

PROSPECTUS NO. 6

IN RESPECT OF

AN OFFER OF MEMBERSHIP OF

**WATERFRONT INDUSTRY
KIWISAVER SCHEME**

DATED 30 September 2011

DIRECTORY

Current as at 30 September 2011

SUPERANNUATION TRUSTEES

David William YOUNG (Chairman) of Wellington
 Jason Paul TUCK of Auckland
 William Howard GORRIE of Wellington
 Raymond Paul WELSON of Auckland

are appointed by the Employers.

Joseph David FLEETWOOD of Wellington
 Russell Lawrence MAYN of Auckland
 John Geoffrey WHITING of Wellington
 Raymond Joseph Carroll FIFE of Bluff

are appointed by the organisation of workers representing the Waterfront Workers.

The Trustees may be contacted at the following address:

Waterfront Industry Superannuation Fund
 P O Box 27-201
 220 Willis Street
 Wellington

The Trustees are the "issuers" of interests in the Scheme, for the purposes of the Securities Act 1978.

PROMOTERS

There are no "promoters" of the Scheme, for the purposes of the Securities Act 1978.

SECRETARY TO THE TRUSTEES

Waterfront Industry Superannuation Fund
 Aon New Zealand
 20 Customhouse Quay
 P O Box 2764
 Wellington

ADMINISTRATION MANAGER

The "administration manager" of the Scheme, for the purposes of the Securities Act 1978 is:

Aon New Zealand
 29 Customs Street West
 P O Box 3167
 Auckland

AUDITOR

KPMG
 10 Customhouse Quay
 P O Box 996
 Wellington

INVESTMENT MANAGERS

TOWER Asset Management Limited
 50-64 Customhouse Quay
 P O Box 2798
 Wellington

AMP Capital Investors (New Zealand) Limited
 Level 14, HP TOWER
 171 Featherston Street
 P O Box 3764
 Wellington

Tyndall Investment Management Limited
 Level 7, Vero Centre
 48 Shortland Street
 P O Box 3892
 Auckland

New Zealand Assets Management Limited
 General Buildings
 29 Shortland Street
 P O Box 2673
 Auckland

REGISTRAR OF MEMBERS

Waterfront Industry KiwiSaver Scheme
 Aon New Zealand
 P O Box 3167
 29 Customs Street West
 Auckland

ACTUARY

Melville Jessup Weaver Limited
 Level 5, AMP Chambers
 187 Featherston Street
 PO Box 3109
 Wellington

SOLICITORS

Kensington Swan
 89 The Terrace
 PO Box 10-246
 Wellington 6015

Further Information:

Further information regarding the Waterfront Industry KiwiSaver Scheme, including an Investment Statement, can be obtained from the Scheme Director, J Paul Martin by calling (04) 385 0122, or by contacting your local branch office of the Maritime Union of New Zealand or your employer if your employer is a Participating Employer, as listed on the following page of this prospectus.

PARTICIPATING EMPLOYERS

The Auckland Stevedoring Company Limited

Ports of Auckland Limited

Wallace Investments Limited

CentrePort Limited

Capital City Stevedores Limited

Pacifica Shipping (1985) Limited

Lyttelton Port Company Limited

Lyttelton Stevedoring Services Limited

Port Otago Limited

Southland Stevedoring Services Limited

Hawkes Bay Stevedoring Services Limited

New Plymouth Stevedoring Services Limited

Turnbull Stevedoring Limited

Gisborne Stevedoring Services Limited

Stevedoring Services (Nelson) Limited

Port Nelson Limited

Northland Stevedoring Services Limited

Maritime Union of New Zealand - National Office, Auckland, Wellington, Lyttelton, Port Chalmers and Dunedin, Napier, Mount

Maunganui and Tauranga and Bluff

Complete Cargo Care Limited

NZL Group Limited

Contents

<i>Clause*</i>	<i>Page</i>
1 Description of Scheme.....	6
2 Superannuation Trustee	6
3 Managers, Promoters, Auditors and Advisers.....	6
4 Description of the KiwiSaver Scheme and its Development	7
5 Summary of Financial Statements	18
6 Guarantors	22
7 Acquisition of Business or Equity Securities	22
8 Interested persons.....	22
9 Material Contracts	23
10 Pending proceedings	23
11 Other terms of offer and Scheme.....	24
12 Financial Statements and Auditors' Report	24
13 Places of inspection of documents	24
14 Other Material Matters.....	24
15 Superannuation Trustee's statement.....	26
Glossary	27

**Clauses from Schedule 6 of the Securities Regulations 2009. In most cases paragraph numbers in this prospectus reflect the corresponding clause in Schedule 6 of the Securities Regulations 2009. For example, clause 1.1 of this prospectus provides the information required for the purposes of clause 1(1) of Schedule 6 of the Securities Regulations 2009.*

Registered Prospectus

A signed copy of this prospectus and copies of the documents required by section 41 of the Securities Act 1978 were delivered for registration to the Registrar of Companies on 30 September 2011 ("Specified Date").

1 Description of Scheme

- 1.1 The name of the scheme is the Waterfront Industry KiwiSaver Scheme ("the KiwiSaver Scheme").
- 1.2 The KiwiSaver Scheme is a registered KiwiSaver scheme under the KiwiSaver Act 2006 ("the Act"). The KiwiSaver Scheme is a "defined contribution" scheme and is established under an umbrella trust alongside the Waterfront Industry Superannuation Fund ("the Fund") principally for the purpose of providing retirement and other benefits directly or indirectly to Waterside workers and other persons employed within the Waterfront Industry who are eligible Employees. All legislation referenced in this prospectus can be viewed at www.legislation.govt.nz.
- 1.3 All persons working within the Waterfront Industry and who are employed by a Participating Employer are eligible to join the KiwiSaver Scheme by applying to do so in such form as the Trustees prescribe for this purpose.
- 1.4 A person who joins membership of the KiwiSaver Scheme who is not already a Member of the Fund is automatically deemed to have applied to join the Fund on such terms and conditions with respect to payment of contributions to the Fund as the Trustees determine. The Trustees will notify the person of such terms and conditions prior to the person's membership of the KiwiSaver Scheme commencing.
- 1.5 The KiwiSaver Scheme was established in 2007 in Wellington.

2 Superannuation Trustee

- 2.1 The names and addresses of the current Trustees of the KiwiSaver Scheme are set out in the Directory.
- 2.2 During the five years preceding the Specified Date no Trustees have been:
- a. adjudged bankrupt or insolvent;
 - b. convicted of any crime involving dishonesty;
 - c. prohibited as acting as a director of a company; or
 - d. put into statutory management, voluntary administration, liquidation or receivership.
- 2.3 Each Trustee is indemnified by the KiwiSaver Scheme in respect of any loss or liability which the Trustee may sustain or incur in carrying out any function, duty or power of the Trustees under the Trust Deed. However, the Trustees are not indemnified for any loss or liability attributable to their own dishonesty, or any act or omission known by that Trustee to be a breach of trust.
- 2.4 The Trustees are independent of the KiwiSaver Scheme's Investment Managers.

3 Managers, Promoters, Auditors and Advisers

- 3.1 The name and address of each Investment Manager of the KiwiSaver Scheme is set out in the Directory.
- 3.2 There are no Promoters of the KiwiSaver Scheme.
- 3.3 There is no Administration Manager.

- 3.4 During the five years preceding the Specified Date no Investment Manager or Administration Manager or any of their respective directors have been:
- a. adjudged bankrupt or insolvent;
 - b. convicted of any crime involving dishonesty within the meaning of Section 2(1) of the Crimes Act 1961;
 - c. prohibited from acting as a director of a company; or
 - d. put into statutory management, voluntary administration, liquidation or receivership.

3.5 The names of the KiwiSaver Scheme's Registrar of Members, Custodian and Auditors are set out in the Directory.

3.6 The name of the superannuation consultant involved in the preparation of this Prospectus is set out in the Directory.

