared as at 3 October 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.

Contents

Welcome to the TOWER KiwiSaver Scheme	1	Cash4Schools initiative	10
What is the TOWER KiwiSaver Scheme?	4	Check your TOWER KiwiSaver Scheme balance at any time	11
What is the purpose of this document?	4	Changing your investments	11
Why TOWER should be your KiwiSaver provider	5	Portability	11
How KiwiSaver can grow your wealth	5	The TOWER KiwiSaver Scheme can also help manage your money when you retire	11
How KiwiSaver makes saving easy	6	Join now	11
How KiwiSaver can help you buy a first home	7	KiwiSaver for children and grandchildren	11
Which TOWER KiwiSaver Scheme investment fund may suit you	8	Transfer to the TOWER KiwiSaver Scheme	12
How investments can work for you	9		

Choosing an investment

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

What sort of investment is this? _____	13
Who is involved in providing it for me? _____	13
How much do I pay? _____	15
What are the charges? _____	16
What returns will I get? _____	17
What are my risks? _____	18
Can the investment be altered? _____	19
How do I cash in my investment? _____	19
Who do I contact with enquiries about my investment? _____	20
Is there anyone to whom I can complain if I have problems with the investment? _____	20
What other information can I obtain about this investment? _____	20

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.

This is an investment statement for the purposes of the Securities Act 1978.

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 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 www.fspr.govt.nz

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



“For over 140 years we’ve been helping protect and grow the things Kiwis value, through good times and bad.”

Welcome to the TOWER KiwiSaver Scheme!

Our Story

TOWER's institutional history dates back to 1869, when a letter to the government of the day from an Otago gold miner inspired the creation of our company's forebear, the New Zealand Government Life Insurance Department.

Over 140 years on we are pleased to be continuing our lengthy tradition of helping New Zealanders meet their retirement savings and investment needs. We realise this is a privilege and a great responsibility, and we are honoured that Kiwis trust us with their money.

A truly Kiwi company

TOWER is a truly Kiwi company that makes all its management decisions right here in New Zealand. We are listed on the New Zealand stock exchange and have over 50,000 Kiwi shareholders as our owners.

Stewardship

Looking after your savings is the most important thing we do. We have a prudent and careful investment management approach, which has stood the test of time. We are pleased that this approach has been recognised through many awards over the years.

You can also take confidence that an independent trustee holds your savings separately on your behalf.

Doing the right thing

At TOWER we strive to 'do the right thing'. That is why we launched our 'Cash4Schools' initiative. At no cost to the Member, we're putting back some of what TOWER earns to schools that you nominate, to help the next generation of New Zealanders.

We're here to help

If you're new to the world of managed funds, investments or savings, there might be aspects you need more information about. If you'd like our help please visit our website at www.tower.co.nz/kiwisaver, email us at investments@tower.co.nz, or call us on 0800 808 808. One of our team would be happy to answer your questions, or we can arrange for one of our nationwide network of qualified financial advisers to meet with you.

Finally, don't forget to register for our online services where you can view your account balance, track the performance of your investments, and access a range of useful information.

We are pleased to be your KiwiSaver partner.

A handwritten signature in black ink, appearing to read 'Sam Stubbs'. The signature is fluid and cursive, written over a white background.

Sam Stubbs
Chief Executive Officer
TOWER Investments*

* TOWER Investments is the trading name for TOWER Employee Benefits Limited, the Manager and Promoter of the TOWER KiwiSaver Scheme.

What's your Plan?

Secure your future

KiwiSaver has been likened to getting a pay rise. This is real money getting paid into a savings account for you. Money that the Government and your employer give you! With that extra money growing in your TOWER KiwiSaver Scheme you're better able to secure the lifestyle you want. KiwiSaver is about putting you in control of your life.

The TOWER Group has been helping New Zealanders protect and grow the things they value for over 140 years. We provide comprehensive and innovative insurance, KiwiSaver and investment products through our businesses in New Zealand and the Pacific Islands.

Please note: Information held about you within TOWER KiwiSaver will be used to ensure quality service from the TOWER group of companies and to offer you further products or services available from TOWER.





Retire in style

If you retire at 65 and you don't currently have a savings plan you could end up having to rely on the Government for possibly another 20 years. In that case you should know that the average married couple currently get around \$520 a week*: that's just over \$27,000 a year for two people to live on. Will relying on this alone limit the retirement lifestyle you're looking forward to?

** As at April 2011. Source: Work and Income.*

Buy your own home

Lots of people don't realise that KiwiSaver provides valuable help for someone wanting to buy their first home. You may also qualify for a subsidy of up to \$5,000 from the Government. Imagine owning your own home, and your employer and the Government helps you pay for it! (If you have previously owned a home and want a Second Chance this facility could also be available to you).



Whatever your plan, there's the TOWER KiwiSaver Scheme to help you achieve it.



What is the TOWER KiwiSaver Scheme?

When the Government launched KiwiSaver they selected six companies with the investment experience and capability necessary to be a KiwiSaver provider. TOWER is one of those companies and the TOWER KiwiSaver Scheme is the KiwiSaver product that we offer.

Becoming a member of the TOWER KiwiSaver Scheme comes with the knowledge that you are dealing with a Kiwi institution that has been helping New Zealanders protect and grow the things they value for over 140 years.

What is the purpose of this document?

This document provides information about KiwiSaver and explains how the TOWER KiwiSaver Scheme (TOWER KiwiSaver)* can help you achieve your goals. It begins by explaining in plain English how KiwiSaver works and the options that you have. The back of the document (the light blue section) contains information that must be made available to you by law.

By receiving this investment statement, you are either considering joining TOWER KiwiSaver, or, as part of the Government's KiwiSaver enrolment process, you were allocated to TOWER KiwiSaver from the date you started your new employment or elected to opt into KiwiSaver.

If you have chosen to join TOWER KiwiSaver, the application form to join is on page 21 of this document. If you have enrolled with TOWER KiwiSaver

through your employer we will acknowledge your application on receipt by sending you a confirmation letter. In three months time Inland Revenue will send your contribution details to us, and we'll send you confirmation of your enrolment.

If you are not in paid employment, are self employed or enrolling a child we will initially send you an acknowledgement of your application. Once we receive either your first contribution or the kick-start contribution from the Inland Revenue (after three month's membership) we'll send you confirmation of your enrolment.

Need help?

Go to www.tower.co.nz/kiwisaver, call 0800 808 808 or email investments@tower.co.nz.

There's a lot of information in this document and it's not unusual for people to want clarification at different points. If you decide that you need an explanation on anything that you read here visit our website at www.tower.co.nz/kiwisaver, call 0800 808 808 or email investments@tower.co.nz and our KiwiSaver team will help you. Calls are free and this service is available from 8.00am to 5.30pm weekdays.

* The term 'TOWER KiwiSaver' may be used in this investment statement as an abbreviation for the TOWER KiwiSaver Scheme and readers should view those terms interchangeably.



Why TOWER should be your KiwiSaver provider

Being with the right KiwiSaver provider could have a big impact on how secure your savings are and how quickly they grow. Not all KiwiSaver providers are the same and you need to be confident that your savings are with a company that has the collective wisdom to manage your wealth over the long term.

- With TOWER you choose the KiwiSaver plan to meet your needs; one that reflects your stage of life and income.
- With TOWER you get the confidence of dealing with a well established Kiwi company. We opened our doors over 140 years ago to provide Kiwis with insurance protection. Now we are a diversified organisation with large insurance and fund management businesses.
- With TOWER we explain everything about KiwiSaver in plain English.
- With TOWER you get proven wealth building expertise.

How KiwiSaver can grow your wealth

Even if taking steps to secure your future or retiring in style is not of immediate concern to you, the process of accumulating the wealth that leads to a comfortable retirement should be. Wealth accumulation pays dividends right through your life and the goal of a fulfilled retirement is just one of a series of rewards that you'll witness.

With KiwiSaver your savings grow faster than with many other savings or investment schemes because the Government and your employer contribute to your plan. So you'll witness the benefits sooner!

With KiwiSaver the Government will contribute 50 cents for every \$1 you contribute (subject to conditions), up to approximately \$521 each year, and, if you're in paid employment, your employer is also required to contribute to your savings.

Employer contributions are currently a minimum of 2% of gross salary or wages.

In the 2011 Budget it has been proposed that the minimum employer contribution rate will rise to 3% from 1 April 2013.

When you become a TOWER KiwiSaver member, you may be eligible for a range of benefits currently provided by KiwiSaver. These include:

- A \$1,000 kick-start payment from the Government
- Approximately \$521 member tax credit per annum (see Member Tax Credits on page 16)
- Compulsory employer contributions to your TOWER KiwiSaver Scheme (see How much do I pay? on page 15)
- Home deposit subsidy to help you buy a first home (see page 7)
- Tax on income at variable rates up to 28% depending on your income (see How will my investment be taxed? on page 17)

How KiwiSaver makes saving easy

Your contributions to your savings plan go either straight from your salary or wages as part of the PAYE system or, for non wage or salary earners, you can set up a direct debit option or make a direct payment from your bank account. There is also the ability to pay additional amounts whenever you want (see How much do I pay? on page 15).

Members that contribute directly to KiwiSaver through their salary or wages are required to contribute at the current minimum rate of 2%* (see page 15 for more information). The table below indicates how much you could currently be contributing to your savings plan depending on your gross salary or wages. The blue columns show you the annual contribution paid by you, your employer and the Government Member Tax Credit. The Government Member Tax Credit is an additional benefit not available with traditional investments and savings schemes.

If you have existing investment savings and you wish to consolidate them into your TOWER KiwiSaver Scheme, please complete the Additional Lump Sum form (on page 27) and we'll arrange the rest.

If you are self employed or not currently working, and aged between 18 and 65, you can also take advantage of the \$521 tax credit (subject to conditions as detailed on page 16). You'll need to contribute approximately \$20 a week or \$87 a month or \$1,042 per annum to be eligible for the full tax credit.

Salary/Wages (per annum and before tax)	Weekly at 2%* (per annum)	Annually at 2%* (per annum)	Employer Contribution at 2%* (per annum)**	Government Member Tax Credit (annually)	Total
\$20,000	\$8	\$400	\$400	\$200	\$1,000
\$30,000	\$12	\$600	\$600	\$300	\$1,500
\$40,000	\$15	\$800	\$800	\$400	\$2,000
\$50,000	\$19	\$1,000	\$1,000	\$500	\$2,500
\$60,000	\$23	\$1,200	\$1,200	\$521	\$2,921
\$100,000	\$38	\$2,000	\$2,000	\$521	\$4,521

Weekly contribution and tax credits have been rounded.

