



WATERFRONT INDUSTRY

Superannuation Fund and KiwiSaver Scheme

Investment Statement

prepared for the purposes of the Securities Act 1978
in connection with the offer of membership of the Waterfront Industry Superannuation Fund and
Waterfront Industry KiwiSaver Scheme to eligible employees.

November 2010

Important information

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

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

Choosing an investment

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

	PAGE
WHAT SORT OF INVESTMENT IS THIS?	5
WHO IS INVOLVED IN PROVIDING IT FOR ME?	5
HOW MUCH DO I PAY?	9
WHAT ARE THE CHARGES?	13
WHAT RETURNS WILL I GET?	14
WHAT ARE MY RISKS?	21
CAN THE INVESTMENT BE ALTERED?	24
HOW DO I CASH IN MY INVESTMENT?	25
WHO DO I CONTACT WITH INQUIRIES ABOUT MY INVESTMENT?	25
IS THERE ANYONE I CAN COMPLAIN IF I HAVE PROBLEMS WITH THE INVESTMENT?	25
WHAT OTHER INFORMATION CAN I OBTAIN ABOUT THIS INVESTMENT?	26

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

Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including –

- relevant experience and qualifications, and whether dispute resolution facilities are available to you;
- what types of investments the adviser gives advice about;
- whether the advice is limited to investments offered by 1 or more particular financial institutions;
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, and adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include –

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

Introduction

Why is superannuation so essential?

More New Zealanders are moving towards retirement age and that there are fewer young people to move into the workforce. When you eventually retire, it is likely that any State-funded superannuation benefit will only be enough to provide a very basic standard of living. This means it is very important for you to save for your retirement.

Although when you retire some of your work-related expenses such as transport to and from work and clothing may reduce, you will also have more time for activities such as travel, sport and hobbies. The costs of these may easily offset any savings you can make on your work-related expenses. The earlier you start saving, the easier it will be to accumulate the required amount.

Why the Waterfront Industry Superannuation Fund and/or the Waterfront Industry KiwiSaver Scheme?

Once you have decided to start saving or increase your savings, the Waterfront Industry Superannuation Fund, referred to as the '**Superannuation Fund**', and Waterfront Industry KiwiSaver Scheme, referred to as the '**KiwiSaver Scheme**', can help you enormously.

This investment statement provides important information in relation to both the Superannuation Fund and the KiwiSaver Scheme. The same Trustees and Trust Deed govern the terms of the Superannuation Fund and the KiwiSaver Scheme. Accordingly, much of the information is the same for both.

Where information is given that applies to both the Superannuation Fund and the KiwiSaver Scheme in this investment statement the two savings vehicles are referred to as '**the Plan**'. The two savings schemes do have, however, different conditions for membership, contributions and benefits. Where these are different, information is given separately in relation to the Superannuation Fund and the KiwiSaver Scheme.

By joining the Superannuation Fund you will find yourself joining an employer subsidised scheme, which means your employer contributes to your savings (unlike a lot of other private superannuation schemes). By joining the KiwiSaver Scheme, you can also get a boost to your savings through the Government's \$1,000 initial contribution, tax credits and employer contributions, where applicable.

There are currently more than twenty employers participating in the Plan and membership is open to all their employees who work within the Waterfront Industry. Because the Plan is not attached to any single employer company and because all the Superannuation Fund's assets and the KiwiSaver Scheme's assets are held within the Plan, the continuity and security of your savings will not be affected if you change your employer within the industry or if your employer's business fails for any reason.

The Plan also offers substantial death benefit cover at no cost to you, provided you meet the minimum contribution levels outlined later in the investment statement.

Joining the Waterfront Industry Superannuation Fund and Waterfront Industry KiwiSaver Scheme

When can I join?

Membership in the Plan is available to anyone employed within the Waterfront Industry by a participating employer and considered eligible by the Trustees.

If your employer, with the Trustees' agreement, has chosen the KiwiSaver Scheme as its preferred scheme and you are a permanent employee, you are automatically eligible to join the KiwiSaver Scheme. Membership is not a condition of employment.

If you are already a member of another KiwiSaver scheme you cannot join the Waterfront Industry KiwiSaver Scheme, unless you agree to transfer membership from that other scheme.

How do I join?

To apply to join, simply complete the appropriate accompanying Member Application Form and return it to your employer. Your employer is also required to sign your Membership Application Form and will forward it to the Fund Director. You must also include some form of identification such as a photocopy of your birth certificate or your passport with your application.

The Trustees generally decide whether to admit applicants to membership, although applications from a permanent employee of any employer who has agreed with the Trustees to choose the KiwiSaver Scheme as its preferred scheme are automatically accepted. When starting employment with such an employer, if you are not already a member of another KiwiSaver scheme, you will automatically be enrolled in the Waterfront Industry KiwiSaver Scheme without needing to do anything else. You then have 55 days from the day you started employment to opt out of the KiwiSaver Scheme, if you do not wish your membership to continue.

If you join the KiwiSaver Scheme, you automatically join the Superannuation Fund as well, although you will not be required to contribute to both the Superannuation Fund and the KiwiSaver Scheme.

If you have joined the Superannuation Fund, you do not automatically join the KiwiSaver Scheme. You must apply to join the KiwiSaver Scheme if you also want to participate in that part of the Plan, in which case you may need to discuss your ongoing obligations to contribute to the Superannuation Fund with your employer (see the information under the heading "How much do I pay?").

When you sign the application form you agree to authorise your employer to deduct contributions from your salary or wages and pay them to the Trustees and/or the Inland Revenue Department ("IRD") (as appropriate) and to provide the relevant personal information required by the IRD and/or the Trustees to administer the Plan. Your signature also authorises the Trustees of the Plan to disclose this information to your employer and the Plan's advisers. Your personal information will be disclosed to those other parties only when it is necessary for the purposes of the Plan.

It is important that all the information you give the Trustees is correct, complete and accurate. If you want to change or update any information, please contact the Fund Director.

What sort of investment is this?

This investment statement details an offer of membership in both the Waterfront Industry Superannuation Fund and the Waterfront Industry KiwiSaver Scheme. Both have been established to provide retirement and other benefits for employees in the Waterfront Industry.

The Superannuation Fund is a defined contribution, employer-subsidised superannuation scheme registered under the Superannuation Schemes Act 1989. The KiwiSaver Scheme is a scheme registered under the KiwiSaver Act 2006. Both the Superannuation Fund and the KiwiSaver Scheme are governed under an umbrella trust that sets out your rights and obligations.

This investment statement contains information that equally applies to both the Superannuation Fund and the KiwiSaver Scheme (together referred to as “the Plan”), unless specifically mentioned otherwise.

Who is involved in providing it for me?

Who are the Trustees of the Superannuation Fund and the KiwiSaver Scheme?

The Waterfront Industry Superannuation Fund and the Waterfront Industry KiwiSaver Scheme are both controlled by the same group of Trustees. There is a maximum of nine Trustees. Up to four are appointed by the participating employers and up to four are appointed by the organisation of workers representing waterside workers. The Trustees may also appoint a further independent trustee. At all times there must be a minimum of four Trustees. The Trustees are responsible for all aspects of the administration and investment of both the members' and employers' contributions within the terms of the Trust Deed, the Trustee Act 1956, the Superannuation Schemes Act 1989 and the KiwiSaver Act 2006.