3.7 There are no experts named in this Prospectus.

4 Description of the KiwiSaver Scheme and its Development

4.1 The latest consolidated Trust Deed is dated 1 April 2008 and was amended on 6 May 2008. The amendments to the Trust Deed effected in 2008 only materially adjusted rules relating specifically to the Waterfront Industry Superannuation Fund. However, Part F, concerning KiwiSaver rules, was updated to reflect legislative developments. Provisions relating to the composition of Trustees at Part C were also adjusted as part of the amendment and consolidation process.

Summary of the Principal Terms of the Trust Deed

Purpose and Relationship with Governing Legislation

4.2 The KiwiSaver Scheme is a trust principally for the purpose of providing retirement benefits directly or indirectly to those Employees of any Participating Employer who are employed in the Waterfront Industry.

4.3 In the event of an inconsistency between the Trust Deed and the KiwiSaver Act 2006 ("the Act"), the Superannuation Schemes Act 1989 and any regulation or notice promulgated under either of those Acts ("the Governing Legislation") the provisions of the Governing Legislation prevail and the Trust Deed will be construed accordingly.

Commencement and Termination of Membership

4.4 All persons working within the Waterfront Industry and who are employed by a Participating Employer who satisfy the terms and conditions for joining the KiwiSaver Scheme as the Trustees determine from time to time are eligible to join the KiwiSaver Scheme. As at the Specified Date there are no such terms and conditions. In addition, where a Participating Employer agrees with the Trustees to choose the KiwiSaver Scheme under section 46 of the Act, all permanent employees of that Participating Employer are eligible to join. By joining the Scheme a Member is automatically deemed to have also applied to join the Fund, on such terms and conditions with respect to payment of contributions to the Fund as the Trustees determine. The Trustees will notify the person of such terms and conditions prior to the person's membership of the KiwiSaver Scheme commencing.

4.5 A person who is eligible to join the KiwiSaver Scheme may do so by applying to join in a form accepted by the Trustees. A person who commences permanent employment with a Participating Employer may also join pursuant to the automatic enrolment provisions of the Act, if employment commences on or after the effective date of that Participating Employer's choice of the KiwiSaver Scheme under section 46 of the Act.

- 4.6 A person's membership of the KiwiSaver Scheme commences once the Trustees have accepted the person's application to join, or at such other date as may be determined pursuant to the Governing Requirements, and continues until the Trustees are satisfied that no further benefits attributable to the person's membership are payable from the KiwiSaver Scheme, either immediately or upon the occurrence of any future event.
- 4.7 Subject to the Governing Requirements, membership of the KiwiSaver Scheme will terminate if the relevant member's KiwiSaver account reaches zero and the Trustees notify that member that his or her membership is to terminate, or in accordance with section 20(1) of the Act, which covers the situation where a person opts-out of KiwiSaver under the Act after becoming a Member of the KiwiSaver Scheme or in accordance with clause 4.6 above.

Contributions

- 4.8 Members are required to contribute to the Scheme at least the minimum contribution, if any, required by Rule 3 of the KiwiSaver Rules. A Member may change his or her contribution rate in accordance with section 66 of the Act. Additional contributions can be made by the Member subject to such terms and conditions as to minimum amounts and frequency and manner of payment as the Trustees may prescribe from time to time.
- 4.9 Member contributions required to meet the minimum contribution will be deducted from the Member's salary or wages as defined and in accordance with the Act. Under current law, member contributions to the KiwiSaver Scheme may result in the Member being eligible for a tax credit being paid to their KiwiSaver Account by the Government. That credit is currently capped at the level of the Member's contributions to the KiwiSaver Scheme or the maximum amount calculated in accordance with the Income Tax Act 2007 which at the date of this prospectus is \$20 per week, whichever is the lesser.
- 4.10 Contributions by or in respect of a Member can be split between both the Fund and the KiwiSaver Scheme, to the extent agreed between the Member and Participating Employer. The ramifications of splitting contributions are detailed in the Participating Employer Contributions section.
- 4.11 In the event of a refund to the Inland Revenue Department ("IRD") (or any other person acting as an administrator of KiwiSaver from time to time) being required from the KiwiSaver Scheme, or if the Trustees determine to refund an amount and choose to do so, the Trustees shall refund that amount in accordance with the Governing Requirements. If the balance of the relevant member's KiwiSaver Account is less than the amount to be refunded, then subject to the Governing Requirements and any other rule of law, the Trustees are entitled to recover the shortfall from the relevant member personally.

Participating Employer Contributions

- 4.12 A Participating Employer will contribute to the KiwiSaver Scheme in respect of each Member such amount (if any) as it may agree with the Member from time to time and notify in writing to the Trustees. These contributions are paid to the KiwiSaver Scheme via the IRD in accordance with section 93 of the KiwiSaver Act. Participating Employer contributions to the Scheme that match a Member's contribution to the Scheme of up to 2% of the Member's gross base salary or wages are exempt from employer's superannuation contribution tax ("ESCT"), to the level prescribed under the Income Tax Act 2007. Contributions above that level or that are not matched by a Member's contribution will be received in the Scheme net of ESCT deducted at the applicable rate. Since 1 April 2009, employers have, in most circumstances, been required to make contributions to KiwiSaver schemes in respect of their employees who are members of KiwiSaver schemes at a rate of 2% of the employee's gross base salary or wages. Except as set out in 4.13, if a Participating Employer is already contributing towards a registered superannuation scheme in respect of a Member, the Participating Employer's obligation to contribute to the KiwiSaver Scheme may be offset by the amount of the contribution to the other registered superannuation scheme. From 1 April 2012 all Participating Employer contributions to the Scheme will be subject to ESCT. Further details about the contribution tax from this date can be found on page 27 of this prospectus.

- 4.13 Any contributions to the KiwiSaver Scheme by or in respect of a Member count towards satisfying the obligation of the relevant contributor to contribute to the Fund, although they will not count as actual contributions to the Fund. Unless requested otherwise any Participating Employer contributions will be paid into the relevant Member's account in the Fund. Participating Employer contributions paid into the Fund will not attract the ESCT relief available for contributions by a Participating Employer to the KiwiSaver Scheme, however, contributions paid to the Fund will not be subject to the Scheme's more restrictive withdrawal conditions, including locked in until the age of qualification for New Zealand superannuation or membership of five years (whichever is later). In order to obtain the benefit of the ESCT relief, the Member is required to specifically request that the Participating Employer contributions are directed into the relevant Member's KiwiSaver Members' Account in the KiwiSaver Scheme. If no notification is made, any contribution made by the Participating Employer will be allocated into the relevant Member's Member account in the Fund.
- 4.14 A Member who has joined the KiwiSaver Scheme may contribute to the Fund but is not obliged to do so unless required to do so as part of the terms and conditions of the Member joining the Fund. The relevant Participating Employer is not required to contribute to the Fund in respect of a Member's deemed contribution to the Fund unless otherwise agreed with the Member.

KiwiSaver Reserve Account

- 4.15 The Trustees have established a KiwiSaver Reserve Account to which Member and Participating Employer contributions will be paid or transferred, as well as any other money paid to the KiwiSaver Scheme. The Reserve Account is divided into Members' KiwiSaver Accounts and other accounts as the Trustees from time to time determine. All the expenses of the KiwiSaver Scheme and income or losses or other allocations and all benefits payable from the KiwiSaver Scheme in accordance with the Trust Deed are debited against or credited to the KiwiSaver Reserve Account.

KiwiSaver Members' Accounts

- 4.16 The Trustees have established for each Member of the KiwiSaver Scheme an account in the Member's name comprising the total contributions paid to the KiwiSaver Scheme by the Member and the Participating Employer, income or losses at the rate for the time being determined by the Trustees, any fee subsidies paid in respect of the Member under the KiwiSaver Act, and any Crown contribution paid in respect of the Member under the KiwiSaver Act, less any amounts debited to the Member's KiwiSaver Account in accordance with the Trust Deed.