** Please note Employer Superannuation Contribution Tax (ESCT) is currently not applicable to employer contributions at the date of this investment statement, therefore the employer contributions shown do not take ESCT into account. ESCT will apply to all employer contributions from 1 April 2012 (see page 18 for more information).

* In the 2011 Budget it was proposed that employee and employer minimum contribution rates will increase to 3% of gross salary or wages from 1 April 2013.





How KiwiSaver can help you buy a first home

First Home Withdrawal

With KiwiSaver you are able to apply for a First or Second Chance Home Withdrawal. You are eligible to withdraw your contributions and your employer's contributions if you:

- Have been a KiwiSaver member for at least three years;
- Have not made a withdrawal from a KiwiSaver scheme for the purchase of a home before;
- Are purchasing a property that is, or is intended to be, your principal place of residence;
- Are purchasing a property that qualifies as an estate in land within the meaning of the KiwiSaver Act 2006; and
- Are buying your first home (or have a confirmation from Housing New Zealand that you are in the same position as a first home buyer in terms of income, assets and liabilities).

The First or Second Chance Home Withdrawal can only be paid to your solicitor's account once all conditions of the sale and purchase agreement have been met. Acceptance of your first or second chance home withdrawal will be at the discretion of the Trustee. Member Tax Credits and the Government kick start may not be withdrawn for the purchase of your home.

Second Chance Homes

You may have previously owned your home but no longer do so because of adverse circumstances such as (but not limited to) redundancy, illness or relationship break-up. If that's the case you could still have a second chance at home ownership, once again with the help of KiwiSaver.

You may also be eligible for the first home withdrawal and the deposit subsidy – as long as you:

- Have not received either the first home withdrawal or the deposit subsidy before; and
- Are in a similar position to first home buyers in terms of assets, income and liabilities.

You will need to apply to Housing New Zealand for a determination that you are in a similar position to a first home buyer. More detailed eligibility

criteria, based on assets, income and liabilities can be obtained by going to www.hnzc.co.nz. Housing New Zealand may change the eligibility criteria at any time.

More information on First or Second Chance Home Withdrawals can be obtained by contacting TOWER.

KiwiSaver Deposit Subsidy Eligibility Criteria

To be eligible for the first home deposit subsidy, you must meet all the following criteria and conditions:

- Be a member of a KiwiSaver scheme, or a complying superannuation fund
- Have contributed at least the minimum contribution rate of your income to a KiwiSaver or complying superannuation fund for at least three years
- Be buying your first home (or have a confirmation from Housing New Zealand that you are in the same position as a first home buyer in terms of income, assets and liabilities)
- Be planning to live in the house for at least six months
- Be 18 years old or over
- Have not received a deposit subsidy before
- Have a combined yearly income of \$100,000 or less (before tax) for one or two buyers, or have a combined yearly income of \$140,000 or less (before tax) for three or more buyers
- Be buying one or more of the following types of property and land arrangements (for more information on these property types go to www.hnzc.co.nz):
 - Fee simple
 - Stratum estate freehold and leasehold
 - Cross-lease (freehold and leasehold)
 - Leasehold

Note: The eligibility criteria relating to the income caps and regional house price caps will be reviewed annually in June. This is not an exhaustive list of criteria and may change at any time. For complete and up to date criteria, please go to www.hnzc.co.nz.

Which TOWER KiwiSaver Scheme investment fund may suit you

TOWER KiwiSaver offers a range of investment funds managed by professional fund managers who invest in a variety of funds on your behalf. Fund managers have the knowledge, expertise and market information to make informed and educated investment decisions. It is their role to seek to maximise the returns of each fund, within its investment guidelines.

The TOWER KiwiSaver options available allow you to choose between conservatively managed funds that produce steady growth, or others that are geared for higher growth but with the possibility of greater volatility.

What's your investment profile?

The chart below may help you decide which TOWER KiwiSaver investment fund may best suit your needs. The information in this chart is a guide only, contains information of a general nature and does not take into account your particular financial situation or goals. Rather, the information in this chart is based on general predefined characteristics, including attitude towards fluctuations, losses and unpredictability in investment returns and years until retirement or withdrawal of funds. TOWER recommends that you obtain personalised advice from a professional financial adviser before making a decision to invest or change your investment in the TOWER KiwiSaver Scheme. Read the statements below and use the key to rank yourself on the scale.

Key: 1=strongly disagree, 2=moderately disagree, 3=neutral, 4=moderately agree, 5=strongly agree

I would not change my investments even if the returns fluctuated greatly each year.	1 <i>Strongly disagree</i>	2	3	4	5 <i>Strongly agree</i>
I am willing to tolerate negative returns and investment losses in the short-term (up to 3 years).	1 <i>Strongly disagree</i>	2	3	4	5 <i>Strongly agree</i>
I prefer investments like shares that potentially produce higher returns over the longer term (over 10 years) even though the returns may be more unstable in the short-term (up to 3 years).	1 <i>Strongly disagree</i>	2	3	4	5 <i>Strongly agree</i>
I understand investing can be unpredictable and am comfortable with changes in the value of my investment resulting from market movements including negative returns to achieve potentially above average returns.	1 <i>Strongly disagree</i>	2	3	4	5 <i>Strongly agree</i>
I have a long time (over 10 years) before I reach retirement age or plan to retire, or until I plan to withdraw my funds (e.g. for the first home withdrawal).	1 <i>Strongly disagree</i>	2	3	4	5 <i>Strongly agree</i>

Now add up your scores. Based on your score you might like to consider the following fund:
(For more information on these funds refer to page 14).

Total:

Note: 'Short-term' refers to up to three years and 'long-term' refers to over ten years.

5 – 8 Preservation Fund – This fund generally suits investors who may have a short term until retirement or potential withdrawal of their funds. Preservation Fund investors are generally cautious and do not tolerate losses in their investment in the short-term, seeking stable or consistent returns in line with bank deposits.

7 – 10 Cash Enhanced Fund – This fund is only available to members allocated to TOWER KiwiSaver by the Inland Revenue. The Cash Enhanced Fund generally suits cautious investors who may have a short term until retirement or potential withdrawal of their funds, and who therefore seek comparatively stable returns, with limited fluctuations over the long-term.

9 – 11 Conservative Fund – This fund generally suits cautious investors who may have a short term until retirement or potential withdrawal of their funds. Conservative Fund investors generally seek comparatively stable returns, with limited fluctuations over the long-term.

12 – 18 Balanced Fund – This fund generally suits investors who have a long term until retirement or potential withdrawal of funds, and are therefore willing to tolerate losses in their investment in the short-term. Balanced Fund investors are generally accepting of higher levels of fluctuation in their investment returns (including periods of negative returns) in return for potential capital growth over the long-term.

19 – 22 Growth Fund – This fund generally suits long-term investors, with a long term until retirement or potential withdrawal of their funds, who are comfortable with changes in the value of their investment resulting from market movements to achieve above average returns. Growth Fund investors generally seek higher returns, and are therefore willing to accept significant fluctuations in their investment returns (including negative returns) from year to year.

23 – 25 Equity Fund – This fund generally suits long-term investors, with a long term until retirement or potential withdrawal of their funds, wishing to focus their investment solely in overseas equities. Equity Fund investors generally prefer investments, like shares, that potentially produce higher returns over the long-term, even though the returns may be more unstable, with significant fluctuations in investment returns (including negative returns), in the short-term.

You should seek professional financial advice before deciding which fund to invest in. You could also elect to spread your savings across more than one fund and you can change your fund choice at a future date. If you do not choose an investment fund, you will automatically be allocated to the Balanced Fund (explained on page 14). Members allocated to TOWER KiwiSaver by the Inland Revenue will be automatically invested in the Cash Enhanced Fund until they have selected another fund.

If you are wanting to make use of the first home withdrawal, this may influence your final decision around your fund choice and investment profile.



How investments can work for you

Asset classes

The various TOWER KiwiSaver Scheme funds can invest in four different asset classes; cash, fixed income, commercial property and shares, depending on their investment rules.

Broadly speaking, these four asset classes can be categorised as being either income or growth assets.

Income assets provide investors with returns primarily sourced from interest payments, but in some cases capital gains may be received as well. Income assets include:

Cash

Short-term, easily sold interest-bearing investments such as government bills, bank bills, and bank certificates of deposit.

Cash is the lowest risk, most conservative asset class, but generally provides lower returns than the other three classes.

Fixed income

Medium- to longer-term fixed interest-bearing investments such as bonds issued by governments or their agencies and debt securities issued by corporate businesses. Some capital gains may also be achieved from fixed income securities increasing in bond market value.

Fixed income is higher risk than cash because of the longer-term commitment of funds, but higher returns are generally expected.

Growth assets provide investors with returns primarily sourced from capital gains (if any), but may also pay income from rentals or dividends received. Growth assets include:

Commercial property

Real estate used for business purposes and broadly classified as retail, industrial, or office & general. Income is received from commercial tenant rentals and capital gain may arise from increases in the market value of the property.

Commercial property is higher risk than cash or fixed income, but is generally expected to provide better longer-term returns.

Shares

Units of ownership (equity) in corporate businesses that are usually traded on share markets. Capital gain may be generated through increased corporate earnings and improved business prospects, although some income may also be received from dividend payments.

Shares (equities) have higher risk than cash, fixed income or property, and can fluctuate significantly in market value, but are generally expected to provide greater returns over the longer term.

Diversification

The four asset classes are the traditional range to select from in order to create investment portfolios that are suited to the personal needs, objectives and risk profiles (tolerance for investment risks) of investors. Each of these asset classes has its own unique characteristics to contribute to investment returns.

A diversified investment portfolio is one which combines two or more different asset classes together. Diversification can also be geographic in that New Zealand assets are combined with overseas investments.

A diversified portfolio is defensive if it holds a more income assets (cash, fixed income) than growth assets (property, shares), and aggressive if it contains more growth assets than income assets. Defensive portfolios aim for lower risk and return, whereas aggressive portfolios aim for higher risk and return.

The proportions in which the various asset classes are held in combination will influence overall investment portfolio performance. If one of the asset classes underperforms, the others may compensate, helping to smooth out total investment returns over time.