As of the date of this investment statement the Trustees appointed by the employers are currently:

David William Young (Chairman) of Wellington
Jonathan Evan Baxter of Auckland
Katherine Anne Meads of Christchurch
Raymond Joseph Welson of Auckland

The Trustees appointed by the workers are currently:

Joseph David Fleetwood (Deputy Chairman) of Wellington
Philip Charles Adams of Dunedin
Raymond Joseph Carroll Fife of Bluff
Russell Lawrence Mayn of Auckland

The Trustees may be contacted at the following address:

C/- The Fund Director
Waterfront Industry Superannuation Fund/Waterfront Industry KiwiSaver Scheme
220 Willis Street
P O Box 27-201
Wellington

Phone: (04) 385 0122
Fax: (04) 385 0121
Email: enquiries@wisf.co.nz
Web: www.wisf.co.nz

The Trustees are the “issuers” of interests in the Superannuation Fund and the KiwiSaver Scheme for the purposes of the Securities Act 1978.

Who are the promoters?

There are no “promoters” of the Superannuation Fund or the KiwiSaver Scheme for the purposes of the Securities Act 1978.

What are the features of the Plan?

The Plan (i.e. the combination of the Superannuation Fund and the KiwiSaver Scheme) offers:

- a choice of contribution rates;
- an employer subsidy which matches your contributions up to a maximum of 7% (before deduction of any applicable withholding tax) of your earnings (less an amount equal to any contributions made by your employer to any KiwiSaver scheme outside of the Plan);
- the ability to contribute lump sum amounts;
- a choice of two investment portfolios;
- professional, low cost investment management;
- the ability to leave all or part of your benefits invested in the Plan after your employment in the waterfront industry ends, including being able to keep contributing (on terms and conditions set by the Trustees); and
- access to the death benefit under the Superannuation Fund, provided you and your employer are both making at least a 4% contribution to the Plan at the time of your death.

What are the additional features of the Superannuation Fund?

The Superannuation Fund section of the Plan offers:

- a benefit of the total value of your Member’s Account when you retire or if you leave the Waterfront Industry due to redundancy, ill health, permanent incapacity or death;
- a resignation benefit of your own contributions plus the net income earned on those contributions (but minus any losses) and a set percentage of your employer’s subsidy plus net income (but minus any losses) based on your years of membership in the Superannuation Fund;
- in-service access to a part or all of your resignation benefit in the event of terminal illness;
- the option of receiving regular monthly payments from any benefits you have deferred; and
- the ability to make lump sum withdrawals from any benefits you have deferred.

What are the additional features of the KiwiSaver Scheme?

The KiwiSaver Scheme section of the Plan currently offers:

- a benefit of the total value of your Member’s Account available under the KiwiSaver Rules when you retire, suffer significant financial hardship or serious illness, purchase a first home (where the necessary criteria are met) or permanently emigrate. Where you permanently emigrate to Australia you are entitled to transfer the full value of your interest in the KiwiSaver Scheme (net of taxes and fees) to an Australian complying superannuation scheme;
- \$1,000 (tax free) kick start contribution from the Government when you first join (provided you haven’t previously been a member of another KiwiSaver Scheme);
- tax credits from the Government;
- an ability to access a first home deposit subsidy through Housing New Zealand for members who meet the necessary criteria; and

- Compulsory employer contributions of 2% of your salary, provided you maintain your own contributions to the KiwiSaver Scheme at that level and do not take a contribution holiday. Employer contributions to the KiwiSaver Scheme that match your contributions paid to the KiwiSaver Scheme are currently not subject to any withholding tax (up to a maximum of 2% of your salary). Any employer contributions above 2% of your salary, or that are not matched by your own contribution, are subject to a withholding tax and are received in the KiwiSaver Scheme after that tax has been deducted. For more information please see the section in this Investment Statement commencing "How much do I pay". Members who became members prior to 1 April 2008 may be subject to different terms and conditions.

How long has the Plan been operating?

The Superannuation Fund has been operating since March 1975. The KiwiSaver Scheme opened to membership from 1 July 2007, and started receiving contributions from 1 October 2007.

How are the Investments Managed?

Both the Superannuation Fund and the KiwiSaver Scheme are managed in the same way as set out below.

Members' Investment Choices

The Trustees offer Members two investment portfolios, the Balanced and Conservative portfolios (**Members' Investment Choices**). Members have the ability to choose an investment portfolio, or mix of portfolios, suited to their needs.

The income or losses allocated to each Member will be influenced by the investment portfolio or portfolios chosen by the Member.

Under Members' Investment Choices:

- Your contributions can be placed in the Balanced Portfolio, the Conservative Portfolio, or in a combination of both portfolios as you decide. This applies to both your future contributions and your existing Account balance, subject to required minimum amounts in respect of each portfolio as set by the Trustees from time to time;
- You can generally change your investment portfolio choice annually, with effect from the next 1 April. This applies to both your future contributions and your existing Account balance(s) at the time*;
- if you change your contribution rate during the year, you will need to tell the Trustees which strategy you want to apply to the increase or decrease in contributions;
- if you choose to defer payment of all or part of your benefit when you leave the waterfront industry, then you can make a new choice about the portfolio or portfolios that will apply to the portion of your benefit that will remain;
- if you do not make any choices, your Account balance(s) and your future contributions will be directed to the Balanced Portfolio; and
- the Trustees are permitted at any time to change any of the conditions applicable to Members' Investment Choices or to withdraw either of the Members' Investment Choices or change the investment strategy each employs, or offer new Members' Investment Choices.

Whatever investment choices you make, the investments (including your relevant Member Account and your contributions) will be managed by the specialist fund managers appointed by the Trustees.

* Subject to any minimum amounts set by the Trustees from time to time.

Investment Portfolios

The portfolios include a spread of investments over a number of different asset classes, both in New Zealand and overseas, however, the investments are in different proportions. For example, the Balanced Portfolio has more shares and less fixed interest than the Conservative Portfolio.