Allocation of Income

- 4.17 The Trust Deed allows the Trustees to credit income or debit losses from the KiwiSaver Members' Account and the KiwiSaver Reserve Account at such rate and in such manner as the Trustees decide.
- 4.18 The current practice is for Trustees to determine the KiwiSaver Scheme's actual rate of income or losses earned each month (net of the KiwiSaver Scheme's liabilities and expenses) for each of the portfolios available by way of the Members' Investment Choices and apply the net income or losses as an increase or decrease to the KiwiSaver Scheme Members' Accounts and KiwiSaver Reserve Account at month end. Tax applicable to the net income is deducted from the Members' Accounts at the Prescribed Investor Rate nominated by the Member or from the Reserve Account at a rate of 28%. The Trustees are permitted at any time to change any of the conditions of the Members' Investment Choices or withdraw the choices.

Benefits

- 4.19 A member is entitled to receive a payment from the KiwiSaver Scheme under the relevant provisions of the Act. As at the Specified Date, the Act permits withdrawals (subject to various terms and conditions) if a member dies, reaches New Zealand Superannuation qualifying age, currently 65 years (subject to being a member of a KiwiSaver scheme for at least five years), suffers a serious illness (which includes being totally and permanently unable to engage in work for which the Member is suited by reason of experience, education or training, or that poses a serious and imminent risk of death) or significant financial hardship (which includes being unable to meet minimum living expenses) or permanently emigrates (provided one year has passed since that Member permanently emigrated from New Zealand), and permits limited withdrawals for a first home (provided the Member has been a member of a KiwiSaver Scheme for at least 3 years). If at any time the Act does not provide for the payment of benefits from the Scheme, or does not restrict their payment, members will be entitled to withdraw amounts from the Scheme on the same basis as benefits are available from the Fund. Legislation which has passed but not yet commenced as at the date of this prospectus will allow Members who permanently emigrate to Australia transfer the full value of their interest in the Scheme (net of taxes and fees) to an Australian complying superannuation scheme, instead of withdrawing.
- 4.20 Any benefit payable to the Member shall be the balance of his or her KiwiSaver Account, less the Crown contribution pursuant to section 226 of the Act and any tax credit received by the KiwiSaver Scheme in respect of the Member as contemplated at paragraph 4.9 of this prospectus, unless permitted to be paid. The Trustees may determine a lesser amount of benefit is payable if permitted by the Act.
- 4.21 A Member who is entitled to receive a payment may elect to receive it as a lump sum, transfer it to another KiwiSaver scheme or superannuation scheme (if permitted by the Governing Requirements) or transfer it to the Member's Account in the Fund in accordance with the Governing Requirements.

Death Benefit

- 4.22 If a Member dies the Trustees will pay to the Member's legal personal representative a lump sum consisting of the total credit standing to his or her Member's Account in the Scheme.
- 4.23 A Member's legal representative may elect to defer payment of all or part of the death benefit, subject to certain conditions and the approval of the Trustees.
- 4.24 The Trustees may pay a Member's death benefit to his or her dependant or dependants up to a certain limit stated under section 65 of the Administration Act for payments without probate.

No Assignment

- 4.25 A Member may not assign, charge, alienate, or borrow against the security of his or her benefits.

Transfers

- 4.26 Where a Member joins or becomes a member of another registered KiwiSaver scheme, the Trustees will transfer to that other scheme an amount equal to the amount standing in the Member's KiwiSaver Account in the manner determined by the Trustees in accordance with the Governing Requirements. In addition, legislation which has passed but not commenced as at the date of this prospectus will allow a Member who permanently emigrates to Australia transfer the full value of his or her interest in the Scheme (net of taxes and fees) to an Australian complying superannuation scheme. For more information (including an update on the commencement date of this change, when it is available), contact the Scheme Manager.
- 4.27 Subject to the Governing Requirements, the Trustees may transfer without the consent of the relevant member an amount equal to the amount standing in the Member's KiwiSaver Account to another scheme registered under the KiwiSaver Act, or if permitted under the Governing Requirements, to another superannuation scheme on such terms and conditions as they shall determine from time to time.

- 4.28 Where a Member is entitled to a benefit or transfer from another superannuation scheme (including the Fund) or registered KiwiSaver scheme the Trustees shall, in accordance with the Governing Requirements, accept a transfer from the other scheme of an amount notified to the Trustees by the trustee(s) of that other scheme. Any amount so received shall be treated as if it was a contribution to the KiwiSaver Scheme by the Member.

Trustees

- 4.29 The Employers appoint and remove up to four Trustees. The organisation of workers representing the Waterside Workers appoints and removes up to four Trustees. The Trustees have the power to appoint a further independent Trustee. At all times there must be a minimum of four trustees.
- 4.30 For a Trustee's meeting there must be at least four Trustees, two appointed by Employers and two appointed by the organisation of workers representing the Waterside Workers.
- 4.31 The assets of the Scheme and the Fund shall be held separately by the Trustees on trust, and shall be managed and separately administered by the Trustees in accordance with the Governing Requirements or the terms that relate to the Scheme and the Fund.
- 4.32 The Employers shall appoint the Trustees by carrying out either a triennial election or a casual election. The type of election is dependant upon the timing of the vacancy for election.
- 4.33 Each Trustee appointed by the Employers pursuant to the triennial election shall take office at the time of change of employer trustees in the year of that triennial election and shall hold office until the next following time of change of employer trustees, being approximately three years. The term of the Trustee appointed as a result of a casual election, shall be the balance of the term of the Trustee who is being replaced.
- 4.34 Each Trustee appointed by the Workers shall hold office until he or she is removed by the Workers or resigns or dies.

Investment of the Scheme

- 4.35 The Trustees shall invest all money belonging to the Scheme and available for investment in accordance with the provisions of the Trustee Act 1956 as to the investment of trust funds.
- 4.36 Notwithstanding anything to the contrary in section 13D(1) of the Trustee Act 1956, the Trustees and any investment manager of the KiwiSaver Scheme shall, in exercising the power of investment, exercise the care, diligence and skill required of that person by sections 13B or 13C of that Act.
- 4.37 The Trustees may at any time, subject to the Governing Requirements, borrow and raise money for any purposes of the KiwiSaver Scheme. The Trustees may, if the Trustees deem it necessary, secure such borrowings and interest by a mortgage or charge over all or any of the assets of the KiwiSaver Scheme.
- 4.38 The Trustees may hand over investments and money belonging to the KiwiSaver Scheme to any custodian trustee to be invested in the name of that custodian trustee or to be held or dealt with by the custodian trustee but always subject to the directions of the Trustees as given and may delegate to that custodian trustee powers, discretions and authorities in relation to the collection, investment and payment of moneys as they think fit and may revoke the same at any time.
- 4.39 The Trustees may employ any person or persons as an investment consultant or consultants to advise on any existing or proposed investments of the KiwiSaver Scheme and any fees or charges incurred shall together with all usual administration expenses be borne by the KiwiSaver Scheme.

- 4.40 The Trustees may appoint and remove one or more investment managers for the KiwiSaver Schemes on terms agreed between the Trustees and such investment managers. The investment managers may have such powers and duties in relation to the investment of the assets of the KiwiSaver Scheme including the power to determine and make specific investments as the Trustees determine.
- 4.41 The Trustees may insure against loss or damage by fire earthquake or any other cause whatsoever any asset of the KiwiSaver Scheme to the full insurable value thereof or the full replacement value as the Trustees in their discretion think fit and may also insure against any risk of liability or loss and pay the premiums for such insurance out of the moneys forming part of the KiwiSaver Scheme as the Trustees think fit.