In summary

The TOWER KiwiSaver Scheme offers investors a range of funds to choose from across a graduated spectrum of risk profiles:

- Cash, fixed income, commercial property and shares
- Asset class diversification
- Geographic diversification
- Defensive
- Aggressive

Choose a KiwiSaver scheme that benefits your school!



CASH4SCHOOLS



Cash4Schools is a fantastic initiative from TOWER that's helping Kiwi schools reach their full potential.

Nominate a school when you sign up or transfer to TOWER KiwiSaver, and TOWER will make a donation to that school. The donations don't stop there, because TOWER will continue to support that school with an ongoing annual donation based on the balance of your TOWER KiwiSaver account! These donations are paid for by TOWER and are at no cost to you.

You can switch your nomination between primary and high schools and even third level education as time goes on, or choose to retain it at one school indefinitely.

For terms and conditions please see our website at www.cash4schools.co.nz.

Helping secure the future of Kiwi schools is one more way that TOWER has been helping grow the things that we all value since 1869.

There are two ways to sign up for TOWER KiwiSaver and nominate your school:

- 1. Simply nominate your school by inserting the school name in full in section 9 of the TOWER KiwiSaver application form.**
- 2. Sign up online via www.cash4schools.co.nz. Enter the name of your school in full, under the section headed up Adviser Details. You will automatically download the TOWER KiwiSaver Investment Statement as part of the process.**

If you have not already nominated a school, you can now do so by visiting www.cash4schools.co.nz and clicking on 'Nominate Your School'.

Check your TOWER KiwiSaver Scheme balance at any time

You have access to www.tower.co.nz/kiwisaver, TOWER's website for members of TOWER KiwiSaver. The site is free for you to use and it also gives you 24-hour, password-protected access to your personal investment information. You can alter or modify your personal investor details, keep track of your savings progress and change the funds you invest in. We'll also send you an annual report, membership statement and tax certificate each year.

Changing your investments

Should your situation change, you can change or switch your investment fund(s) at any stage. You can also change where your contributions are allocated. This allows you to make changes should your attitude to investing or other circumstances change. It is recommended that you discuss any changes with your financial adviser. If you don't have a financial adviser contact us and we'll put you in touch with one in your area or you can visit www.tower.co.nz.

Portability

TOWER KiwiSaver is portable so should you leave your current employer, you can keep your TOWER KiwiSaver on track and continue your savings with TOWER.

The TOWER KiwiSaver Scheme can also help manage your money when you retire

Generally, when you are eligible to retire, you can choose to take out lump sums, set up a regular payment to your bank account or leave your money in TOWER KiwiSaver until you need it, to make your retirement as easy and stress free as possible.

Join now

If you have not been allocated to TOWER KiwiSaver as part of the Government's automatic KiwiSaver enrolment process, joining TOWER KiwiSaver is easy. All you need to do is read this investment statement, fill in the forms at the back and send them to us. We'll do the rest.

KiwiSaver for children and grandchildren

TOWER KiwiSaver may also be ideal for any children or grandchildren you may have or others who are under the age of 18. With easy setup options and no minimum payments required (until they begin paid employment), you can be sure saving for the kids has never been easier. If you wish to enrol children you can do so online at www.tower.co.nz/kiwisaver or contact us for an application form at investments@tower.co.nz or 0800 808 808*.

**Persons under 16 may only be enrolled by all parents/guardians (acting jointly). Persons aged 16 or 17 must co-sign with a parent or guardian in order to enrol.*





Transfer to the TOWER KiwiSaver Scheme

Transferring to TOWER KiwiSaver from another KiwiSaver provider is easy. Just read this investment statement and complete the application form on page 21, indicate that you are an existing member of another KiwiSaver scheme, and TOWER will do the rest.

What will TOWER do?

Within a week of processing your application we will send you a letter confirming your enrolment. We will provide you with information on how to access your account balance details online.

With over 140 years experience, you can trust TOWER is committed to work hard to manage your savings for you. Our commitment to help you meet your investment needs and our Cash4Schools initiative provides a compelling reason to choose TOWER.

Investment decisions are very important

They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

What sort of investment is this?

TOWER KiwiSaver is the simple way to save for your retirement. TOWER KiwiSaver is portable, which means that you can maintain and continue your savings when you change employers. TOWER KiwiSaver is a registered KiwiSaver scheme under the KiwiSaver Act 2006, as amended from time to time (Act). New membership of a KiwiSaver scheme is open to natural persons who are:

- normally living in New Zealand
- a New Zealand citizen (or entitled to be in New Zealand indefinitely)
- under the New Zealand Superannuation qualification age (currently 65 years of age)
- not already a member of a KiwiSaver scheme (unless you transfer to TOWER KiwiSaver).

The investment options offered by TOWER KiwiSaver are selected by the Trustee and currently invest in funds managed by TOWER Asset Management Limited.

Your contributions are held in a separate account in your name and invested in one or more of the funds (see TOWER KiwiSaver Scheme investment funds on page 14). Your TOWER KiwiSaver balance is allocated units which represent a share of the fund's assets. The value of the fund's assets can change, which means that the unit price can also change – this may be either up or down. See What returns will I get? on page 17.

The TOWER KiwiSaver funds are segregated, meaning the assets of each fund are the exclusive property of that fund, and all liabilities incurred in relation to that fund are the exclusive liabilities of that fund, with the exception of any tax liabilities or credits relating to a member's interests in funds, which may be netted off.

The Crown does not provide any guarantee in respect of TOWER KiwiSaver or any other KiwiSaver scheme, or any investment fund of TOWER KiwiSaver or any other KiwiSaver scheme.

In certain circumstances members will be automatically allocated to the TOWER KiwiSaver Scheme by Inland Revenue

This investment statement includes the options available to default members, being those people that Inland Revenue have allocated to the default investment fund of TOWER KiwiSaver (being people who do not choose a KiwiSaver scheme, whose employer has not chosen a KiwiSaver scheme and people who have not subsequently made an investment choice).

If you do not select a fund, as a default member your contributions are held in a separate account in your name and are automatically invested in the Cash Enhanced Fund (see TOWER KiwiSaver Scheme investment funds on page 14). Your TOWER KiwiSaver balance is allocated units which represent a share of the fund's assets.

You may switch from the default investment fund to any of the other funds available to TOWER KiwiSaver members at any time (see Can the investment be altered? on page 19) by completing the form on page 28 of this investment statement. If you do change from the default investment fund, you must withdraw all funds from that fund and you are not able to reapply funds to that fund.

Who is involved in providing it for me?

The TOWER KiwiSaver Scheme is a KiwiSaver scheme under the Act, registered on 3 April 2007.

TOWER Employee Benefits Limited is the Promoter, Administration Manager and Investment Manager of TOWER KiwiSaver. It is also appointed as a default provider via an instrument of appointment under the Act. TOWER Employee Benefits Limited was incorporated in 1994 and is a wholly-owned subsidiary of TOWER Managed Funds Limited. Its ultimate holding company is TOWER Limited.

The Directors of TOWER Employee Benefits Limited at the date of this investment statement deemed to be Promoters of TOWER KiwiSaver are:

- > **Robin Albert Flannagan** (Auckland)
- > **Michael Raymond Boggs** (Auckland)
- > **Arthur James Kay Stubbs** (Auckland)
- > **Michael Ernest Parrott** (Auckland).

TOWER Employee Benefits Limited and its directors can be contacted at its registered office:

*Level 11, TOWER Centre,
22 Fanshawe Street, Auckland Central 1010.*

The Trustee of TOWER KiwiSaver is Lighthouse Superannuation Nominees Limited, a wholly-owned subsidiary of Trustees Executors Limited. Trustees Executors Limited and Lighthouse Superannuation Nominees Limited can be contacted at:

*Level 5, 10 Customhouse Quay,
PO Box 3222, Wellington 6140.*

The Trustee and the Investment Manager have fiduciary duties to you in respect of your investment into TOWER KiwiSaver.

Responsible investment relates to an investment strategy which combines intentions to maximise both financial returns and social good.

TOWER does not provide investment funds which include such a strategy. Responsible investment, including environmental, social, and governance considerations, is not taken into account in the investment policies and procedures of the scheme.

Director and contact details, as referred to above, can change from time to time. Please contact TOWER on 0800 808 808 for further current information.

Neither the Crown, TOWER Employee Benefits Limited, TOWER Managed Funds Limited, TOWER Limited, TOWER Asset Management Limited, Trustees Executors Limited, Lighthouse Superannuation Nominees Limited, nor any other person or company guarantees or promises the repayment of, or returns on, investment in any of the TOWER KiwiSaver funds.

TOWER KiwiSaver Scheme investment funds

KiwiSaver legislation requires default members to be allocated to a default investment fund until they choose another fund, at which time they will no longer be a default member.

There are five investment funds available to choose from in TOWER KiwiSaver. If you do not choose where your contributions are to be invested, then;

- If you were allocated as a default member to TOWER KiwiSaver by Inland Revenue, your contributions will be automatically invested in the Cash Enhanced fund; or
- In any other case, your contributions will be automatically invested in the Balanced Fund.

You may change or switch investment funds at any time (see Can the investment be altered? on page 19).

The pie-charts shown, detail the respective benchmark asset allocations as at the date of this investment statement. To obtain the latest asset allocation information, please visit www.tower.co.nz/kiwisaver.

Key:



The following are investment funds that are offered by TOWER KiwiSaver:

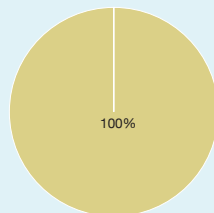
The default investment fund for default members of TOWER KiwiSaver is the Cash Enhanced Fund. Only default members can access the Cash Enhanced Fund.

Preservation Fund

Investment timeframe: 1+ years
Investment type: Cash Fund

The investment objective is to obtain a return comparable with the return from the NZX 90-Day Bank Bill Gross Return Index on a rolling 12-month basis.

The investment strategy is to invest in cash and short-term New Zealand securities, such as 90-day bank bills with a total duration not exceeding 12 months.

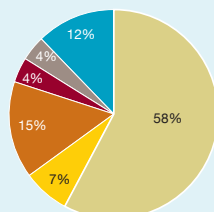


Cash Enhanced Fund (the default investment fund)

Investment timeframe: 5+ years
Investment type: Conservative Diversified Fund

The investment objective is to achieve a return which is 0.75% above the NZX 90-Day Bank Bill Gross Return Index.