The Trustees set the objectives, risk tolerance and allocation between the different asset classes for each portfolio. They are set out in the following table:

	Balanced	Conservative																																
Investment Objectives	To deliver superior returns over the medium to long term by investing in a medium risk portfolio, recognising that the benefits are payable in NZ dollars.	To obtain a relatively consistent return by investing in a relatively low risk portfolio, recognising that the benefits are payable in NZ dollars.																																
Investment Return Objective	To achieve a 2% per annum real return over the long term.	To achieve a 1% per annum real return over the long term.																																
Investment Risks <i>There is the prospect of total market values of investments being lower in any one year than the preceding year. This risk is managed within the Plan by diversifying its investments widely, both across asset classes chosen, and within those asset classes.</i>	The Balanced Portfolio lowers risk by diversifying Global Share holdings and, to a lesser extent, Australasian Shares. The Balanced Portfolio also has Fixed Interest and Cash investments, although in lower proportions than the Conservative Portfolio. 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.	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. 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.																																
Expected Loss	One year in every 3 to 4 years.	One year in every 10 to 11 years.																																
Benchmark Asset Allocation* <i>as at September 2010</i>	<table> <tbody> <tr> <td>Australian Shares</td> <td>10.0%</td> </tr> <tr> <td>New Zealand Shares</td> <td>10.0%</td> </tr> <tr> <td>Global Shares</td> <td>30.0%</td> </tr> <tr> <td>Property</td> <td>10.0%</td> </tr> <tr> <td>New Zealand Bonds</td> <td>12.5%</td> </tr> <tr> <td>Global Bonds</td> <td>27.5%</td> </tr> <tr> <td>Cash</td> <td>0.0%</td> </tr> <tr> <td></td> <td>100%</td> </tr> </tbody> </table>	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	0.0%		100%	<table> <tbody> <tr> <td>Australian Shares</td> <td>2.5%</td> </tr> <tr> <td>New Zealand Shares</td> <td>2.5%</td> </tr> <tr> <td>Global Shares</td> <td>10.0%</td> </tr> <tr> <td>Property</td> <td>5.0%</td> </tr> <tr> <td>New Zealand Bonds</td> <td>25.0%</td> </tr> <tr> <td>Global Bonds</td> <td>45.0%</td> </tr> <tr> <td>Cash</td> <td>10.0%</td> </tr> <tr> <td></td> <td>100%</td> </tr> </tbody> </table>	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	10.0%		100%
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	0.0%																																	
	100%																																	
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	10.0%																																	
	100%																																	

* In addition to and outside the Benchmark Asset Allocation of the Balanced Portfolio, the Plan's Statement of Investment Policy and Objectives allows the Trustees to hold 5% in Alternative Assets.

For both portfolios the investments are managed by the specialist fund managers appointed by the

Trustees.

For both portfolios, the investment return objective, investment risk, benchmark asset allocations and management style, may change from time to time. For current details, please contact the Fund Director at the address noted on page 25, or visit our website, www.wisf.co.nz.

Income Allocation

The Superannuation Fund earns income on its investments and pays tax on that investment income after deduction of fund management and administration costs.

Each month, the Trustees determine the Superannuation Fund's and KiwiSaver Scheme's actual rate of taxable and non taxable income or losses earned (net of expenses) for each of the investment portfolios available by way of the Members' Investment Choices, and apply those rates as increases or decreases to the relevant Members' Accounts and Reserve Accounts, in proportion to the daily account balances. Tax on taxable income is then deducted from each member's Account at the member's individual Prescribed Investor Rate (or PIR). Tax is deducted from the Reserve Account at 30% (28% from 1 October 2010).

Responsible Investment

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

How much do I pay?

What do I contribute?

Superannuation Fund contributions

The minimum contribution you can make to the Superannuation Fund is 4% of your gross earnings from employment in the Waterfront Industry, although if you are a member of the KiwiSaver Scheme, your contributions to the KiwiSaver Scheme can count towards that minimum. Your contribution to the Superannuation Fund, up to 7%, may be matched by your employer (see "What does my employer Contribute?" below). You can also make further contributions, but these will not generally be matched by your employer.

If you contribute to a KiwiSaver scheme other than the Waterfront Industry KiwiSaver Scheme you may elect to decrease your contribution to the Superannuation Fund by the amount you contribute to that scheme providing you still make a minimum contribution to the Superannuation Fund of 3%. Your employer will deduct your contributions from your earnings each pay day until the earlier of the date you leave the Superannuation Fund and your 65th birthday.

You may alter your contribution rate at any time by arrangement with your employer. There is no maximum contribution rate. You may also contribute lump sums whenever you choose.

If you continue working in the Waterfront Industry after your 65th birthday, you and your employer may agree to continue making contributions to the Superannuation Fund but neither you nor your employer is obliged to do so.

Your contributions and your employer's subsidy are sent to the Trustees. The address for payment is the Trustees, Waterfront Industry Superannuation Fund, 220 Willis Street, PO Box 27-201, Wellington.

If you are a member of the KiwiSaver Scheme and have not agreed to contribute to the Superannuation Fund, you will not be required to contribute to the Superannuation Fund.

KiwiSaver Scheme contributions

Members of the KiwiSaver Scheme are required to contribute at least the minimum contribution, if any, required by Rule 3 of the KiwiSaver Rules. Your contribution to the KiwiSaver Scheme may be matched by your employer (see “What does my employer contribute?” below). You can also make further contributions, but these will not necessarily be matched by your employer.

Rule 3 of the KiwiSaver Rules currently requires you to contribute a minimum of 2% of your salary or wages (as defined in the KiwiSaver Act). You can also choose to contribute at the rate of 4% or 8%. If you have been contributing at a rate higher than 2%, you can elect to change your contribution rate to 2% by providing notice to your employer. Your contributions will be deducted from your salary or wages (as defined and in accordance with the KiwiSaver Act), and get passed on to the Trustees via the IRD. By law, the IRD is required to hold any contributions it receives in respect of you in a special holding account, and can only release those contributions to the Trustees (together with any interest earned in the meantime) once you have been a member of the KiwiSaver Scheme for 3 months.

Your contributions (if you are aged between 18 and 65) will also result in you being eligible for a tax credit being paid into your KiwiSaver Account by the Government. That credit is currently capped at the level of your own contributions to the KiwiSaver Scheme, or the maximum level under the Income Tax Act which is currently equivalent to approximately \$20 per week, whichever is less. This tax credit is paid to the KiwiSaver Scheme annually, and will be allocated between the investment choices you have made at the time.

As the rules for payment of tax credits are prescribed by law (rather than by the trust deed for the KiwiSaver Scheme) the rules relating to tax credits are subject to any changes in those laws. In some cases the application of those laws to individual members may differ from the summary in this investment statement.

What does my employer contribute?

Employer contributions to the Superannuation Fund

Your employer will match your contributions to the Superannuation Fund up to a maximum of 7% of your gross earnings from employment in the Waterfront Industry. However, the amount actually received by the Superannuation Fund will be net of withholding tax (called “employer superannuation contribution tax” or ESCT), which your employer is legally required to deduct from its contributions.

The following table shows how this works for someone who is not contributing to the Waterfront Industry KiwiSaver scheme:

Member contributions	Employer contributions	Withholding tax on employer contributions	Superannuation Fund receives in total
3.0%*	3.0%	(0.99%)	5.01%
4.0%	4.0%	(1.32%)	6.68%
5.0%	5.0%	(1.65%)	8.35%
6.0%	6.0%	(1.98%)	10.02%
7.0%	7.0%	(2.31%)	11.69%
8.0% or more	7.0%	(2.31%)	12.69% or more

* A 3% minimum contribution can only be made by a member who is contributing to a KiwiSaver scheme other than the Waterfront Industry KiwiSaver Scheme.