Members' Investment Choices

- 4.42 The Trustees may make available to Members two or more investment choices (Members' Investment Choices). The income or losses allocated to each Member's KiwiSaver Account will be influenced by the investment portfolio or portfolios chosen by the Member. Amounts allocated to Members' KiwiSaver Accounts by reference to a particular investment portfolio do not bear any losses arising under any other portfolio, and neither do they subsidise any of the returns arising under any other portfolio.
- 4.43 At the date of this prospectus, the Members' Investment Choices available are:
- **a Balanced portfolio;** and
 - **a Conservative portfolio.**
- 4.44 Subject to the terms and conditions applying to the Members' Investment Choices, Members are able to choose one or both portfolios. However, if a Member fails to make an election, the Member's savings will be invested in the Balanced Portfolio, the default option.
- 4.45 At the date of this prospectus a Member is able to make the above choices:
- when the Member joins the KiwiSaver Scheme;
 - at any time but a change will only be effective from the first of the following month;
 - when a benefit is payable, if payment of all or part of the benefit is being deferred.
- 4.46 The Trustees are permitted at any time to change any of the conditions applying to the Members' Investment Choices or withdraw any of the choices.

Amendment of Trust Deed

- 4.47 The Trust Deed may be amended by unanimous decision of the Trustees. Current legislation protects Members' rights and interests by requiring the consent of all Members and beneficiaries to any amendment which may adversely affect the benefits which may flow from, or are attributable to, their membership at that time, or which remove any of their rights to participate in the management of the KiwiSaver Scheme, or which provide for the reversion of any assets of the KiwiSaver Scheme to any Participating Employer to any greater extent than already provided or increase contributions or fees payable by them. The amendment must not conflict with any provisions of any employment contract or the Superannuation Schemes Act 1989.

Winding Up

- 4.48 The Trustees intend to continue the KiwiSaver Scheme indefinitely. However, since conditions may change, the Trustees have the power to resolve to wind up the KiwiSaver Scheme.
- 4.49 Upon the KiwiSaver Scheme being wound up all moneys and other assets held by the Trustees shall be appropriated and distributed to and for or on behalf of each Member of the KiwiSaver Scheme at the date of winding-up in the following priorities:

- 4.50 First to provide the expenses of and incidental to the winding up;
- 4.51 Second by way of transfer in accordance with the Governing Requirements to another KiwiSaver Scheme under the KiwiSaver Act or, if permitted under the Governing Requirements and subject to any requirements of the Governing Requirements, either by way of transfer to another superannuation scheme if the relevant Member so requests on such terms as the Trustees may impose, or by way of payment of a lump sum, in either case of:
- a. the amounts standing to the relevant Member's credit in the Member's KiwiSaver Account or a pro-rata share of that credit, if there is insufficient money after providing for winding up expenses to enable payment of all Members' credits in full; and
 - b. a pro-rata share (calculated in proportion to the credit held in each Member's KiwiSaver Account) of any balance remaining in the KiwiSaver Reserve Account.
- 4.52 Subject to the Trust Deed no part of the KiwiSaver Scheme shall revert to the Participating Employers or any one of them.
- 4.53 The Trustees will, as soon as practicable, advise the Government Actuary that the distribution of assets has been completed.

Participating Employers

- 4.54 The Trustees are required to admit as a Participating Employer in the KiwiSaver Scheme any company, partnership, incorporated or unincorporated body that is a party to an employment contract prescribing, or relevant to, terms or conditions of employment of Waterside Workers. The Trustees may also admit as a Participating Employer any company, partnership, incorporated or unincorporated body if it carries on business or is engaged in work or employment within the Waterfront Industry. The admission of Participating Employers will be on such terms and conditions as to contributions and benefits as the Trustees think fit.
- 4.55 If, in the opinion of the Trustees, a Participating Employer is no longer eligible to participate in the KiwiSaver Scheme, or the Participating Employer is dissolved, or goes into liquidation, receivership or otherwise ceases its operations (otherwise than for the purposes of reconstitution, reconstruction or amalgamation), the Scheme will be terminated in respect of the part of the KiwiSaver Scheme which concerns employees of that Participating Employer. The wind-up provisions will apply to the part of the KiwiSaver Scheme that the Trustees, on the advice of the Actuary, determine to be appropriate.
- 4.56 **The above outline is a summary of the principal provisions of the Trust Deed only. The Trust Deed contains other provisions to which the KiwiSaver Scheme is subject. For details on how to view a copy of the Trust Deed, refer to section 13 of this prospectus.**

Investment, Other Activities and Material Developments

Investments

The KiwiSaver Scheme commenced business on 1 July 2007. Since that date:

- The Scheme has admitted new Members and from October 2007 has received contributions directly from Members and via IRD.
- The Scheme became a Portfolio Investment Entity ("PIE") effective from 1 October 2007.
- The Scheme's assets have been invested by the Investment Managers under the direction of the Trustees and in accordance with the Statement of Investment Policy and Objectives ("SIPO") referred to below. The SIPO was revised in October 2007 to increase the benchmark asset allocation to Australasian and global equities and reduce the benchmark allocation to global bonds for the balanced investment portfolio. The

SIPO was further revised in October 2009 to increase the benchmark asset allocation to Australasian equities and reduce the benchmark allocation to global equities for the balanced portfolio, and to increase the benchmark allocation to New Zealand bonds and reduce the benchmark allocation to cash for the conservative portfolio. The SIPO was further revised on 14 December 2009 by appointing New Zealand Assets Management Limited to manage 5% of the Balanced Portfolio, with effect from January 2010.

- From December 2007 global equities were managed actively by AllianceBernstein New Zealand Limited and AMP Capital Investors (New Zealand) Limited. Global equities were previously managed passively by TOWER Asset Management Limited.
- ING (NZ) Limited replaced Walker Capital Management Limited as an investment manager for Australasian Equities with effect from 1 May 2008. ING has since changed its name to OnePath (NZ) Limited.
- On 21 November 2008 the Trustees completed an application form for investment in the TOWER Asset Management International Bond Fund (FDR) by which TOWER continued as investment manager for the Fund's international bonds following migration of all of the Fund's investments from the TOWER Asset Management International Bond Fund (TBIF).
- In December 2008 the Trustees determined to hold funds invested in property in a separate property sub-portfolio. That property sub-portfolio was subsequently closed to new contributions, switches and withdrawals. On 30 September 2009 the sub-portfolio ceased to be operative, with funds invested in property then being held on the same basis as all other assets of the Fund.
- In September 2009, the Trustees appointed Tyndall Investment Management New Zealand Limited and TOWER Asset Management Limited to manage Australasian Equities in place of Alliance Bernstein New Zealand Limited and ING (NZ) Limited (now called OnePath (NZ) Limited).
- The custodial services provided by Trustees Executors Limited, (which services were linked to the Australasian portfolio managed by Alliance Bernstein New Zealand Limited) were terminated on 17 September 2009.
- In December 2009, the Trustees appointed Tyndall Investment Management New Zealand Limited to manage Global Equities in place of Alliance Bernstein New Zealand Limited.
- In December 2009, the Trustees appointed New Zealand Assets Management Limited to manage Alternative Assets.

The Investment Managers currently employed are:

- AMP Capital Investors (New Zealand) Limited who manage New Zealand bonds and cash, global equities and property.
- TOWER Asset Management Limited who manage global bonds, property and Australian equities.
- Tyndall Investment Management Limited who manage New Zealand equities, and global equities.
- New Zealand Assets Management Limited who manage alternative assets.

Management and Administration

With effect from 1 September 2011 the Trustees appointed Aon New Zealand as the Administration Manager of the Scheme. From the same date Aon New Zealand is also providing the Trustees with secretarial services.