The investment strategy is to invest predominantly in income assets (cash and bonds) with a limited exposure to property and New Zealand and international shares. The Investment Manager uses a multi-manager approach, utilising specialist managers around the world. Currency exposure may be reduced by partly hedging the fund.

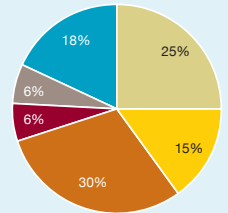


Conservative Fund

Investment timeframe: 5+ years
Investment type: Conservative Diversified Fund

The investment objective is to achieve a return which exceeds the Consumer Price Index by 4% p.a., before tax and fees, on a rolling five-year basis.

The investment strategy is to invest predominantly in income assets (cash and bonds) with a limited exposure to property and New Zealand and international shares. The Investment Manager uses a multi-manager approach, utilising specialist managers around the world. Currency exposure may be reduced by partly hedging the fund.

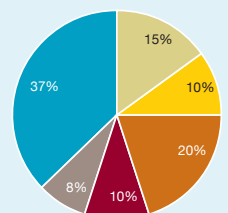


Balanced Fund

Investment timeframe: 5+ years
Investment type: Balanced Diversified Fund

The investment objective is to achieve a return which exceeds the Consumer Price Index by 6% p.a., before tax and fees, on a rolling five-year basis.

The investment strategy is to invest in a range of New Zealand and international shares and bonds as well as cash and property. The Investment Manager uses a multi-manager approach utilising specialist managers around the world. Currency exposure may be reduced by partly hedging the fund.

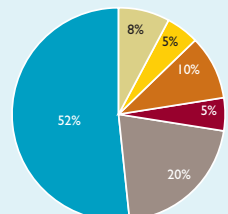


Growth Fund

Investment timeframe: 7+ years
Investment type: Growth Diversified Fund

The investment objective is to achieve a return which exceeds the Consumer Price Index by 8% p.a., before tax and fees, on a rolling five-year basis.

The investment strategy is to invest in a range of New Zealand and international shares and bonds as well as cash and property. The Investment Manager uses a multi-manager approach, utilising specialist managers around the world. Currency exposure may be reduced by partly hedging the fund.



Equity Fund

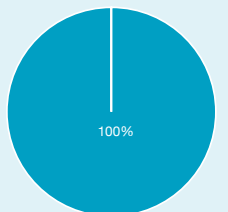
Investment timeframe: 7+ years
Investment type: Equity Fund

The investment objective is to achieve a return which exceeds the gross return from the MSCI World All Countries Index, with dividends reinvested, in NZ dollars on a rolling three-year basis.

The investment strategy is to invest in a range of international shares. The Investment Manager uses a multi-manager approach, utilising specialist managers around the world. Currency exposure may be reduced by partly hedging the fund.

The investment objectives and strategies of the funds are current as at the date of this investment statement, but are subject to change at any time.

The investment objectives and strategies of the funds are currently under review and may change, please refer to www.tower.co.nz/kiwisaver for up to date information.



Making your TOWER KiwiSaver Scheme investment

How much do I pay?

Employees

As an employee you are currently required to contribute 2% (minimum contribution rate – in the 2011 Budget it has been proposed that the minimum employee contribution rate will increase to 3% from 1 April 2013), 4%, or 8% of your gross salary or wages unless you opt out of TOWER KiwiSaver or take a contributions holiday. Employees can choose a rate by giving notice to their employer. Only employees automatically enrolled into TOWER KiwiSaver have the option to opt out.

If you do not make a choice your contribution rate will be the minimum contribution rate required from time to time. If you are transferring from another KiwiSaver Scheme and contributing at any other rate, you will retain your current contribution rate unless you choose otherwise. However, should you commence new employment, if you do not notify your contribution rate to your new employer the minimum contribution rate at that time will apply.

Currently your employer is required to make a minimum contribution to your TOWER KiwiSaver account¹ of 2% of your gross salary or wages. The minimum employer contribution rate is proposed under the 2011 Budget to increase to 3% from 1 April 2013.

Your employer contributions may be split between your KiwiSaver scheme and another superannuation scheme you are a member of, subject to certain criteria.

Any employer's contributions may be held in a separate employer account in your name.

Up until 31 March 2012, employer contributions are currently exempt from tax up to a maximum of 2% of your gross salary or wages. Amounts above this are subject to Employer Superannuation Contribution Tax ('ESCT') and, from 1 April 2012, all employer contributions will be subject to ESCT. The rate of ESCT payable on these contributions will vary depending on the income of the member, and is related to individual marginal tax rates.

If you are paid through the PAYE system, your contributions are deducted from your salary or wages to coincide with your pay period and paid to Inland Revenue by your employer. If your employer fails to make payments they will be liable for penalties under the Act. Contributions are initially paid to Inland Revenue and earn interest at the Inland Revenue interest rate. Contributions together with accumulated interest will be sent to TOWER by the Inland Revenue for crediting to your TOWER KiwiSaver.

Under the Act you may apply for a contributions holiday. For further details on when this can be arranged please see *Can the investment be altered?* on page 19. Your employer may reduce, suspend or terminate its contributions on your behalf as a result of you being on a contributions holiday.

If you have been automatically enrolled into TOWER KiwiSaver you may elect to opt out. You can do this at any time in the period beginning the 13th day after the date on which you started new employment and ending on the close of the 55th day of starting your new employment. If you choose to do this, Inland Revenue will return your contributions to you along with relevant interest, and any employer contributions made on your behalf to your employer.

Self employed

If you are not an employee (self employed or not employed) you choose the amount you contribute. There is no minimum contribution requirement. The Government will provide a tax credit (subject to conditions) of 50 cents for every \$1 you contribute up to a maximum of approximately \$521 per annum. In the first year of membership in KiwiSaver, this is calculated proportionately from the date of your first contribution received to 30 June following that contribution.

Children

If you are enrolling children you choose the contribution amount. There is no minimum contribution requirement, however, if or when they have part time employment and are paid through the PAYE system they will be subject to the conditions of employees as stated above. The Government does not provide the member tax credit for KiwiSaver members under the age of 18².

All members

If TOWER KiwiSaver is your first KiwiSaver scheme, the Government will also contribute \$1,000 to your TOWER KiwiSaver balance at inception.

You may also make extra contributions as often as you wish, helping your savings to grow faster. There are no additional transaction fees if you want to do this.

Any additional payments, other than those made through Inland Revenue, can be made from your bank account, by direct debit (see Direct Debit form on page 25), or by cheque. Any cheque payments together with supporting documentation (see Additional lump sum form on page 27) can be made to TOWER at 50 Customhouse Quay, PO Box 1849, Wellington 6140.

You may only be a member of one KiwiSaver scheme at a time. In joining TOWER KiwiSaver you agree to transfer the balance of any other KiwiSaver scheme to TOWER KiwiSaver. Therefore, by joining TOWER KiwiSaver you are implicitly agreeing to transfer these funds and TOWER will arrange this on your behalf.

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

² Persons under 16 may only be enrolled by all parents/guardians (acting jointly). Persons aged 16 or 17 must co-sign with a parent or guardian in order to enrol.

Member tax credits

The Government will provide all TOWER KiwiSaver members, between 18 years and when they become eligible to receive a retirement benefit and whose permanent place of residence is in New Zealand, with a tax credit of 50 cents for every \$1 the member contributes, to a maximum of \$10 per week (approximately \$521 per annum). TOWER is responsible for collecting this from Inland Revenue and this will happen once a year (or part way through the year if you cease your TOWER KiwiSaver membership and are entitled to a credit). If, in addition to contributing to TOWER KiwiSaver, you have contributions credited to a complying superannuation fund, the credit will be paid to the scheme that first requests the receipt of the member tax credit.

The member tax credit will be allocated to your TOWER KiwiSaver balance based on your existing investment choices.

What are the charges?

As a member of TOWER KiwiSaver, fees are payable by you for the ongoing management of your plan.

As at the date of this investment statement there are no contribution, switching, withdrawal or transaction fees.

Detailed below are the fees that are currently payable by you as a member of TOWER KiwiSaver.

Trustee fees for TOWER KiwiSaver are up to 0.03% per annum of the total value of your TOWER KiwiSaver balance. This fee is charged to your TOWER KiwiSaver balance quarterly.

Management fees are deducted from the gross asset value of each investment fund and paid to the Administration Manager. From this fee the Administration Manager pays the costs of investment management and service brokerage to your financial adviser (if applicable) and the costs of custody and unit pricing.

The fees and expenses of any underlying funds, that the investment funds invest into, are reflected in the entry price of those underlying funds.

Administration fees are recalculated each month end and deducted from your TOWER KiwiSaver balance and paid to the Trustee, who then pays the fee to the Administration Manager for general administration services¹.

The fees of the default fund (Cash Enhanced Fund) may be increased at the end of five years, following the appointment of TOWER Employee Benefits Limited as a default KiwiSaver provider, which occurred on 2 April 2007, with prior written approval of the relevant approving Minister(s) and the Financial Markets Authority (FMA).

The fees of the other funds available in TOWER KiwiSaver can be altered at anytime, subject to the new fee being considered reasonable and approved by the FMA.

Subject to the Act, the Trustee, the Investment Manager and the Administration Manager may be reimbursed out of the relevant TOWER KiwiSaver investment funds for any claims, costs, damages, liabilities, tax and expenses (expenses) which may be reasonably paid or incurred in the administration of the funds, powers and discretions vested in the Trustee under the Trust Deed. Subject to the reasonableness requirements imposed by the Act and the Trust Deed, there is no limit to the amount of fees and expenses which may be recovered from TOWER KiwiSaver. The amount of fees and expenses recovered from TOWER KiwiSaver will be disclosed in the TOWER KiwiSaver financial statements.

GST on Fees and Expenses

All fees and expenses are stated on a GST exclusive basis unless otherwise stated. Where a fee or expense attracts GST, then the GST component will be payable in addition to the fee or expense stated. Some fees and expenses are exempt from GST, either wholly or in part. The fees and expenses that are exempt, and the extent to which they are exempt, may change in the future.