The withholding tax in the table has been calculated at a rate of 33%. Employer contributions are subjected to a 33% withholding tax. Employers can (but are not obliged to) apply a rate of withholding tax lower than 33% in certain circumstances, based on your previous income year's salary and wages and employer contributions, if you were employed by your current employer for all of that year, or your employer's estimate of the salary and wages you will be paid in the current income year if you started employment after the start of the previous income year.

Unless you agree otherwise with your employer, your employer will not be required to contribute to the Superannuation Fund in order to match any contributions you make to the KiwiSaver Scheme that are counted toward satisfying your obligation to contribute to the Superannuation Fund. Where your employer is required to contribute to any other KiwiSaver scheme on your behalf, your employer's contribution to the Superannuation Fund will reduce by an amount equal to any contributions your employer makes to that KiwiSaver scheme, unless otherwise agreed between you and your employer.

Your employer will also contribute the amount the Actuary considers necessary to fund the portion of your death benefit that exceeds the total balance of your Member's Account (see page 18).

Employer contributions to the KiwiSaver Scheme

Provided you are contributing to the KiwiSaver Scheme, your employer will generally be required by law to contribute at a rate of 2% of your salary. However, if you joined the Superannuation Fund prior to 1 April 2008, or you are employed on terms covered by a collective agreement that was in force prior to 17 May 2007, any contributions your employer makes to the Superannuation Fund may count towards this compulsory employer contribution, depending on the terms of your employment agreement. Employer contributions are paid to the KiwiSaver Scheme via the IRD in accordance with the KiwiSaver Act.

Contributions to the KiwiSaver Scheme by your employer that match your own contributions to the KiwiSaver Scheme are currently exempt from employer superannuation contribution tax ("ESCT"), up to a maximum of 2% of your salary or wages (as defined in the Act). Contributions above that level will be subject to ESCT, as set out in the table below. If you were a member of the Plan prior to 1 April 2008, in order to obtain the benefit of ESCT relief, you must specifically request that contributions from your employer be credited to your KiwiSaver Members Account. That request can relate to all or part of your employer contributions, but ESCT relief will only apply (if at all) to employer contributions credited to the KiwiSaver Scheme.

The following table shows how this works for someone who is a member of the KiwiSaver Scheme contributing the statutory minimum to the KiwiSaver Scheme (but with further contributions paid to the Superannuation Fund):

Member contributions to KiwiSaver Scheme	Member contributions to Superannuation Fund	Employer Contributions to KiwiSaver Scheme	Employer contributions to Superannuation Fund	Withholding tax on Employer Contributions*	Plan receives in Total
2%	0	2%	0	0	4%
2%	2%	2%	2%	0.66%	7.34%
2%	3%	2%	3%	0.99%	9.01%
2%	4%	2%	4%	1.32%	10.68%
2%	5%	2%	5%	1.65%	12.35%

Member contributions to KiwiSaver Scheme	Member contributions to Superannuation Fund	Employer Contributions to KiwiSaver Scheme	Employer contributions to Superannuation Fund	Withholding tax on Employer Contributions*	Plan receives in Total
2%	6% or more	2%	5%	1.65%	13.35% or more

* ESCT is only applicable to contributions to the Superannuation Fund in this example table

Can I contribute after I finish working?

When you finish working in the Waterfront Industry, if you have elected to defer all or part of your benefits, you may continue contributing to your Superannuation Fund account on terms and conditions set by the Trustees. To do so, you must complete an application form which you can obtain from the Trustees at the time. The terms and conditions that at present apply to contributions by Members who have finished working in the Waterfront Industry require either:

- making automatic payments of at least \$50 per month; or
- making occasional lump sum payments of at least \$500.

What happens to my contributions?

Your contributions and the employer's subsidy:

- are credited to an individual account in your name called your Member's Account and, if you have chosen to contribute to the KiwiSaver Scheme, to an individual account called your KiwiSaver Member's Account; and
- are directed to the applicable investment portfolio or portfolios you have chosen.

Can I stop contributing?

Once you have joined the Superannuation Fund you are obliged to remain a Member and keep contributing as long as you remain employed by an employer who participates in the Superannuation Fund. However, if you also join the KiwiSaver Scheme, your contributions to the KiwiSaver Scheme will count towards satisfying your obligation to contribute to the Superannuation Fund. An employee may, after one year's membership in the KiwiSaver Scheme, take a contribution holiday on the terms specified in sections 102 and 103 of the KiwiSaver Act.

What happens if I am absent from work for a while?

If you are granted sick or compassionate leave for a period exceeding four weeks, the Trustees may use their discretion to meet part of your contributions while you are absent, in order to preserve your death cover. If you are receiving accident compensation, you should continue making contributions. Your employer will match your contributions, up to 7% of your earnings from employment in the Waterfront Industry.

What flexibility do I have with my KiwiSaver Scheme contributions?

Provided you meet the minimum contribution required to be made to the KiwiSaver Scheme, you are able to split any additional contributions between both the Superannuation Fund and the KiwiSaver Scheme, to the extent agreed between you and your employer.

Any contributions made to the KiwiSaver Scheme count towards your obligation to contribute to the Superannuation Fund. Depending on your employment agreement, the amount of any compulsory employer contribution will be paid to your KiwiSaver Member's account in the KiwiSaver Scheme. Employer contributions paid into the Superannuation Fund will not attract the ESCT relief currently available for the first 2% of your employer contributions to the KiwiSaver Scheme, however, the contributions will not be subject to the more restrictive withdrawal conditions that apply to the KiwiSaver Scheme, including being locked in until the age of qualification for New Zealand superannuation or membership of five years (whichever is later). Members who became members prior to 1 April 2008 may be subject to different terms and conditions.

What are the charges?

The Superannuation Fund and the KiwiSaver Scheme incur the same charges. These charges reflect actual fees and expenses in attending to the affairs of the Superannuation Fund and the KiwiSaver Scheme, and include fund management fees, trustee fees, professional adviser fees, and administration costs, as described below:

1. **Fund management fees** payable to the Fund Managers listed in the Directory on page 28 of this Investment Statement are based on the amount of assets under management. Fund management fees are payable from the Plan and may be altered by agreement between the Trustees and the Fund Managers.
2. **Charges or fees payable to professional advisers** which currently include the Actuaries, Auditors, and Solicitors. Details of the professional advisers are shown in the Directory on page 28. Professional fees are usually charged on a time/cost basis and can be altered at any time.
3. **Administration costs** (including the costs associated with the Fund Director and any assistants). These costs may be altered at the Trustees' discretion.
4. **Trustees' remuneration** as deemed reasonable by the Trustees for services rendered by the Trustees in connection with the Superannuation Fund and the KiwiSaver Scheme. This remuneration may be altered in accordance with services provided.

These charges are expected to be about 1% per annum of funds invested in the Balanced Portfolio and the Conservative Portfolio, however, may be less or more depending on the actual charges incurred.

Where can I find out what the charges are?

The Plan's net investment revenue, administration costs (including the fees paid to professional advisers) and Trustees' remuneration are shown in the Plan's Financial Statements, copies of which are available from the Fund Director.

Who pays the charges?