Member Liability

- 4.57 No liabilities (or contingent liabilities) may be incurred by Members in relation to the KiwiSaver Scheme other than in respect of contributions, and in respect of tax to the extent that a Member's interest in the KiwiSaver Scheme is insufficient to cover the Scheme's tax obligations in respect of that Member's membership.

Scheme Objectives and Policy

- 4.58 The purpose of the KiwiSaver Scheme's investment policy and objectives is to provide for effective management of the KiwiSaver Scheme through:
- allocation of responsibilities between the Trustees and Investment Managers.
 - specification of investment constraints to be observed by Investment Managers.
 - analysis of performance to ensure adherence of Investment Managers to the objectives and investment constraints.

Balanced Portfolio

- 4.59 This portfolio applies to the extent that Members do not choose the conservative portfolio. Refer to Members' Investment Choices on page 11 of this Prospectus for further details. The Trustees may at any time change any of the conditions applying to Members' Investment Choices or withdraw the choices.

Investment Objectives

- to deliver superior returns over the medium to long term by investing in a medium risk portfolio; and
 - to recognise that the benefits are payable in NZ dollars.
- 4.60 As a result, the Trustees have determined that the appropriate investment return objective and risk tolerance for the balanced portfolio as at the Specified Date are:

Investment Return Objective	To achieve a 2% per annum Real Return over the long term
Investment Risk	<p>There is the prospect of total market values of investments being lower in any one year than the preceding year. This risk is managed by diversifying investments widely, both across asset classes chosen, and within those asset classes.</p> <p>The Balanced Portfolio lowers risk by diversifying Global Share holdings and, to a lesser extent, Australasian Shares. The Balanced Portfolio also has Fixed Interest investments, although in lower proportions than the Conservative Portfolio.</p> <p>The higher weighting given to Shares reflects the fact that the Balanced Portfolio is higher in risk than the Conservative Portfolio, but is expected to provide superior returns over the longer term.</p>

4.61 To satisfy these objectives, the Trustees have determined that the appropriate benchmark asset allocation for the Balanced Portfolio as at the Specified Date is:

◆ Australian Shares*	10.0%
◆ New Zealand Shares*	10.0%
◆ Global Shares*	30.0%
◆ Property*	10.0%
◆ New Zealand Bonds*	12.5%
◆ Global Bonds*	27.5%
◆ Cash*	<u>0.0%</u>
	100.0%
◆ Alternative Assets	5.0%*

* The SIPO also allows the Trustees to hold up to 5% in Alternative Assets. Where Alternative Assets are held the benchmark asset allocation for the other asset classes will necessarily be affected.

4.62 The actual asset allocations for the balanced portfolio from time to time may vary from the benchmark asset allocations outlined in paragraph 4.64. The specific stock selection decisions are the responsibility of the Investment Managers.

4.63 The balanced portfolio is expected to incur an investment loss every three to four years.

Conservative Portfolio

4.64 This portfolio applies only to the extent that Members choose it. Refer to Members' Investment Choices on page 11 of this Prospectus for further details. The Trustees may at any time change any of the conditions of the Members' Investment Choices or withdraw the choices.

Investment Objectives

- To obtain a relatively consistent return by investing in a relatively low risk portfolio; and
- To recognise that the benefits are payable in NZ dollars.

4.65 As a result, the Trustees have determined that the appropriate investment return and risk tolerance for the Conservative Portfolio as at the Specified Date are:

Investment Return Objective	To achieve a 1% per annum Real Return over the long term
Risk Tolerance	<p>There is the prospect of total market values of investments being lower in any one year than the preceding year. This risk is managed by diversifying investments widely, both across asset classes chosen, and within those asset classes.</p> <p>The Conservative Portfolio lowers this risk further (as compared with the Balanced Portfolio) by having a higher proportion of its investments held in the Fixed Interest and Cash asset classes.</p> <p>The Conservative Portfolio is therefore lower in risk than the Balanced Portfolio, and is expected to provide more consistent but potentially lower returns over the longer term.</p>

4.66 To satisfy these objectives, the Trustees have determined that the appropriate benchmark asset allocation for the conservative portfolio as at the Specified Date is:

◆ Australian Shares	2.5%
◆ New Zealand Shares	2.5%
◆ Global Shares	10.0%
◆ Property	5.0%
◆ New Zealand Bonds	25.0%
◆ Global Bonds	45.0%
◆ Cash	<u>10.0%</u>
	100.0%

4.67 The actual asset allocations for the conservative portfolio from time to time may vary from the benchmark asset allocations outlined in paragraph 4.69. The specific stock selection decisions are the responsibility of the Investment Managers.

4.68 The conservative portfolio is expected to incur an investment loss every ten to eleven years.

4.69 The Trustees may change the investment managers, investment return objective, risk tolerance, benchmark asset allocations or management style for either portfolio by a resolution of Trustees at any time.

Investment Performance

INVESTMENT PERFORMANCE FOR THE PERIOD ENDED 31 MARCH				
Balanced Portfolio	2011	2010	2009	2008*
Gross Return on Investments per annum	7.3%	27.0%	-14.9%	-5.85%
Income Distribution Rate per annum (net of expenses and taxes)	5.21%	24.0%	-17.3%	-8.59%
Conservative Portfolio				
Gross Return on Investments per annum	8.5%	17.7%	-4.47%	3.80%
Income Distribution Rate per annum (net of expenses and taxes)	6.17%	15.4%	-5.02%	0.99%

* Annualised returns for the 6 month period to 31 March 2008 during which the KiwiSaver Scheme was invested. The Scheme had no funds invested between 1 July 2007 and 1 October 2007.

4.70 The gross return on investments for each portfolio is the change in the value of that portfolio's investments, including all investment income and before the deduction of expenses and taxes, recorded each month and expressed as a percentage of the value of the assets invested. The percentage return is calculated each month on a mid-month time-weighted basis. The monthly percentage returns are compounded to give the annual return. The income distribution rate for each portfolio is the percentage increase in the Members' and other Reserve Accounts invested in that portfolio as a result of crediting those accounts with that portfolio's investment earnings each month after deducting expenses and taxes. The monthly distribution rate is calculated by dividing the net investment earnings of that portfolio for the month by the total of the Member and other Reserve Account balances invested under that portfolio on a day-weighted basis. The monthly rates are compounded to give the annual distribution rate.

4.71 The Trust Deed provides that the income or losses of the Scheme can be debited or credited at such rate and in such manner as the Trustees from time to time decide. The current procedure of the Trustees is to determine the Scheme's actual rate of income or losses earned each month (net of expenses and taxation) for each of the

investment portfolios available by way of the Members' Investment Choices and apply these as increases or decreases to Members' Accounts and the Reserve Account at month end.

- 4.72 The impact that future economic conditions will have on the Scheme cannot be predicted, be they positive or negative. It is expected that there may be negative returns in the Investment Choices from time to time and that negative returns may continue for a period of time. There can be no assurance that future economic conditions will not materially and adversely affect the Scheme's investments. Members and prospective Members are advised to consult an investment adviser before making a decision to invest.

5 Summary of Financial Statements

- 5.1 The KiwiSaver Scheme commenced business on 1 July 2007. A summary of the financial statements of the Scheme for the periods ended 31 March 2011, 31 March 2010, 31 March 2009, and 31 March 2008 is set out below. The periods to 31 March 2011, 31 March 2010 and 31 March 2009 are for full financial years. The period to 31 March 2008 was for the preceding 9 months only.
- 5.2 The amounts stated in the summary of the financial statements of the Scheme are the amounts that appear in the financial statements for the Scheme that comply with, and have been registered under the Financial Reporting Act 1983.