Table of fees

	Management fee*	Administration fee ¹	Trustee fee*	Contribution fees	Switching fees	Withdrawal fees	Transaction fees
Preservation Fund	0.48% p.a.	Up to \$2.75 per month. As at 31 May 2011 the actual fee was \$2.38	Up to 0.03% p.a.	nil	nil	nil	nil
Cash Enhanced Fund**	0.48% p.a.		Up to 0.03% p.a.	nil	nil	nil	nil
Conservative Fund	up to 0.85% p.a.		Up to 0.03% p.a.	nil	nil	nil	nil
Balanced Fund	up to 0.95% p.a.		Up to 0.03% p.a.	nil	nil	nil	nil
Growth Fund	up to 1.05% p.a.		Up to 0.03% p.a.	nil	nil	nil	nil
Equity Fund	up to 1.10% p.a.		Up to 0.03% p.a.	nil	nil	nil	nil

* Fees are stated as a percentage of funds under management

** For default investors only

¹ Administration fees are calculated based on the total membership of the TOWER KiwiSaver Scheme. The administration fee is \$2.75 for the first 25,000 members and \$2.25 for all members thereafter, the fee is pro-rated across the total TOWER KiwiSaver Scheme membership base. In other words, as the total TOWER KiwiSaver Scheme membership increases, the administration fee progressively decreases for all members. Alternatively where the total Scheme membership decreases, the administration fee progressively increases for all members.

TOWER KiwiSaver Scheme returns

What returns will I get?

Returns are reflected in the value of the units held in your investment fund(s) excluding tax. Returns will be adjusted for any tax payable or tax rebates received by automatically cashing up units or issuing units into your investment fund(s).

Your returns will be in the form of a payment made on your withdrawal. Because of the nature of returns, there are no fixed dates for payment of them.

The amount of any return is not quantifiable as at the date of this investment statement, as investment returns are by their nature variable. The value of your return depends on the investment fund(s) into which you invest your money (your investment fund(s)) and the movements in the markets (arising from events such as international or domestic economic events, interest rate movements, or the performance of individual companies) relevant to the investment fund(s) and your tax liability. The total of the returns that may be allocated to you is unknown as at the date of this investment statement.

Other factors that impact returns are your fund choice, investment duration, market conditions on withdrawal, whether regular contributions have been maintained, tax impacts, fees and entitlement to any tax credits.

Lighthouse Superannuation Nominees Limited, as the Trustee of TOWER KiwiSaver, is legally liable for paying any returns to you from TOWER KiwiSaver.

The Trustee may not withhold allocations of returns though it may limit your ability to make withdrawals in certain circumstances as detailed below.

Withdrawal requests will be actioned using the next available price.

Withdrawals can only be made in certain circumstances (see How do I cash in my investment? on page 19).

There is provision in the Trust Deed of TOWER KiwiSaver for the Trustee to suspend or defer withdrawals in each fund if the Trustee believes the withdrawal requests are not practicable or could detrimentally affect other members.

The suspension and deferral periods are at the Trustee's discretion (see How do I cash in my investment? on page 19).

All withdrawals will be calculated on the value of the units held in your fund(s), after allowance for tax (if any), once any applicable period of notice has ended.

Neither the Crown, TOWER Employee Benefits Limited, TOWER Managed Funds Limited, TOWER Limited, TOWER Asset Management Limited, Trustees Executors Limited, Lighthouse Superannuation Nominees Limited, nor any other person or company guarantees or promises the repayment of, or returns on, investment in any of the TOWER KiwiSaver funds.

How will my investment be taxed?

Tax - Introduction

The information in this tax section, and other references to tax throughout this document, are intended as general guidance on New Zealand tax. The comments are not exhaustive and are based on legislation enacted as at

3 August 2011. Tax law is complex, changes frequently, and its application is fact specific. You and other persons reading this document should seek the advice of your own tax advisors before deciding to invest in TOWER KiwiSaver and in relation to any investment held in TOWER KiwiSaver. TOWER, its employees, agents and affiliates, and the persons and entities named elsewhere in this document do not confirm or guarantee the tax treatment applied to TOWER KiwiSaver or to members in it.

In this tax section, 'individual' means a natural person not acting as a trustee or a proxy, 'resident' means a tax resident of New Zealand, 'income year' means the year running to the member's balance date, which for most people is 31 March, and 'tax year' means the period from 1 April to 31 March. Persons who are or become tax residents of, or otherwise liable to tax in, other countries will need to also consider the tax implications in those other countries.

Taxation of multi-rate portfolio investment entities (PIEs)

TOWER KiwiSaver is a PIE. If TOWER KiwiSaver fails to remain as a PIE, the tax treatment will differ from that set out in this document.

In overview, as a PIE:

TOWER KiwiSaver:

- attributes to you a proportionate share of TOWER KiwiSaver's income and tax credits;
- calculates tax on your proportionate share of income based on your Prescribed Investor Rate (PIR) as advised to the TOWER KiwiSaver Scheme, which will be a rate above 0% and up to 28%, depending on your income;
- pays this tax (PIE tax) and can use tax credits received to satisfy its PIE tax liability; and
- adjusts either your interest in TOWER KiwiSaver or the amount distributed to you, to reflect the tax paid and to deal with any surplus tax credits.

You:

- will be attributed your proportionate share of income (for which PIE tax has been paid) and usually will not need to include the attributed income in your tax return as it will be excluded income. However, the attributed income will not be excluded income, and you will need to include it in a tax return, where a lower PIR than is correct has been applied; and
- will not be taxed on actual distributions from TOWER KiwiSaver as these will be excluded income (as the prior attribution of the income would have triggered the tax liability, either as PIE tax or in your hands).

You must advise us of your IRD number and your PIR on your application form and must advise us when your PIR changes. However, if the IRD considers that you have provided an incorrect PIR, it can require us to apply a different PIR for you. We may refuse to accept an application if you have not provided your IRD number and PIR. Where an application has been accepted but you have not given us your PIR and IRD number a default 28% PIR applies.

It is important that you advise us the correct PIR. If you advise a rate lower than the correct rate, you will be personally liable for the tax shortfall and may be exposed to penalties and will need to file a tax return. If you advise a rate that is higher than the correct rate then your investment will be overtaxed and you will not be able to recover the excess.

PIRs and Individual Members

Resident individuals determine their PIR based on their taxable income and their aggregate income (i.e. taxable income + attributed PIE income - attributed PIE loss) in the prior two income years. To work out your PIR, go to the PIR calculator at www.tower.co.nz/pircalculator, call us on 0800 808 808, or go to the Inland Revenue Department's website www.ird.govt.nz.

We will provide you with information about your attributed income at the end of the tax year or following a full withdrawal from TOWER KiwiSaver. You can consider this, along with the details of your other income, to determine whether or not to revise your PIR for the next tax year.

PIRs and Non-resident Members

If you cease to be a New Zealand tax resident, you will be on a 28% PIR. We will provide you with information about your attributed income and any attributed tax credits at the end of the tax year or following a full withdrawal from TOWER KiwiSaver. Although the attributed PIE income will not need to be included in a non-resident's personal New Zealand tax return, you may need this information for tax purposes in other countries. If you are non-resident for tax purposes you should seek advice specific to your circumstances.

PIE tax treatment and timing

TOWER KiwiSaver has adopted the annual exitor calculation method for PIE tax and uses a daily attribution period. The timing of the payment of PIE tax will vary according to what happens to your investment in TOWER KiwiSaver:

- On any partial withdrawal from TOWER KiwiSaver during the year (excluding partial withdrawals to cover fee deductions) a portion of the total tax payable (or refundable) will be calculated at the time and your account balance will be altered accordingly. The tax on this partial withdrawal will be paid to (or refunded by) the IRD usually in the month after the month of the partial withdrawal.
- On a full withdrawal from TOWER KiwiSaver during the year, any tax payable (or refundable) will be calculated and paid to (or refunded by) the IRD usually within 1 month after the month of withdrawal. Your account balance will be altered accordingly and the balance paid out to you.
- As at 31 March of each year, the remaining tax payable (or refundable) will be calculated and is paid to (or refunded by) the IRD usually within 1 month. As at 31 March or as soon as practicable thereafter, your account balance is altered accordingly.

If at any time, your balance is equal to or less than the tax that is payable on income earned since the commencement of the tax year, we are required to cancel the remaining value of the investment and pay the tax liability to the IRD.

Shortly after the end of the tax year or following a full withdrawal from TOWER KiwiSaver, we will provide you with information on your investment, including the amount of income attributed to you and the amount of any PIE tax on your investment for the year.

Employer Superannuation Contribution Tax (ESCT)

ESCT is a tax paid by the employer based on their cash contributions to the employee's savings. The rate of ESCT payable on these contributions varies depending on the income of the member and is related to individual marginal tax rates.

As TOWER KiwiSaver is a KiwiSaver scheme, an ESCT exemption for employer contributions currently applies until 31 March 2012, which is capped at 2% of the salary and wages to which the contribution relates (and provided that the employee is contributing at least the same level). From 1 April 2012 ESCT is payable on all employer contributions, and the amount of employer contributions paid into KiwiSaver will be the net amount after ESCT is deducted.

What are my risks?

All investments have an investment objective and carry some risk. Risk varies between different asset classes.

Investment risk encompasses the chance of losing some or all of your investment and the possibility that investment returns become negative as well as positive. You also stand a greater risk of not getting all of your investment value back, if downward movement occurs in the short term and you cash in your investment.

Investment markets can move irrationally and be unpredictably affected by many diverse factors. Events that can affect an investment fund's returns or value and unit prices may include the following:

- Economic, political or market conditions in a country that affect its share prices or interest rates
- Performance of individual companies or investment funds within the investment fund
- A company in which the investment fund holds shares becomes insolvent and its shares become worthless
- If the investment fund is invested overseas, changes in foreign exchange rates can affect the value of its overseas investments subject to any hedging arrangements which the Investment Manager may have entered into
- For fixed-interest investment funds, there is the risk that a bond issuer or mortgagor may default on either interest or debt repayments, adversely affecting the investment fund's returns
- If interest rates rise, fixed interest investments of investment funds will decrease in value because of the way the interest rate movements impact the value of fixed rate bonds or debt securities
- Decisions made by the Investment Manager
- The introduction of new taxes, or changes to existing taxes, including the rate of taxes, or the methods by which such taxes are levied
- The introduction of new laws, or changes to the interpretation of existing laws.

Investment markets in recent years have experienced greater fluctuations than usual, resulting in significant negative performance in many funds and losses for investors. Investors are advised to obtain the most current information available and consult a professionally qualified financial adviser before making a decision to invest in TOWER KiwiSaver.

Other than any obligation to pay tax you will not be required to pay more than your contributions, subject to the minimums outlined in How much do I pay? on page 15.