The costs and charges are deducted from investment income before it is allocated to Members Accounts. Therefore the costs and charges affect the returns of each Member. The Plan's costs and charges, including administration costs and fund management fees, have in recent years, been less than 1.0% of the total assets being managed.

What returns will I get?

What type of return will I get?

The way in which your return or benefit is payable varies, depending on the benefit to which you are entitled and the investment choices you have made. The different ways in which benefits may be paid are set out later in this section.

What are the key factors determining the returns?

The key factors that determine your returns are:

- the benefit(s) to which you are entitled;
- your contributions;
- the level of Government tax credits and tax relief.
- your period of membership (relevant for the resignation benefit in the Superannuation Fund only);
- your investment portfolio choices;
- the net income or any losses determined by the Trustees for each applicable investment portfolio;
- the costs incurred in running the Superannuation Fund and the KiwiSaver Scheme;
- your age (relevant for the death benefit, and the retirement benefit in the Superannuation Fund); and
- if you elect to receive some or all of your Superannuation Fund benefit as a pension rather than a lump sum, the factors calculated by the Actuary for this purpose, using up-to-date mortality tables and interest rates.

Are the returns quantifiable at the date of this Investment Statement? If so, how are the returns calculated?

The Trust Deed sets out the benefits payable and the way in which they are calculated. No amount of return, quantifiable as of the date of this investment statement and enforceable by members of the Plan, has been promised. The amount and method of calculating your benefit varies, depending on the benefit to which you are entitled. The benefits are described in detail later in this section.

Each year you will receive a statement showing transactions for the year, the balance of your account, and your accumulated benefits as at 31 March.

Who is responsible for payment of my benefit?

The Trustees are the parties legally responsible for paying your benefit.

Are returns affected or likely to be affected by taxation or reserves?

Taxation

At the date of this Investment Statement the following taxation regime applies to the Plan:

Tax on your contributions:

- employee contributions are not tax-deductible;

Tax on your employer's contributions:

- employer contributions to the Superannuation Fund are subjected to a 33% withholding tax. Employers can (but are not obliged to) apply a rate of withholding tax lower than 33% in certain circumstances, based on your previous income year's salary and wages and employer contributions, if you were employed by your current employer for all of that year, or your employer's estimate of the salary and wages you will be paid in the current income year if you started employment after the start of the previous income year.
- employer contributions to the KiwiSaver Scheme will not be subject to the employer superannuation contribution tax ("ESCT") regime, subject to a cap which is equal to the lesser of your contribution or 2% of your salary or wages (as defined in the KiwiSaver Act). For example, if you contribute 2% and your employer contributes 3% then only 2% of the employer contribution is tax free, with 1% subject to ESCT.

Tax on the Plan's income:

- the Superannuation Fund and the KiwiSaver Scheme became a portfolio investment entity (or "PIE") with effect from 1 October 2007 which, among other things, means the tax on your savings in the Plan reflects your prescribed investor rate. You will need to notify the Trustees of the appropriate rate to apply to your Account(s), and notify the Trustees of any change in your rate. This will be 10.5%, 17.5%, or 28% depending on your income, including any PIE income allocated to you. You will be advised the amount of PIE income allocated to you by the Plan each year. Contact the Fund Director if you need help to work out your prescribed investor rate.

Tax on benefits:

- in most cases, benefits will be paid tax-free.

However, if your combined annual taxable income and the contributions made by your employer exceeded \$60,000 in any of the last four income years a tax (known as fund withdrawal tax ("FWT")) might be payable at a rate of 5% on withdrawals of contributions made by your employer to the Superannuation Fund and the income on those contributions.

The main benefit payments from the Superannuation Fund that might be affected by this tax are in respect of members who joined after 1 April 2000 where:

- the benefit includes some of the employer's contributions; and
- the member has been employed for fewer than two years; or
- the employer's contributions have increased by more than 50% in the current year or last two years;
- the Trustees are permitted to deduct the fund withdrawal tax from the benefit.

There are other circumstances in which fund withdrawal tax might apply in respect of benefits paid from the Superannuation Fund. However, benefits paid from the KiwiSaver Scheme, and from any other KiwiSaver scheme, are not subject to FWT.

FWT will not apply to withdrawals made from 1 April 2011.

This investment statement is not a full statement of the applicability of tax on your investment. Tax legislation is complex and may have different or further consequences from those described in general terms above. You should seek independent professional tax advice before investing or withdrawing.

Reserves

All payments received by the Trustees including contributions, any income earned on investments and any other money paid to the Superannuation Fund and KiwiSaver Scheme are paid to the relevant Reserve Account in the Superannuation Fund or KiwiSaver Scheme ("the Reserve Accounts"). Expenses are paid from the Reserve Accounts. The KiwiSaver Scheme's Scheme Management Charge is paid from the KiwiSaver Scheme Reserve Account to the Superannuation Fund Reserve Account, and the costs and expenses of operating the KiwiSaver Scheme are paid out of that. Members' contributions, the employers' subsidy and the net income or losses, as determined by the Trustees, are transferred from the Reserve Accounts to Member's Accounts.

Special accounts may also be kept in the Reserve Accounts to pay (where applicable):

- death benefits;
- pensions to retired Members who choose to receive a pension;
- contributions for Members suffering long term illness; and
- expenses.

Income not allocated is kept in a separate account.

The Trust Deed also allows the Reserve Account to be used for a number of other purposes including (where applicable):

- paying the contributions of Members who are on leave of absence;
- meeting employers' contributions to the Superannuation Fund if the employers have suspended or stopped their contributions;
- increasing Members' benefits on an equitable basis;
- providing benefits for Members and their dependants in cases of hardship.

However, the current policy is to allocate all income (after liabilities, tax and expenses) each month.

When will I get my benefit from the Superannuation Fund?

When your benefit is payable varies, depending on the benefit to which you are entitled and the payment option you choose.

Retirement Benefit

When is my retirement benefit payable?

Your retirement benefit is payable:

- when you reach age 65;
- on or after you reach age 60 if you give the Trustees written notice of your intention to retire;
- if you are made redundant (the Trustees' decision as to whether or not you have been made redundant is final);
- if you are on a fixed term contract and your employer decides not to renew your contract or offer you a new contract;
- if in the Trustees' opinion you are unable to continue working as a result of ill-health;
- if in the Trustees' opinion acting on medical advice, you are unable to continue working as a result of illness or injury which, taking into account your previous employment and other characteristics, means you are unlikely to have a significant earning capacity in the future.

What benefit is payable?

The benefit payable is the total balance of your Member's Account.

How is my benefit paid?