WATERFRONT INDUSTRY KIWISAVER SCHEME				
SUMMARY OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH				
	2011	2010	2009	2008
	\$	\$	\$	\$
Member Contributions	457,606	401,171	428,728	167,791
Employer Contributions	343,989	311,608	317,407	102,207
Crown Contributions	223,680	215,322	202,422	142,492
Transfer from other Schemes	37,687	16,309	24,289	4,243
Investment Revenues	25,186	17,124	5,922	927
Net Gains/(Losses) on Investments	208,953	340,681	(157,849)	(10,539)
Total Investment Revenues	234,139	357,805	(151,927)	(9,612)
Benefits Paid	(47,634)	(22,042)	(3,749)	0
Members' PIE tax for the year	(35,611)	(32,819)	-	-
Investment Expenses (net fee rebates)	2,725	7,639	793	494
Management Expenses	(17,223)	(10,686)	(4,609)	(564)
Total Interest Expense	0	0	0	0
Other Expenses	0	0	0	0
Operating Result/Change in Net Assets before Taxation and Extraordinary Items	1,199,358	1,244,307	813,353	407,051
Total Provided for (or Credited) by way of Taxation	-	-	8,166	(340)
Operating Result/Change in Net Assets before Extraordinary Items	1,199,358	1,244,307	805,187	407,391
Total of Extraordinary Items (net of Taxation)	0	0	0	0
Operating Result/Change in Net Assets after Extraordinary Items	1,199,358	1,244,307	805,187	407,391
Allocation to Members' Accounts	1,199,358	1,244,307	805,187	407,391
Transfer to Reserves	0	0	0	0
Other Distributions	0	0	0	0
Total Assets	3,656,590	2,462,421	1,211,134	407,051
Total Tangible Assets	3,656,590	2,462,421	1,211,134	407,051
Tax payable(refundable)	(366)	(5,555)	(1,444)	(340)
Liabilities other than Liabilities for Accrued Benefits	0	0	0	0
Net Assets Available to Pay Benefits	3,656,224	2,456,866	1,212,578	407,391
Liabilities for Accrued Benefits	3,656,224	2,456,866	1,212,578	407,391

Notes

1. The amounts stated in this summary have been taken from audited financial statements.
 2. The liability for accrued benefits is the Scheme's current obligation to pay benefits to members and beneficiaries. It is the difference between the fair values of the Scheme's assets and liabilities at balance date.
- 5.3 In respect of the amounts stated in the financial statements of the Scheme, there are no items of such incidence and size, that disclosure is necessary to explain the performance of the Scheme.
- 5.4 The amounts stated in the summary of the Scheme's financial statements have been taken from audited financial statements.
- 5.5 The Auditor's Reports in respect of the audited financial statements from which the amounts stated in the Scheme's financial statements had been taken were not qualified in any way and did not refer to any fundamental uncertainty.



Independent Auditor's Report

To the Trustees of Waterfront Industry Kiwisaver Scheme

As auditor of Waterfront Industry Kiwisaver Scheme ("the Scheme") we have prepared this report pursuant to clause 12 of Schedule 6 of the Securities Regulations 2009 for inclusion in the prospectus dated 30 September 2011.

Report on the Financial Statements

We have audited the financial statements of the Scheme for the year ending 31 March 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 28 June 2011.

Report on the Summary Financial Statements

The summary financial statements on pages 18 to 19 are derived from the audited financial statements of the Scheme for the 9 months ended 31 March 2008, and the years ended 31 March 2009, 2010 and 2011. We expressed an unmodified opinion on the financial statements in our audit reports for 2011. The summary financial statements do not reflect the effects of events that occurred subsequent to the date of the report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Scheme.

The Trustees' Responsibility for the Summary Financial Statements

The Trustees are responsible for preparing a summary of the audited financial statements of the Scheme for the 9 months ended 31 March 2008 and the years ended 31 March 2009, 2010 and 2011 in accordance with clause 5 of Schedule 6 of the Securities Regulations 2009.

Auditor's Responsibility for the Summary Financial Statements

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 *Engagements to Report on Summary Financial Statements*.

Opinion on the Summary Financial Statements

In our opinion, the amounts set out in the summary financial statements on page 18 to 19 of this prospectus, derived from the audited financial statements of the Scheme for the 9 months ended 31 March 2008 and the years ended 31 March, 2009, 2010 and 2011, as required by clause 5 of Schedule 6 of the Securities Regulations 2009:

- are consistent, in all material respects, with those financial statements; and
- have been correctly taken from the audited financial statements of the Scheme for the 9 months ended 31 March 2008 and for the years ended 31 March, 2009, 2010 and 2011.



Other Matters

Comparatives

The financial statements of the Scheme for the 9 months ended 31 March 2008 and the years ended 31 March 2009 and 31 March 2010, were audited by another auditor who expressed unmodified opinions on those statements.

Responsibility for Updating

We have no responsibility to update our opinion on any of the matters above for events and circumstances occurring after the date of this report.

Restriction on Use

This report has been prepared for inclusion in the prospectus for the purpose of meeting the requirements of clause 12 of Schedule 6 of the Securities Regulations 2009. We disclaim any assumption of responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared. In addition, we take no responsibility for, nor do we report on, any part of the prospectus not specifically mentioned in this report.

Auditor's Consent

In accordance with regulation 18(1)(c)(ii) of the Securities Regulations 2009, we hereby give our consent to the inclusion of this report in the prospectus in the form in which it appears. We also confirm that we have not, before delivery of this prospectus, withdrawn our consent to the issue thereof.

KPMG

30 September 2011

Wellington

6 Guarantors

6.1 No person guarantees the payment of any money payable from the KiwiSaver Scheme.

7 Acquisition of Business or Equity Securities

7.1 The KiwiSaver Scheme commenced business on 1 July 2007. The KiwiSaver Scheme has not in the two years preceding the Specified Date purchased any business or any unlisted equity securities the consideration for which exceeded 20% of its total tangible assets.

8 Interested persons

8.1 Trustees are entitled to be reimbursed out of the KiwiSaver Scheme for any direct costs and expenses incurred in attending to the affairs of the KiwiSaver Scheme. The Trustees may also charge and be paid reasonable fees or charges for any services rendered in connection with the KiwiSaver Scheme. The Trustees' charges are included in the "Scheme Management Charges" for operating the KiwiSaver Scheme, which are deducted from the KiwiSaver Scheme's investment revenues and/or Members' KiwiSaver Accounts. The Scheme Management charges reflect actual fees and expenses incurred in attending to the affairs of the KiwiSaver Scheme. Such charges are not expected to exceed 1% per annum of funds invested in the Balanced Portfolio and the Conservative Portfolio.

8.2 Other than in respect of reasonableness, the recovery of the Trustees' fees and expenses from the KiwiSaver Scheme is not limited.

8.3 The Investment Managers and Custodian named in the Directory are entitled to remuneration for their services and to recover transaction costs in respect of the KiwiSaver Scheme. Their remuneration is calculated as a percentage of the net asset value of the KiwiSaver Scheme's assets under their management and is included within the Scheme Management Charges described at paragraph 8.1 of this prospectus.

8.4 The current Investment Management and Custodian fees (based on benchmark asset allocations) included within the Scheme Management Charges are as follows:

- Australian shares 0.85% per annum plus a performance fee of up to 15% of the excess returns over agreed performance benchmarks
- New Zealand shares a base fee of 1% of the assets and a performance fee of 10% of the excess return over the RBNZ Official Cash Rate plus 5%. The performance fee is accumulated and only paid out if the performance target is met
- global shares not exceeding 0.78% per annum for funds managed by AMP and 0.80% per annum for funds managed by Tyndall
- property 0.55% per annum for property managed by AMP, 0.7% per annum for property managed by TOWER
- New Zealand bonds and cash not exceeding 0.35% per annum
- global bonds 0.65% per annum
- alternative assets 1.25% per annum

8.5 The Investment Managers' entitlements to recovery of transaction costs are not limited. Under the terms of their respective appointments, the Investment Managers may review and revise their fees. The Trustees may terminate the appointment of an Investment Manager by giving appropriate notice to the Investment Manager concerned.