In the event that TOWER Employee Benefits Limited, TOWER Managed Funds Limited, TOWER Limited, TOWER Asset Management Limited, Trustees Executors Limited, Lighthouse Superannuation Nominees Limited, TOWER KiwiSaver or any of the funds become insolvent, you will not be required to pay any further amounts. If TOWER KiwiSaver is wound up due to insolvency, investors will rank behind all secured (including bank borrowing) and unsecured creditors including the Trustee and TOWER as well as tax liabilities, the costs of liquidation or winding up and any outstanding fees. After payment of all creditors, members will rank equally and their proportionate share of the balance of TOWER KiwiSaver will be transferred to another KiwiSaver scheme as provided for under the Act.

The Trustee may borrow against the assets of TOWER KiwiSaver but currently has no intention to do so.

Making changes to your TOWER KiwiSaver Scheme

Can the investment be altered?

Changes may be made to your investment:

- You may switch between any investment funds available to TOWER KiwiSaver members at any time, with the exception of the 'Cash Enhanced Fund', which is only available to members allocated to TOWER KiwiSaver by Inland Revenue, as the default investment fund. There is no fee for arranging a switch
- When arranging a switch from the default investment fund (the Cash Enhanced Fund), you are required to switch the full balance of the investment in that investment fund, to your chosen investment fund(s). Once default members have switched from the default investment fund, they are no longer default members and cannot switch back to that investment fund. There is no fee for arranging a switch
- You may transfer the value of your TOWER KiwiSaver to another KiwiSaver scheme at any time
- After 12 months' membership (or earlier in the case of financial hardship), you may apply to Inland Revenue for a contributions holiday for up to five years and may reapply for a further five years if required. There are no fees for electing to take a contributions holiday and you may resume contributions at any time by giving notice to your employer
- Regular contribution amounts can be altered provided that the alteration fits within the requirements of the Act. If you are employed you can change your contribution rate between 2% (proposed in the 2011 Budget to rise to 3% from 1 April 2013), 4%, or 8%, by giving notice to your employer (see How much do I pay? on page 15)
- The trustee may increase the fees of the Cash Enhanced Fund at the end of five years following the appointment of TOWER Employee Benefits Limited as a default KiwiSaver provider – which occurred on 2 April 2007 – with prior written approval of the relevant approving Minister(s) and the FMA. The fees of the other funds may be altered at anytime with the prior written approval of the FMA
- The Trust Deed of TOWER KiwiSaver can be altered by the Trustee with the consent of TOWER Employee Benefits Limited provided that the amendment complies with applicable law. These circumstances include when amendments are minor, non-prejudicial, or required to comply with statutory or regulatory requirements
- The Act also requires and authorises the Trustee to amend the Trust Deed to ensure its terms are consistent with the instrument of appointment while TOWER KiwiSaver is a default KiwiSaver scheme. These amendments can be made despite anything to the contrary in the Trust Deed, applicable law or any agreement. Please note that the provisions of the instrument of appointment prevail over the terms of the Trust Deed
- Investment strategies and investment managers of the investment funds may change at any time
- The KiwiSaver Act and other legislation may be amended from time to time by the Government, and any such amendment may impact TOWER KiwiSaver
- The 2011 Budget proposed changes to the employee and employer contribution rates for KiwiSaver schemes from 1 April 2013 as noted throughout this investment statement. For further information on these changes please check www.tower.co.nz/kiwisaver or call TOWER on 0800 808 808
- Under the KiwiSaver Amendment Act 2011, TOWER and the Trustee must amend the governance arrangements for the TOWER KiwiSaver Scheme by no later than 30 September 2012, so as to ensure that:
 - TOWER (as Manager) becomes the issuer of membership interests in the TOWER KiwiSaver Scheme for securities legislation purposes and is responsible for the management of the TOWER KiwiSaver Scheme; and
 - The Trustee becomes the external supervisor of the TOWER KiwiSaver Scheme and is responsible for the oversight of TOWER as Manager and the custody of TOWER KiwiSaver Scheme assets

TOWER and the Trustee will make the changes necessary for TOWER to become legally responsible for managing and administering the TOWER KiwiSaver Scheme and paying members' benefits.

Additionally, under the Securities Trustees and Statutory Supervisors Act 2011, before the TOWER KiwiSaver Scheme adopts the above new governance arrangements the Trustee must obtain a licence from the Financial Markets Authority to continue acting as a KiwiSaver scheme trustee.

- The Trustee may close or wind up any or all of the investment funds, or TOWER KiwiSaver. TOWER KiwiSaver can also be wound up by resolution of TOWER Employee Benefits Limited or if required under the Act.

How do I cash in my investment?

Contributions are locked in until you reach the qualifying age for New Zealand Superannuation (currently 65 years of age) or once you have been a member of KiwiSaver for five years, whichever is the later. At that time you may:

- Choose to withdraw part or all of your investment as a lump sum
- Elect to make regular withdrawals (currently a minimum of \$500 for each month applies, this amount may be changed at TOWER's discretion)
- Maintain your membership in TOWER KiwiSaver, or transfer to an alternative TOWER product.

All withdrawal requests must be made in writing by using the required form and will be paid into your nominated bank account. The withdrawal form can be obtained from TOWER. Verification of your identity as required by TOWER, will be required prior to making any payment.

In addition there are certain circumstances where you may be able to cash in a portion of your investment in TOWER KiwiSaver (which may or may not include the Crown contribution and member tax credit) prior to reaching qualifying age for New Zealand Superannuation or being a member of TOWER KiwiSaver for five years. These are:

- Where any Act/court order requires a withdrawal to be made
- For the purchase of a home (subject to meeting qualifying criteria. See How KiwiSaver can help you to buy a first home on page 7)
- Upon your death
- Where you suffer or are likely to suffer from significant financial hardship, or are suffering from a serious illness and satisfactory evidence has been provided and accepted by the Trustee
- Permanent emigration (no earlier than 1 year after your permanent emigration from New Zealand, satisfactory proof will need to be provided and accepted by the Trustee)

At the date of this investment statement legislation has been passed, which once in effect, will not permit KiwiSaver members to withdraw from the Scheme where they permanently emigrate to Australia. Instead, such members will only be able to transfer their TOWER KiwiSaver Scheme entitlement to certain qualifying Australian superannuation schemes. This change is expected to come into effect in late 2011. (At the date of this investment statement no specified date can be provided as the legislation relies on equivalent legislation in Australia being passed). For further information on this please check www.tower.co.nz/kiwisaver or call TOWER on 0800 808 808.

When cashing in your investment any member tax credits are not payable if your withdrawal is for permanent emigration, or where your permanent residence was outside of New Zealand but you had received the credit for that period. You cannot access the Crown contribution or your member tax credit if you wish to make a withdrawal due to significant financial hardship or for a deposit on a home. The Crown contribution and member tax credit will be payable on a withdrawal for serious illness.

You may not charge or borrow against the security of your TOWER KiwiSaver balance, or otherwise transfer, assign or otherwise alienate your interest in TOWER KiwiSaver except when that release, assignment, transfer or charge is required by the provisions of any enactment (including a court order under the Property (Relationships) Act 1976).

Payment of withdrawal requests can be suspended or deferred where the Trustee believes withdrawal requests are not practicable or could detrimentally affect other members (see What returns will I get? on page 17).

The Trustee may close or wind up any or all of the investment funds, or TOWER KiwiSaver. TOWER KiwiSaver can also be wound up by resolution of TOWER Employee Benefits Limited or if required under the Act. You may choose to transfer your interests in TOWER KiwiSaver (net of taxes and fees) to another KiwiSaver scheme, or your interests in TOWER KiwiSaver may be transferred to another KiwiSaver scheme if required under the Act, or if TOWER KiwiSaver is no longer a default KiwiSaver scheme. The Trustee is authorised to deduct the amount of any tax attributed to you from your TOWER KiwiSaver balance to the extent necessary to make payment of tax.

Find out more

Whenever you have a question about TOWER KiwiSaver just go to www.tower.co.nz/kiwisaver, call us on 0800 808 808 or email investments@tower.co.nz. We're here from 8.00am to 5.30pm weekdays.

Who do I contact with enquiries about my investment?

You can register online, check your TOWER KiwiSaver balance, obtain information and check your membership details through www.tower.co.nz/kiwisaver.

If you have any questions about your TOWER KiwiSaver, you can email us at investments@tower.co.nz, call us on 0800 808 808 or write to:

The Operations Manager
TOWER Employee Benefits Limited
50 Customhouse Quay
PO Box 1849, Wellington 6140

TOWER recommends that you obtain advice from a professional financial adviser before making a decision to change your investment.

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

If you have any problems or complaints about TOWER KiwiSaver, you can direct them to:

The Operations Manager
TOWER Employee Benefits Limited
50 Customhouse Quay
PO Box 1849, Wellington 6140
Phone: 0800 808 808
Email: investments@tower.co.nz

You can also contact The Trustee, Lighthouse Superannuation Nominees Limited, at:

Level 5
10 Customhouse Quay
PO Box 3222, Wellington 6140
Phone: 04 495 0999 Fax: 04 496 2952

TOWER Employee Benefits Limited is a participant of an independent disputes resolution service operated by the Insurance and Savings Ombudsman ('ISO'). If you have complained to either us or the Trustee and have reached the end of our internal complaints process without resolution to your satisfaction, the ISO may be able to consider your complaint. Before the ISO will consider a complaint the parties must be deadlocked i.e. you

must have gone through our internal complaints process and have met other criteria (details available at www.iombudsman.org.nz).

You can contact the ISO at:

Office of the Insurance and Savings Ombudsman
7th Floor, BDO House
95-105 Customhouse Quay
PO Box 10-845, Wellington 6143
Phone: 0800 888 202
Email: info@iombudsman.org.nz

The Trustee is also a participant of an independent disputes resolution service, operated by Financial Services Complaints Limited ('FSCL'). If you have complained to the Trustee and have reached the end of their internal complaints process without resolution to your satisfaction, FSCL may be able to consider your complaint.

You can contact FSCL at:

13th Floor, 45 Johnson Street
PO Box 5697 Lambton Quay, Wellington 6145
Phone: 0800 347 257
Email: info@fscl.org.nz

What other information can I obtain about this investment?

You can obtain more information about TOWER KiwiSaver from the current registered prospectus, financial statements and the most recent annual report, current investment statement and Trust Deed. Copies of these documents are available for inspection at TOWER's offices free of charge, or at the Trustee's office.