When you retire you may elect one of the following payment options:

- **Lump Sum** – take your benefit as a lump sum; or
- **Deferred Benefit** – leave all or part of your benefit in the Superannuation Fund. If you choose this option, the following conditions will apply:
 - you may alter your investment choices at the time, and also with effect from 1 April in each future year;
 - the money you leave in the Superannuation Fund will continue to be allocated income at the rate (positive or negative) determined by the Trustees for each investment portfolio;
 - you may continue to make contributions, but only on terms and conditions agreed by your employer or the Trustees (as the circumstances require);
 - if you die before your benefit is paid, your accumulated lump sum benefit will be paid in the same way as the death benefit (see the next section);
 - you may withdraw part of your benefit as a lump sum subject to any terms and conditions set down by the Trustees. They are currently:
 - the minimum amount you may withdraw is \$5,000 or, if your total amount in the Superannuation Fund is less than \$5,000, you cannot withdraw less than the total amount;
 - if you make a partial withdrawal, the amount remaining in any single investment portfolio cannot be less than \$5,000;
 - a maximum of two part withdrawals in any financial year;
 - new contributions generally cannot be withdrawn before age 50;
 - you may elect to receive a regular lump sum payment each month subject to any terms and conditions set by the Trustees. The terms and conditions can be varied at any time. They are currently:
 - the minimum amount you may elect to receive is \$100 per month;
 - the payment will be made monthly by direct credit to your nominated bank account on the last business day of the month;
 - the monthly payments will be altered or stopped at your request or when the remaining account balance is insufficient to meet the payment;
- **Pension** – use all or part of your benefit to purchase a pension for your remaining lifetime of an amount determined by the Trustees acting on the advice of the Actuary. If you choose this option:
 - you may (within one month after retirement) elect to surrender up to one half of your pension entitlement in order to provide a deferred pension for a nominated beneficiary. After your death the pension will be payable for the remainder of your nominated beneficiary's lifetime;
 - if you and your nominated beneficiary (if any) both die before the pension has been paid for ten years, an amount at least equal to the pension that would have been paid during the remainder of the ten years will be payable to the relevant estate.

Death Benefit

What benefit is payable if I die while I am a Member of the Superannuation Fund?

If you die while you are a Member of the Superannuation Fund, your estate will receive:

- the total balance of your Member's Account; *plus*
- twice the contributions (excluding voluntary contributions) you would have made (in the year ending 31 March in which your death occurred) if you had not died, multiplied by the number of years and complete months (with completed months counting as a fraction of a year) between 31 March preceding your death and your 65th birthday. The contributions will be based on your current rate of earnings and contributions. All contributing Members are automatically covered for this benefit, but see the important note below.

Examples

A Member dies on 1 April at exactly age 47. His current earning rate is \$65,000.

1. Member contributes	7%	
Death benefit	=	18 years x 14% x \$65,000
	=	\$163,800

2. Member contributes	4%	
Death benefit	=	18 years x 8% x \$65,000
	=	\$93,600

Important Note: To be eligible for the Death Benefit both you and your employer must be making the minimum contributions required to be made to the Plan at the time of your death. Otherwise, the death benefit will be restricted to the total balance of your Member's Account. This minimum is currently 4% each.

How is my death benefit paid?

Your death benefit is paid to your estate. With the Trustees' approval, the administrators or executors of your estate may leave your benefit in the Superannuation Fund subject to conditions and the approval of the Trustees. Those conditions currently are similar to those mentioned for the retirement benefit (see pages 16 and 17).

The Trustees may pay your death benefit to your dependant or dependants up to a certain limit stated under section 65 of the Administration Act for payments without probate.

Withdrawal Benefit

What benefit is payable if I resign?

If you resign from the Waterfront Industry before age 60, the Trustees have a discretion to pay you all or part of your Member's Account balance. The amount that the Trustees will pay will depend on your length of membership and the method and timing of payment of your withdrawal benefit and any other circumstances that the Trustees consider appropriate.

Normally you will receive your own contributions plus any amounts transferred in on your behalf from another superannuation scheme, plus the net income earned (or minus the net losses incurred) on those contributions and transferred amounts, less any amounts paid to you as a terminal illness benefit.

In addition:

- if you have been a Member of the Superannuation Fund for one year or more, you will normally also receive a proportion of your employer's contributions, plus (or minus) the net income (or losses) earned on those contributions. This proportion is 20% for each complete year of membership up to a maximum of 100% on the fifth anniversary of you joining the Superannuation Fund. The table below shows how the percentage of your employer's contributions increases for each year of membership;

Completed years of membership	Percentage of Employer Contribution and Income
1	20%
2	40%
3	60%
4	80%
5	100%

- if you have completed fewer than five years of Superannuation Fund membership, you can still receive all of your employer's contributions by leaving your benefit in the Superannuation Fund until the date you would have completed five years of membership or age 60, whichever is sooner;
- the Trustees at their discretion and with your consent (or as otherwise permitted by law) may transfer all your benefits to another registered superannuation scheme operated by your new employer. A transfer benefit to any other registered superannuation scheme or KiwiSaver scheme is also available where you do not resign from the Waterfront Industry, but are promoted to a new employment position within the Waterfront Industry on terms that result in you no longer being entitled to have contributions to the Superannuation Fund paid by your employer.

You may take your withdrawal benefit in the same manner (and with the same options) as set out for the retirement benefit (see page 16).

Terminal Illness Benefit

If the Trustees, acting on medical advice, consider that you have been diagnosed as having six months or fewer to live but you continue working, you can elect to withdraw up to 50% of the withdrawal benefit that would be payable had you resigned at that time. Receipt of this benefit will not affect you qualifying for further benefits under the Superannuation Fund on leaving the Waterfront Industry, although the benefit will be attributed to your own contributions and the minimum benefit will be reduced accordingly.

When will I get my benefit from the KiwiSaver Scheme?

Returns from the KiwiSaver Scheme are payable in the circumstances set out in the KiwiSaver Act.

As at the date of this Investment Statement, the KiwiSaver Act allows you to apply for payment of part or all of the value of your interest in the KiwiSaver Scheme if you:

- reach the age of entitlement to New Zealand Superannuation (currently 65), subject to first having been a KiwiSaver member for five years;
- die (in which case your personal representatives are entitled to apply for a withdrawal); or
- permanently emigrate to another country, subject to you first being away from New Zealand for one year. (In this case any tax credits received will be refunded to the government.)

Where you permanently emigrate to Australia you are entitled to transfer the full value of your interest in the KiwiSaver Scheme (net of taxes and fees) to an Australian complying superannuation scheme.

As at the date of this Investment Statement, the Act also allows you to apply for payment of part or all of the value of your interest in the KiwiSaver Scheme, excluding the Crown contribution and tax credits received, from the KiwiSaver Scheme in the following circumstances:

Significant Financial Hardship

Where the Trustees determine that you are suffering significant financial hardship within the Act. The Act currently defines “significant financial hardship” as including:

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

The Act currently requires you to provide a statutory declaration concerning your assets and liabilities as a condition to applying for this benefit.

Serious Illness

Where the Trustees are reasonably satisfied that you are suffering from serious illness. Under the Act serious illness currently means an injury, illness or disability:

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

In the case of serious illness you may also withdraw any tax credits received.

First Home

For the purchase of a qualifying first home where you are eligible for this withdrawal option under the KiwiSaver Act. As at the date of this Investment Statement, you are eligible to withdraw for this purpose if you have not made a first home withdrawal from any KiwiSaver scheme before and three years have expired since the IRD received the first contribution in respect of you (whether to the KiwiSaver Scheme or another KiwiSaver scheme) or, if you have never made contributions to the KiwiSaver Scheme by deduction from your pay, you have been a member of one or more KiwiSaver schemes for a total period of three years or more.