8.6 The Administration Manager named in the Directory is entitled to remuneration for its services. The current fees of the Administration Manager are:

- \$7.50 per member per month for each active member of the Fund, plus
- \$5.00 per member per month for each deferred member of the Fund, plus
- a share of \$3,000* per quarter account management fee, plus
- a share of \$6,500* per month fund fee.

*The share will be based on the proportion that the Scheme's assets under management bear to the total assets under management of the Scheme and the Waterfront Industry Superannuation Fund.

The fees of the Administration Manager will be adjusted each 1 September by the percentage adjustment (if any) in the annual all groups number of the New Zealand Consumer Price Index for the immediately preceding year. In addition the Administration Manager or the Trustees may notify the other party that it wishes to alter the administration fees if the Administration Manager's duties become materially more or less onerous.

- 8.7 Trustees may be eligible to be members of the Scheme. At the Specified Date, David William Young, John Geoffrey Whiting, Raymond Joseph Carroll Fife and Joseph David Fleetwood are the only Trustees who have elected to become members of the Scheme. In all other respects the Trustees and Investment Managers of the Scheme (and any associated person of any of them) do not have, and have not since the Scheme commenced operating had, a material interest (whether direct or indirect) in the Scheme or in any contract arrangement entered into on behalf of or in respect of the Scheme except, in the case of the Investment Managers, under the contracts or arrangements by which they are appointed. Furthermore, at no time during the two years preceding the Specified Date, were more than 10% of the value of the assets of the KiwiSaver Scheme, represented directly or indirectly by any securities of which the Trustees or the Investment Managers or Custodian (or any associated person of any of them) was the issuer.

9 Material Contracts

- 9.1 The following material contracts have been entered into in the two years preceding the Specified Date:
- a. The Trustees completed an application form for investment in the Tyndall Aggressive Australasian Equity Fund dated 22 September 2009 by which Tyndall Investment Management New Zealand Limited became an investment manager for half of the Scheme's Australasian Equities.
 - b. The Trustees completed an application form for investment in the TOWER Australian Equity Fund dated 22 September 2009 by which TOWER Asset Management Limited became an investment manager for half of the Scheme's Australasian Equities.
 - c. The Trustees completed an application form for investment in the Tyndall Multi-Manager Global Equity Fund -50% hedged and in the Tyndall Multi-Manager Global Equity Fund –Unhedged, dated 23 December 2009 by which Tyndall Investment Management New Zealand Limited became an investment manager for approximately half of the Scheme's Global Equities.
 - d. The Trustees completed an application form for investment in the NZAM Global Trust dated 23 December 2009 by which New Zealand Assets Management Limited became an investment manager for the Scheme's Alternative Assets.
 - e. The Trustees completed an administration agreement with Aon New Zealand dated 30 August 2011 to become the administration manager of the Scheme.
 - f. The Trustees completed an agreement with Aon New Zealand dated 30 August 2011 to provide the Trustees with secretarial services.

10 Pending proceedings

- 10.1 There are no legal proceedings or arbitrations pending as at the Specified Date that may have a material adverse effect on the Scheme.

11 Other terms of offer and Scheme

- 11.1 All terms of the offer and the KiwiSaver Scheme being offered (other than terms relating to amounts payable by individual members or terms implied by law) not set out elsewhere in this prospectus are set out in the Trust Deed, a copy of which has been registered with the Registrar of Companies and is available for public inspection as specified in section 13 of this prospectus.

12 Financial Statements and Auditors' Report

- 12.1 Financial statements in respect of the KiwiSaver Scheme, that comply with the Financial Reporting Act 1993, have been prepared for the year ended 31 March 2011 and were registered under the Financial Reporting Act 1993 on 24 August 2011.
- 12.2 KPMG have provided an Auditor's Report dated 28 June 2011 in respect of the financial statements for the year ended 31 March 2011. This report does not refer to a fundamental uncertainty and is unqualified. The Scheme has a 31 March balance date and financial statements are prepared as at that date.
- 12.3 A signed copy of the report by the Scheme's Auditor, KPMG, stating that the amounts stated pursuant to clause 5 of Schedule 6 to the Securities Regulations 2009 in the Scheme's summary of the annual financial statements have been correctly taken from audited financial statements of the scheme, appears on page 20 of this prospectus.

13 Places of inspection of documents

- 13.1 Copies of:
- a. the Trust Deed as well as the latest annual report for the KiwiSaver Scheme, may be inspected during normal business hours at the offices of the Secretary to the Trustees at the address set out in the directory on page 2 and at any time during normal business hours at the office of each Participating Employer and at each local branch office of the Maritime Union of New Zealand. The Secretary to the Trustees may require payment of a reasonable fee (not exceeding 20 cents per page) to cover the costs of providing copies of the Trust Deed.
 - b. the material contracts referred to in section 9 of this prospectus, together with the financial statements for the KiwiSaver Scheme may also be inspected during normal business hours at the offices of the Secretary to the Trustees at the address set out in the directory on page 2.
- 13.2 Copies of all of the documentation referred to at section 13.1 of this Prospectus can also be obtained (on payment of the relevant fee) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726, quoting file reference "1963994", or by viewing the KiwiSaver Scheme's file using the "search other registers" function on the Companies Office website at www.companies.govt.nz.

14 Other Material Matters

- 14.1 Except as outlined below there are no other material matters relating to the KiwiSaver Scheme.

Scheme specific risks

- 14.2 Possible scheme-specific risks associated with the Scheme include:
- a. if any of the information a Member gives the Trustees is incorrect (for example, if a Member conceals any information or makes false statements or misrepresentations), his or her benefit may be reduced.

- b. if the income rate determined by the Trustees is negative, the balance of Members' Accounts may be reduced.
- c. if a Member is declared bankrupt at the time his or her benefit from the Scheme becomes payable, the Official Assignee may have a claim against his or her benefit.
- d. if a Member's Employer goes into receivership or liquidation in circumstances where it has not paid over to the Scheme any of the contributions it has deducted from the Member, or any of the contributions it is required to make for the Member (and there are insufficient reserves to meet the shortfall), the Member's benefits may be reduced.
- e. if there is a technological or other failure which impacts on the KiwiSaver Scheme.

General risks

- 14.3 All investments carry risk. There are risks associated with the KiwiSaver Scheme that could affect Members' ability to recover the amount of their contributions or impact on the returns payable from the KiwiSaver Scheme as described in this prospectus. The principal risks applying to the KiwiSaver Scheme that could affect returns (and which are common to most KiwiSaver and superannuation schemes generally) are:
- a. *Investment risk:* The risk of a result of negative returns (after expenses) on the KiwiSaver Scheme's investments (either generally or in respect of Portfolios in which a member invests);
 - b. *Liquidity risk:* The risk associated with an inability on the part of the KiwiSaver Scheme to meet monetary obligations in a timely manner. The risk arises where the Trustees are unable to liquidate investments when required in order to pay benefits or meet any other financial obligations. In the context of the KiwiSaver Scheme, this risk is most likely to crystallise in respect of its holdings in unlisted property investments;
 - c. *Regulatory risk:* The risk of future changes to tax, KiwiSaver or general superannuation legislation which could affect the operation of the KiwiSaver Scheme or members' benefits or entitlement to tax credits, or of the Trust Deed being amended in a manner permitted by law that has the effect of reducing benefits;
 - d. *Credit risk:* The risk of the KiwiSaver Scheme becoming insolvent and being placed into receivership, liquidation or statutory management or being otherwise unable to meet its financial obligations. If this occurs, members may not recover the full amount of their interest in the KiwiSaver Scheme;
 - e. *Administration risk:* The risk of a technological or other failure impacting on financial markets in general; and
 - f. *Tax rate risk:* The risk of the Scheme either over or underpaying tax within the KiwiSaver Scheme on behalf of a member as a result of the member providing the Scheme Director with the wrong Prescribed Investor Rate or not advising the Scheme Director to change that rate when it needed to be changed. In the event of an underpayment of tax a Member will be obliged to pay additional tax (and potentially penalties or interest) to the IRD.