A small fee may be charged for copies of the Trust Deed. You can request a copy of these documents by contacting:

TOWER Employee Benefits Limited
50 Customhouse Quay
PO Box 1849, Wellington 6140
Phone: 0800 808 808
Email: investments@tower.co.nz

These documents are also filed with the Ministry of Economic Development and are available for public inspection on the Companies Office website at www.companies.govt.nz.

How can I check my details and benefits?

You will receive a statement of your TOWER KiwiSaver annually which will provide details of the number of units held and the current value of those units. You will also receive an annual report and tax certificate.

Latest unit prices, fund information, performance figures and investment statements are viewable at www.tower.co.nz/kiwisaver.

Application Form

TOWER KiwiSaver Scheme



You are able to make an application to join TOWER KiwiSaver if you are employed, self-employed, not working, or want to enrol a minor. Simply complete this application form, send it to us and we'll take it from there. This form can also be completed online at www.tower.co.nz/kiwisaver.

You **do not** need to complete this form if you have been automatically enrolled by Inland Revenue.

Please note this form replaces any need for you to complete Inland Revenue's KS2 form.

1. Personal details – PLEASE PRINT IN CAPITAL LETTERS

This section is to be completed by the applicant. If enrolling a minor please provide their details.

TITLE _____ FIRST NAME(S) _____

SURNAME _____

ADDRESS _____

DATE OF BIRTH _____ MALE FEMALE EMPLOYER _____

PRESCRIBED INVESTOR RATE (PIR) 10.5% 17.5% 28% IRD NO

Go to www.tower.co.nz/pircalculator, or call 0800 808 808, to work out your PIR.

Your application cannot be processed if you do not provide your PIR and IRD number.

I wish to receive membership statements, tax certificates, market updates and the annual report by MAIL EMAIL BOTH

TELEPHONE (WORK) [] _____ TELEPHONE (HOME) [] _____

TELEPHONE (MOBILE) [] _____

EMAIL ADDRESS _____

Please select which category best describes your/the applicant's status

EMPLOYED SELF-EMPLOYED NOT WORKING MINOR (UNDER 18 YEARS OF AGE)

Is the applicant an existing member of another KiwiSaver scheme? YES NO

2. Contribution details

In this section you elect how much you would like to contribute.

If you are currently employed and paid through PAYE, please select the percentage of your gross salary or wages you wish to contribute to TOWER KiwiSaver (minimum of 2%). Your employer will deduct this amount from your salary or wages.

2%* 4% 8% See How much do I pay? on page 15

If you wish to make regular additional contributions, please specify the amount, frequency and complete the Direct Debit form on page 25.

AMOUNT _____ AND FREQUENCY PER WEEK PER FORTNIGHT PER MONTH

OR

If you are currently self-employed and are not paid through PAYE, are not working, or are contributing on behalf of a minor then there is no minimum contribution.

Please select the dollar value you wish to contribute to TOWER KiwiSaver, and complete the Direct Debit form on page 25.

AMOUNT _____ AND FREQUENCY PER WEEK PER FORTNIGHT PER MONTH

* In the 2011 Budget it has been proposed that the current minimum contribution rate of 2% will be increased to 3% from 1 April 2013.

3. Investment Choices

You need to select how the contributions are invested. If you are unsure on how you wish to invest, see What's your Investment profile? on page 8 and work out what kind of investment may best suit your financial goals. For in-depth information see TOWER KiwiSaver investment funds on page 14 or visit www.tower.co.nz/kiwisaver.

You may invest in any one or more of the investment funds (shown on the right) by nominating percentages next to each fund. You have control over how your money is spread across these funds and the decision you make now doesn't need to be forever – you can switch the percentages at anytime online at www.tower.co.nz/kiwisaver.

TOWER recommends that you obtain advice from a professional financial adviser before making a decision to invest or change your investment.

If you do not choose an investment fund(s), and you have not been automatically enrolled by Inland Revenue, your contributions will automatically be invested in the Balanced Fund.

TOWER KIWISAVER PRESERVATION FUND	%
TOWER KIWISAVER CONSERVATIVE FUND	%
TOWER KIWISAVER BALANCED FUND	%
TOWER KIWISAVER GROWTH FUND	%
TOWER KIWISAVER EQUITY FUND	%
TOTAL% (must add up to 100%)	%

4. Declaration of the applicant or legal guardians

- I apply for admission as a member of TOWER KiwiSaver and agree to be bound by the Trust Deed and Rules constituting TOWER KiwiSaver; and
- I acknowledge that I have been given and read a copy of the Investment Statement; and
- I direct the Trustee of TOWER KiwiSaver to apply contributions by investing only in the investment fund(s) selected; and
- I acknowledge the information I have provided is to ensure quality of service from the TOWER group of companies and may be used to offer me further products or services available from TOWER. This may require disclosing my personal information to other companies within the TOWER Group, authorised TOWER Advisers or Financial Planners and the distributors and suppliers who are commissioned by TOWER to perform certain tasks, such as market research; and
- I acknowledge that my information can be disclosed to my adviser as shown on the form unless I confirm otherwise; and
- I understand that under the Privacy Act 1993 I can access my personal information which TOWER holds and can correct this information as needed; and
- I understand that I am permitted to have only one active KiwiSaver account and in the event that there is another account open, I permit TOWER to arrange the transfer of these funds; and
- I acknowledge that if I am the sole signatory on behalf of an applicant under the age of 16, that I have legal authority to apply on behalf of the applicant; and
- I confirm that the information supplied on the form is correct.

SIGNATURE OF APPLICANT (aged 16 or over) _____	DATE _____
SIGNATURE OF LEGAL GUARDIAN (required if applicant is aged under 18) _____	DATE _____
LEGAL GUARDIAN CAPACITY (IF APPLICABLE) PARENT <input type="radio"/> OTHER _____	
SIGNATURE OF SECOND LEGAL GUARDIAN (required if more than 1 legal guardian and the applicant is aged under 16) _____	DATE _____
LEGAL GUARDIAN CAPACITY (IF APPLICABLE) PARENT <input type="radio"/> OTHER _____	
FULL NAME OF LEGAL GUARDIANS (IF APPLICABLE): _____	

5. Verification of identity

It is a legal requirement that identification is verified for you, or the minor you are applying on behalf of. You will need to provide identification if you are not providing a cheque or debit authority in the name of the applicant shown on this form, or if your employer, where applicable, does not complete sections 6 and 7 below.

The identification requirements under these circumstances are your passport, New Zealand drivers licence, New Zealand firearms licence or two other forms of identification that are acceptable to us. Please send copies of these requirements or provide originals to your adviser to copy. Every legal guardian who signs the application form must provide identification.

Any one of the following current forms of identification:

- Current NZ Drivers Licence;
- Current Passport;
- Current NZ Firearms Licence;
- (For minors under 18) NZ Birth Certificate; or
- A personal cheque in the name of the customer/s for the initial investment / premium payment.

OR

Any two of the following current forms of identification:

- NZ Birth Certificate;
- Marriage Certificate;
- Utility bill e.g. power, phone (must be no older than three months);
- Pre-printed bank deposit slip or cheque;
- Bank Credit or Debit Card;
- Community Services Card; or
- Current Identification from a NZ education institute (must have a photo).

Please select which form of identification you will provide:

- MY EMPLOYER HAS COMPLETED SECTIONS 6 & 7 OF THIS FORM (SUITABLE FOR EMPLOYEES ONLY)
- MY ADVISER HAS SIGHTED MY FORMS OF IDENTIFICATION AND CONFIRMED THIS IN SECTION 8
- I AM CONFIRMING THE IDENTITY OF A MINOR AND HAVE PROVIDED A PHOTOCOPY OF THEIR BIRTH CERTIFICATE
- I NEED TO CONFIRM MY IDENTIFICATION AND HAVE PROVIDED THE REQUIRED INFORMATION AS SHOWN ABOVE.

6. Employer/authorised signatory contact details (to be completed if applicable)

If you are employed, it is recommended you arrange for your employer or their authorised signatory to complete this section.

EMPLOYER _____	IRD NUMBER	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ADDRESS _____									
TITLE _____	FIRST NAME(S) _____	SURNAME _____							
POSITION _____ TELEPHONE [] _____									
EMAIL _____									

7. Employer acceptance (to be completed if applicable)

To the best of our knowledge, I/we confirm the personal information given by the employee on the form is correct.

SIGNATURE OF EMPLOYER _____ DATE _____

By signing this form, the employer verifies the applicant's identification in accordance the Financial Transactions Reporting Act 1996.

8. Adviser details (if applicable)

ADVISER NAME _____ ADVISER NUMBER _____

I confirm that I have sighted the form(s) of identification as stated in section 5. ADVISER SIGNATURE _____

9. School nomination (TOWER Cash4Schools)

SCHOOL NAME (IN FULL) _____

SCHOOL LOCATION (ie Wellington) _____

Please post this form and any additional identification required (see above) to: TOWER Employee Benefits Limited, Freepost 521, PO Box 1849, Wellington 6140. Telephone 0800 808 808, facsimile (04) 381 0834, email: investments@tower.co.nz. For more information visit www.tower.co.nz/kiwisaver

Application Form

TOWER KiwiSaver Scheme



You are able to make an application to join TOWER KiwiSaver if you are employed, self-employed, not working, or want to enrol a minor. Simply complete this application form, send it to us and we'll take it from there. This form can also be completed online at www.tower.co.nz/kiwisaver.

You **do not** need to complete this form if you have been automatically enrolled by Inland Revenue.

Please note this form replaces any need for you to complete Inland Revenue's KS2 form.

1. Personal details – PLEASE PRINT IN CAPITAL LETTERS

This section is to be completed by the applicant. If enrolling a minor please provide their details.

TITLE _____ FIRST NAME(S) _____

SURNAME _____

ADDRESS _____

DATE OF BIRTH _____ MALE FEMALE EMPLOYER _____

PRESCRIBED INVESTOR RATE (PIR) 10.5% 17.5% 28%

Go to www.tower.co.nz/pircalculator, or call 0800 808 808, to work out your PIR.

Your application cannot be processed if you do not provide your PIR and IRD number.