A purchase will qualify if it is of an estate in land (alone, as a joint tenant or as a tenant in common) and:

- the land is, or is intended to be, your principal place of residence and you have not at any time before applying to make the withdrawal held an estate in land (either alone, as a joint tenant or as a tenant in common);

- the land is, or is intended to be, your principal place of residence and you are a “qualifying person” under regulations made under the Act (as at the date of this Investment Statement, there are no such “qualifying persons”); or
- the purchase is otherwise made in circumstances prescribed in any regulations made under the Act (as at the date of this Investment Statement, there are no such regulations).

Any withdrawal for a first home will be paid to your solicitor. The Trustees may request from your solicitor a copy of the agreement for the sale and purchase showing you as the purchaser, an undertaking that the agreement is unconditional, and an undertaking that the funds will be paid to the vendor as part of the purchase price and will be repaid to the KiwiSaver Scheme if settlement is not completed by the due date or any extended date.

Other Withdrawals or Returns

A withdrawal from the KiwiSaver Scheme may also be made where the Trustees are required to comply with any enactment requiring the release of funds from the KiwiSaver Scheme, such as for the purposes of a Court order under the Property (Relationships) Act 1976.

You are entitled to transfer the full value of your interest in the KiwiSaver Scheme (net of taxes and fees) to another KiwiSaver scheme that you join, and the effect of legislation in relation to KiwiSaver Schemes could also result in you being required to transfer to another KiwiSaver scheme. Subject to complying with the applicable legislation, the Trustees may transfer the value of your interest in the KiwiSaver Scheme to another KiwiSaver scheme on whatever terms and conditions they agree with the Trustee. The Trustees do not need your consent to do this if the Government Actuary approves the transfer.

In the future, under legislative changes which have passed but not commenced as at the date of this investment statement, if you permanently emigrate to Australia, you will be entitled to transfer the full value of your interest in the Scheme (net of taxes and fees) to an Australian complying superannuation scheme. Please contact the Fund Director for more details.

You may also be entitled to an additional Death Benefit from the Superannuation Fund if you satisfy the conditions for that benefit described on page 18.

What are my risks?

General risks

All investments carry risk. There are risks associated with the Plan that could affect members' ability to recover the amount of their contributions or impact on the returns payable from the Plan. The principal risks applying to the Plan that could affect returns (and which are common to most KiwiSaver and superannuation schemes generally) are:

- **Investment risk:** The risk of a result of negative returns (after expenses) on the Plan's investments (either generally or in respect of Portfolios in which a member invests);
- **Liquidity risk:** The risk associated with an inability on the part of the Plan 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 Plan, this risk is most likely to crystallise in respect of its holdings in unlisted property investments;

- **Regulatory risk:** The risk of future changes to tax, KiwiSaver or general superannuation legislation which could affect the operation of the Plan 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;
- **Credit risk:** The risk of the Plan 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 Plan;
- **Administration risk:** The risk of a technological or other failure impacting on financial markets in general; and
- **Tax rate risk:** The risk of the Plan either over or underpaying tax within the Plan on behalf of a member as a result of the member providing the Fund Director with the wrong Prescribed Investor Rate or not advising the Fund 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.

Can I receive less than my own contributions?

The minimum benefit payable from the Superannuation Fund is your own contributions to the Superannuation Fund plus any amount transferred into the Superannuation Fund on your behalf from another superannuation scheme less any amount paid to you as a terminal illness benefit.

There is no minimum benefit available in the KiwiSaver Scheme. Accordingly, it is reasonably foreseeable that you may receive less than your contributions from the KiwiSaver Scheme if you cease to be a member a short time after joining.

Can I receive less than the benefits described earlier in this Investment Statement?

You could receive less than the benefits described in this Investment Statement under the following circumstances:

- if any of the information you give the Trustees is incorrect;
- if the investments make a loss, it will be deducted from Members' Accounts;
- if you die while you are not contributing you will receive only your account balance;
- if you are declared bankrupt at the time your benefit becomes payable, the Official Assignee may have a claim against your benefit;
- if your employer goes into receivership or liquidation and has not paid over to the Trustees all of the contributions it has deducted from you, or all of the contributions it is required to make for you;
- if the reserves set aside for pensioners or death benefits prove inadequate, the shortfall will have to be met from the Reserve Account, except to the extent of payments received from the employers to meet the death benefits' shortfall. An inadequacy might affect Members' benefits through lower or negative income distributions;
- if the Trustees make an amendment to the Trust Deed varying benefits payable under the Trust Deed to take into account changes in taxation;
- if you fail to provide your correct prescribed investor rate to the Trustees, or fail to notify the Trustees of a change in your prescribed investor rate, which may mean you have an obligation to pay further tax in relation to your savings and file a tax return.
- if changes to law require or permit deductions to be made from your benefits.

Can I be required to contribute more than the contributions set down on pages 9 to 13 of this Investment Statement?

There is no requirement for you to contribute more than 4% of your earnings to the Superannuation Fund (reducing to 3% if you are contributing to a KiwiSaver scheme other than the Waterfront Industry KiwiSaver Scheme). Should the Superannuation Fund or the KiwiSaver Scheme become insolvent, there is no obligation for you to pay money to any person to meet the shortfall. If the total in your Accounts is insufficient to cover the tax obligations of the Superannuation Fund or the KiwiSaver Scheme in respect of your membership, you may need to pay tax or reimburse the Trustees for tax paid on your behalf. It is highly unlikely this would occur, but you should check the tax consequences before making a withdrawal in case there is a possibility this may happen to you.

If the Superannuation Fund or KiwiSaver Scheme is put into liquidation or wound up, the following claims on the assets of the Superannuation Fund or KiwiSaver Scheme will rank ahead of the claims of members:

- any outstanding expenses or liabilities;
- any claims preferred at law;
- tax;
- the costs of winding up.

The claims of members of the Superannuation Fund on the assets of the Superannuation Fund rank equally. The claims of members of the KiwiSaver Scheme on the assets of the KiwiSaver Scheme rank equally. Neither the assets of the Superannuation Fund nor the assets of the KiwiSaver Scheme are available to meet any claim against the assets of the other.

Under what circumstances can the Superannuation Fund or the KiwiSaver Scheme be wound up?

The Trustees have the right to wind up the Superannuation Fund or the KiwiSaver Scheme. The wind up of either the Superannuation Fund or KiwiSaver Scheme shall not impact on the continued operation of the other.

How would the assets be distributed on wind up?

If the Superannuation Fund is wound up

If the Superannuation Fund were to be wound up, the Trustees would distribute the assets in the following order of priority:

1. Paying the expenses of the winding up.
2. Purchasing annuities for the pensioners. Alternatively, pensioners would, on giving the required notice, be able to take their benefit as a lump sum determined by the Actuary.
3. Paying retirement benefits (as lump sums) to Members who had attained age 65.
4. Refunding to the employers (with the consent of the Government Actuary) amounts in the accounts of the Reserve Account funded wholly by the employers, including the account for payment of the twice Member contributions portion of the death benefit.
5. Paying each Member who is younger than 65 the balance of his or her Member's Account.
6. Distributing any money remaining to Members in proportion to the balance of each Member's Account.