Tax applying to Portfolio Investment Entities

- 14.4 The KiwiSaver Scheme is a portfolio investment entity ("PIE").
- 14.5 The Portfolio Investment Entities tax rules provide that all taxable income, deductible expenses and tax credits related to the KiwiSaver Scheme's investments must be attributable to Members in proportion to their daily unit holdings in each fund, with tax payable at each Member's Prescribed Investor Rate.

- 14.6 The Prescribed Investor Rate for New Zealand resident individuals are 10.5%, 17.5% and 28%. For information to assist in selecting the correct Prescribed Investor Rate refer to the IRD website www.ird.govt.nz.
- 14.7 The amount of tax payable by the KiwiSaver Scheme to the Inland Revenue Department is the total of the tax liability of each Member based on each Member's Prescribed Investor Rate.
- 14.8 The provisions of the Income Tax Act 2007 will determine the tax treatment of all income and expenses of the KiwiSaver Scheme and its investors.

Contribution Tax

- 14.9 Until 31 March 2012 Employer contributions exceeding 2% of a Member's salary or wages are subject to a 33% contribution tax. Employers can (but are not obliged) to apply a rate of contribution tax lower than 33% in certain circumstances based on the Member's:
- (a) previous Income Year's salary or wages, if the Member was employed by his or her current Employer for all of that previous Income Year, or
 - (b) on the Employer's estimate of the salary or wages it will pay the Member in the current Income Year if the Member started employment after the start of the previous Income Year.

From 1 April 2012 all Employer's will be required to apply the lower rates of contribution tax to all contributions it makes on behalf of a Member. The tax will be determined according to a Member's salary or wages plus the Employer's contributions on their behalf as follows:

Income Year's salary or wages, plus Employer contributions	Contributions Tax Rate
Up to \$16,800	10.5%
Greater than \$16,800 but not more than \$57,600	17.5%
Greater than \$57,600 but not more than \$84,000	30.0%
Greater than \$84,000	33.0%

Tax Legislation

- 14.10 Tax legislation is complex and may have different or further consequences than those described in general terms in this prospectus. Tax legislation may also change. Members should seek independent professional tax advice before investing or withdrawing.

15 **Superannuation Trustee's statement**

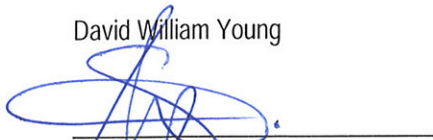
The Trustees of the Scheme are of the opinion, after due enquiry by them, that:

- (a) the value of the Scheme's assets relative to its liabilities (including contingent liabilities); and
- (b) the ability of the Scheme to pay its debts as they become due in the normal course of business,

has not materially and adversely changed during the period between 31 March 2011 (being the balance date of the latest financial statements referred to under clause 12 in this Prospectus) and the Specified Date.

This prospectus has been signed by each Trustee of the Waterfront Industry KiwiSaver Scheme, or by their respective agent authorised in writing, as Trustees and issuers of this Prospectus:

David William Young



Jason Paul Tuck



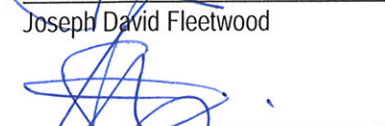
Raymond Paul Welson



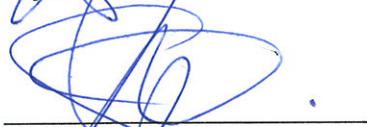
John Geoffrey Whiting



Joseph David Fleetwood



Raymond Joseph Carroll Fife



Russell Lawrence Mayn



William Howard Gorrie

Name of authorised agent

Joseph David Fleetwood

Name of authorised agent

Joseph David Fleetwood

Name of authorised agent

Joseph David Fleetwood

Name of authorised agent

Joseph David Fleetwood

Name of authorised agent

Joseph David Fleetwood.

Name of authorised agent

Joseph David Fleetwood

Name of authorised agent

Joseph David Fleetwood.

Name of authorised agent

GLOSSARY

“Administration Manager” means the administration manager, if any, named in the Directory or any other administration manager appointed from time to time by the Trustees to administer the KiwiSaver Scheme.

“Auditor” means a person who is the holder of a certificate of public practice issued by the Institute of Chartered Accountants of New Zealand and appointed by the Trustees to audit the accounts of the KiwiSaver Scheme.

“Custodian” means the custodian named in the Directory or any other custodian appointed from time to time by the Trustees to provide custodial services for any assets of the KiwiSaver Scheme.

“Directory” means the Directory set out on page 2 of this Prospectus.

“Employee” means a person employed by a Participating Employer who is eligible to become a Member.

“Employers” means the employers (including Participating Employers) which are party to an employment contract from time to time, and Employer means each of the Employers individually.

“Fund” means the Waterfront Industry Superannuation Fund.

“Governing Requirements” means the Trust Deed, KiwiSaver Act 2006 and the Superannuation Schemes Act 1989.

“Income Year” means financial year ended 31 March.

“Investment Manager” means any Investment Manager named in the Directory and any other Investment Manager appointed from time to time by the Trustees to manage the investment of the assets of the Scheme.

“KiwiSaver Rules” means the stated rules that apply to a KiwiSaver Scheme regardless of their inclusion in the trust deed.

“Member” means a waterside worker or such other person within the Waterfront Industry who may be admitted to membership at the discretion of the Trustees, and who in the opinion of the Trustees, remains a Member.

“Members’ Investment Choices” means the investment choices made available to Members under which the income or losses comprised in the KiwiSaver Member’s Account will be influenced by an investment portfolio or portfolios chosen by the Member.

“Participating Employer” means any Employer which has been admitted as a Participating Employer but does not include any Employer which has ceased to be a Participating Employer, and in relation to a Member, means that Employer by which the Member is for the time being employed.

“Prospectus” means this Prospectus.

“Real Return” means the return on net assets after deducting all liabilities, expenses, taxation and the rate of inflation.

“Scheme” means the Waterfront Industry KiwiSaver Scheme.

“SIPO” means the Statement of Investment Performance and Objectives adopted by the Trustees from time to time.

“Specified Date” means the date on which this Prospectus was delivered to the Registrar of Companies for registration under Section 42 of the Securities Act 1978.

“Trust Deed” means the trust deed dated 1 June 2007 and executed by the Trustees by which the KiwiSaver Scheme came into operation alongside the Fund pursuant to an umbrella trust, as subsequently amended or consolidated.

“Trustees” means the Trustees for the time being appointed to administer the KiwiSaver Scheme.

“Waterfront Industry” means:

- (a) in relation to any person who was a member of the Fund immediately prior to the Date of this Trust Deed shall have the same meaning as given to that term in the Waterfront Industry Commission Act 1976 immediately prior to the repeal of that Act and includes the carrying out of any other work including clerical work in relation to or in connection with the Waterfront Industry which the Trustees in their discretion from time to time decide to include within Waterfront Industry; and
- (b) in relation to any other Member, means waterside or waterside-related work as determined by the Trustees including:
 - (i) loading and unloading ships and other seafaring vessels in New Zealand;
 - (ii) work within the limits of any New Zealand port involving: -
 - receiving and delivering or otherwise handling cargo for or from any ship or other seafaring vessel, including the packing and unpacking of containers; or
 - the driving or operation of cranes, forklift trucks, or other mechanical or logistical equipment; or
 - the carrying out of any work similar in nature to that traditionally carried out by tally clerks, foremen stevedores, or permanent hands in connection with waterside-related work; and
 - (iii) clerical and other support work directly or indirectly related to the above, which the Trustees in their discretion from time to time decide is appropriate to recognise as falling within the concept of waterfront industry work.