IRD NO

I wish to receive membership statements, tax certificates, market updates and the annual report by MAIL EMAIL BOTH

TELEPHONE (WORK) [] _____ TELEPHONE (HOME) [] _____

TELEPHONE (MOBILE) [] _____

EMAIL ADDRESS _____

Please select which category best describes your/the applicant's status

EMPLOYED SELF-EMPLOYED NOT WORKING MINOR (UNDER 18 YEARS OF AGE)

Is the applicant an existing member of another KiwiSaver scheme? YES NO

2. Contribution details

In this section you elect how much you would like to contribute.

If you are currently employed and paid through PAYE, please select the percentage of your gross salary or wages you wish to contribute to TOWER KiwiSaver (minimum of 2%). Your employer will deduct this amount from your salary or wages.

2%* 4% 8% See How much do I pay? on page 15

If you wish to make regular additional contributions, please specify the amount, frequency and complete the Direct Debit form on page 25.

AMOUNT _____ AND FREQUENCY PER WEEK PER FORTNIGHT PER MONTH

OR

If you are currently self-employed and are not paid through PAYE, are not working, or are contributing on behalf of a minor then there is no minimum contribution.

Please select the dollar value you wish to contribute to TOWER KiwiSaver, and complete the Direct Debit form on page 25.

AMOUNT _____ AND FREQUENCY PER WEEK PER FORTNIGHT PER MONTH

* In the 2011 Budget it has been proposed that the current minimum contribution rate of 2% will be increased to 3% from 1 April 2013.

3. Investment Choices

You need to select how the contributions are invested. If you are unsure on how you wish to invest, see What's your Investment profile? on page 8 and work out what kind of investment may best suit your financial goals. For in-depth information see TOWER KiwiSaver investment funds on page 14 or visit www.tower.co.nz/kiwisaver.

You may invest in any one or more of the investment funds (shown on the right) by nominating percentages next to each fund. You have control over how your money is spread across these funds and the decision you make now doesn't need to be forever – you can switch the percentages at anytime online at www.tower.co.nz/kiwisaver.

TOWER recommends that you obtain advice from a professional financial adviser before making a decision to invest or change your investment.

If you do not choose an investment fund(s), and you have not been automatically enrolled by Inland Revenue, your contributions will automatically be invested in the Balanced Fund.

TOWER KIWISAVER PRESERVATION FUND	%
TOWER KIWISAVER CONSERVATIVE FUND	%
TOWER KIWISAVER BALANCED FUND	%
TOWER KIWISAVER GROWTH FUND	%
TOWER KIWISAVER EQUITY FUND	%
TOTAL% (must add up to 100%)	%

4. Declaration of the applicant or legal guardians

- I apply for admission as a member of TOWER KiwiSaver and agree to be bound by the Trust Deed and Rules constituting TOWER KiwiSaver; and
- I acknowledge that I have been given and read a copy of the Investment Statement; and
- I direct the Trustee of TOWER KiwiSaver to apply contributions by investing only in the investment fund(s) selected; and
- I acknowledge the information I have provided is to ensure quality of service from the TOWER group of companies and may be used to offer me further products or services available from TOWER. This may require disclosing my personal information to other companies within the TOWER Group, authorised TOWER Advisers or Financial Planners and the distributors and suppliers who are commissioned by TOWER to perform certain tasks, such as market research; and
- I acknowledge that my information can be disclosed to my adviser as shown on the form unless I confirm otherwise; and
- I understand that under the Privacy Act 1993 I can access my personal information which TOWER holds and can correct this information as needed; and
- I understand that I am permitted to have only one active KiwiSaver account and in the event that there is another account open, I permit TOWER to arrange the transfer of these funds; and
- I acknowledge that if I am the sole signatory on behalf of an applicant under the age of 16, that I have legal authority to apply on behalf of the applicant; and
- I confirm that the information supplied on the form is correct.

SIGNATURE OF APPLICANT (aged 16 or over) _____	DATE _____
SIGNATURE OF LEGAL GUARDIAN (required if applicant is aged under 18) _____	DATE _____
LEGAL GUARDIAN CAPACITY (IF APPLICABLE) PARENT <input type="radio"/> OTHER _____	
SIGNATURE OF SECOND LEGAL GUARDIAN (required if more than 1 legal guardian and the applicant is aged under 16) _____	DATE _____
LEGAL GUARDIAN CAPACITY (IF APPLICABLE) PARENT <input type="radio"/> OTHER _____	
FULL NAME OF LEGAL GUARDIANS (IF APPLICABLE): _____	

5. Verification of identity

It is a legal requirement that identification is verified for you, or the minor you are applying on behalf of. You will need to provide identification if you are not providing a cheque or debit authority in the name of the applicant shown on this form, or if your employer, where applicable, does not complete sections 6 and 7 below.

The identification requirements under these circumstances are your passport, New Zealand drivers licence, New Zealand firearms licence or two other forms of identification that are acceptable to us. Please send copies of these requirements or provide originals to your adviser to copy. Every legal guardian who signs the application form must provide identification.

Any one of the following current forms of identification:

- Current NZ Drivers Licence;
- Current Passport;
- Current NZ Firearms Licence;
- (For minors under 18) NZ Birth Certificate; or
- A personal cheque in the name of the customer/s for the initial investment / premium payment.

OR

Any two of the following current forms of identification:

- NZ Birth Certificate;
- Marriage Certificate;
- Utility bill e.g. power, phone (must be no older than three months);
- Pre-printed bank deposit slip or cheque;
- Bank Credit or Debit Card;
- Community Services Card; or
- Current Identification from a NZ education institute (must have a photo).

Please select which form of identification you will provide:

- MY EMPLOYER HAS COMPLETED SECTIONS 6 & 7 OF THIS FORM (SUITABLE FOR EMPLOYEES ONLY)
- MY ADVISER HAS SIGHTED MY FORMS OF IDENTIFICATION AND CONFIRMED THIS IN SECTION 8
- I AM CONFIRMING THE IDENTITY OF A MINOR AND HAVE PROVIDED A PHOTOCOPY OF THEIR BIRTH CERTIFICATE
- I NEED TO CONFIRM MY IDENTIFICATION AND HAVE PROVIDED THE REQUIRED INFORMATION AS SHOWN ABOVE.

6. Employer/authorised signatory contact details (to be completed if applicable)

If you are employed, it is recommended you arrange for your employer or their authorised signatory to complete this section.

EMPLOYER _____	IRD NUMBER	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ADDRESS _____									
TITLE _____	FIRST NAME(S) _____	SURNAME _____							
POSITION _____ TELEPHONE [] _____									
EMAIL _____									

7. Employer acceptance (to be completed if applicable)

To the best of our knowledge, I/we confirm the personal information given by the employee on the form is correct.

SIGNATURE OF EMPLOYER _____ DATE _____

By signing this form, the employer verifies the applicant's identification in accordance the Financial Transactions Reporting Act 1996.

8. Adviser details (if applicable)

ADVISER NAME _____ ADVISER NUMBER _____

I confirm that I have sighted the form(s) of identification as stated in section 5. ADVISER SIGNATURE _____

9. School nomination (TOWER Cash4Schools)

SCHOOL NAME (IN FULL) _____

SCHOOL LOCATION (ie Wellington) _____

Please post this form and any additional identification required (see above) to: TOWER Employee Benefits Limited, Freepost 521, PO Box 1849, Wellington 6140. Telephone 0800 808 808, facsimile (04) 381 0834, email: investments@tower.co.nz. For more information visit www.tower.co.nz/kiwisaver

Conditions of this authority

1. The Initiator:

- (a) Has agreed to give advance notice of the net amount of each direct debit and the due date of debiting at least 10 calendar days before (but not more than two calendar months) the date the direct debit will be initiated.

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.

The advance notice will include the following message:

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

*This date will be at least (2) two days prior to the initiating date to allow for amendment of direct debits.

- (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 the amount agreed between the Initiator and the customer from time to time to be direct debited has been made without notice being given in terms of 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 nonreceipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.

4. The Bank may:

- (a) In its absolute discretion conclusively determine the order of priority of 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.

Switch Form (Cash Enhanced Fund)

TOWER KiwiSaver Scheme



This form is for default members (as explained on page 13 under 'What sort of investment is this')

1. Personal details

TITLE _____ FIRST NAME(S) _____

SURNAME _____ MEMBER NUMBER _____

ADDRESS _____

DATE OF BIRTH _____

IRD NO

PRESCRIBED INVESTOR RATE (PIR) 10.5% or 17.5% or 28%
See *How will my investment be taxed?* on page 17

TELEPHONE (WORK) [] _____ TELEPHONE (HOME) [] _____

TELEPHONE (MOBILE) [] _____

EMAIL ADDRESS _____

2. Switch of contributions

You may invest in any one of following investment options. Both your current TOWER KiwiSaver balance and your future contributions will be invested as per this instruction.

Please show the percentages in whole numbers and ensure that this totals 100%.

Please switch all contributions in this account as follows:

SWITCH FROM	SWITCH TO	REQUIRED ALLOCATION %
TOWER KIWISAVER CASH ENHANCED FUND	TOWER KIWISAVER PRESERVATION FUND	
	TOWER KIWISAVER CONSERVATIVE FUND	
	TOWER KIWISAVER BALANCED FUND	
	TOWER KIWISAVER GROWTH FUND	
	TOWER KIWISAVER EQUITY FUND	
	TOTAL (MUST ADD UP TO 100):	

3. Authorisation

I hereby authorise TOWER Employee Benefits Limited to redirect contributions or transfer my funds in accordance with my instructions on this form.

Under the Financial Transactions Reporting Act 1996 it is a requirement that identification is verified. Where identity has not been previously verified to TOWER Employee Benefits Limited (either by employer verification or by the provision of a copy of passport or driver's licence or two other forms of identity) this will be required before the switch is accepted.*

SIGNATURE OF MEMBER _____ DATE _____

*If verification of your identity has not previously been supplied, please provide a copy of your passport or driver's licence or two other forms of identity.

4. Adviser details (if applicable)

ADVISER NAME _____ ADVISER NUMBER _____

Please post this form and any additional identification required (see above) to: TOWER Employee Benefits Limited, Freepost 521, PO Box 1849, Wellington 6140. Telephone 0800 808 808, facsimile (04) 381 0834, email: investments@tower.co.nz. For more information visit www.tower.co.nz/kiwisaver

TOWER KiwiSaver Scheme



Contact us

Phone: 0800 808 808

Or you can write to us at:

TOWER Investments
50 Customhouse Quay
PO Box 1849, Wellington 6140

Fax: 0800 808 181

Email: investments@tower.co.nz

www.tower.co.nz/kiwisaver