Anyone who is a Member at the date the Superannuation Fund is wound up may request a copy of the assumptions and bases of calculation used in the valuation of the Superannuation Fund's assets and calculation of each Member's benefit.

Members would also receive a copy of the final Financial Statements showing the Superannuation Fund's financial position at the date of winding up and written information of the way in which the assets are to be distributed.

If the KiwiSaver Scheme is wound up

If the KiwiSaver Scheme were to be wound up the Trustees would distribute the assets in the following order of priority:

1. Payment of the expenses of the winding up,
2. Payment of any unpaid benefits to members which became payable before the date of winding up,
3. Providing for payments to remaining members,
4. If there is money remaining in augmenting unpaid benefits and amounts payable to remaining members on a pro-rata basis.

All amounts payable to remaining members shall be paid in accordance with the KiwiSaver Act or other legislation governing KiwiSaver (which, as at the date of this Investment Statement, requires a transfer of the relevant amounts to another KiwiSaver scheme).

Can the investment be altered?

Can I alter my contributions?

Subject to the minimum contribution rates outlined under the heading "How much do I pay?", you may alter your contributions at any time by arrangement with the Trustees and your employer.

You can alter the apportionment of your contributions between the different investment strategies on 1 April each year. You will be given the opportunity to do this in the preceding February or March of each year.

If you are a deferred beneficiary, you may change your contribution rate at any time by arrangement with the Trustees. You can alter the apportionment of your contributions between the different investment portfolios on 1 April each year. You will be given the opportunity to do this in the preceding February or March of each year. This facility is subject to any new or changed terms and conditions prescribed by the Trustees from time to time. The current terms and conditions are set out on page 17.

The fund managers and other providers listed in the Directory at the back of this Investment Statement may change from time to time. Please contact the Fund Director if you would like to confirm the current list of providers.

Can the Trust Deed be amended?

The Trustees may amend the Trust Deed. Current legislation and the Trust Deed protect a Member's rights by requiring his or her consent to any change which may adversely affect his or her benefits at that time, or result in an increase in contributions or fees payable by him or her.

How do I cash in my investment?

Can I access my benefit before I leave my employer?

Superannuation Fund

The only circumstances under which you can access a benefit from the Superannuation Fund before you leave the Waterfront Industry (other than by transferring to another scheme in limited circumstances described at page 19) are if you reach age 65 or if the Trustees, acting on medical advice, consider that you have been diagnosed as having six months or less to live but you continue working. See Retirement Benefit on page 16 and Terminal Illness Benefit on page 19.

KiwiSaver Scheme

Members of the KiwiSaver Scheme are only entitled to receive a payment from the KiwiSaver Scheme if the Member is entitled to make a withdrawal pursuant to the KiwiSaver Rules, as outlined under the heading "What are my returns?".

Can I use my benefit as security for a loan or otherwise "sell" it?

The primary purpose of the Superannuation Fund and KiwiSaver Scheme is to provide benefits for Members in their retirement. To preserve those benefits intact, no Member is permitted to assign, charge, alienate or borrow against the security of those benefits. The KiwiSaver Act also expressly requires this restriction to apply to your KiwiSaver Member's Account.

Who do I contact with inquiries about my investment?

If you have any questions about the Plan, you can contact the Fund Director at the following address:

Waterfront Industry Superannuation Fund
220 Willis Street
PO Box 27-201
WELLINGTON

Phone: (04) 385 0122
Fax: (04) 385 0121
Email: enquiries@wisf.co.nz

You can also contact your employer or the local secretary of the Maritime Union of New Zealand.

Is there anyone to whom I can complain if I have problems with these investments?

You can complain to:

The Trustees
C/- The Fund Director
Waterfront Industry Superannuation Fund
PO Box 27-201
220 Willis Street
WELLINGTON

Phone: (04) 385 0122
Fax: (04) 385 0121
Email: enquiries@wisf.co.nz

If you have a complaint that the Plan is not being operated in accordance with the Superannuation Schemes Act 1989 or the KiwiSaver Act 2006 or that the financial position, security of benefits or the management of the Plan is inadequate, you can complain to:

The Government Actuary
Business & Registries Branch
Ministry of Economic Development
Level 11, 33 Bowen Street
P O Box 10843
Wellington

Phone: (04) 472 0030
Fax: (04) 472 5388

There is currently no ombudsman to whom complaints about the Plan can be made, as your membership is employment related and falls outside the current jurisdiction of the Insurance and Savings Ombudsman.

What other information can I obtain about these investments?

Additional information about membership of the Superannuation Fund and the KiwiSaver Scheme, and their performance is contained or referred to in the registered prospectus, the latest annual report, and the audited financial statements of the Superannuation Fund and the KiwiSaver Scheme. Copies of them can be obtained free of charge from:

The Trustees
C/- The Fund Director
Waterfront Industry Superannuation Fund/Waterfront Industry KiwiSaver Scheme
220 Willis Street
PO Box 27-201
WELLINGTON

Phone: (04) 385 0122
Fax: (04) 385 0121
Email: enquiries@wisf.co.nz

Copies of the Trust Deed, material contracts, audited financial statements and latest prospectuses for the Superannuation Fund and the KiwiSaver Scheme are filed on a public register at the Companies Office of the Ministry of Economic Development and available for public inspection (including at www.companies.govt.nz).

What other information is available?

Each year you will receive:

- an **annual report** showing the Superannuation Fund and/or KiwiSaver Scheme's financial position for the year, a summary of its latest financial statements, and other information;
- a **personal benefit statement** showing the transactions in your account and your accumulated benefits;
- newsletters that will keep you informed of matters relating to the Superannuation Fund and/or KiwiSaver Scheme.

By contacting the Fund Director you may request, free of charge (unless otherwise stated), a copy of:

- the Superannuation Fund and KiwiSaver Scheme's most recent Annual Report;
- the Trust Deed (including any amendments) and a copy of the most recent actuarial valuation report. You may be asked to pay a small fee to cover the costs of providing these documents;
- the Superannuation Fund and KiwiSaver Scheme's most recent Prospectus and any certificate extending the Prospectus;
- the Superannuation Fund and KiwiSaver Scheme's most recent Investment Statement;
- any entry relating to you in the register of Members; and
- a statement of the specific interest, mortality and other assumptions and bases of calculations applied in determining the Superannuation Fund and KiwiSaver Scheme's liability and the latest actuarial valuations (the actuarial valuation relates only to the Death Benefit and Pension Reserve Accounts).

You may also ask for an estimate of your benefits and (until financial statements for it are available) details of the KiwiSaver Scheme's administration costs.

Information about the Superannuation Fund and KiwiSaver Scheme is also available on the Fund's website at www.wisf.co.nz

Directory as at November 2010

Actuary

Melville Jessup Weaver Limited

Level 5, 187 Featherston Street
PO Box 3109
Wellington

Phone: (04) 499 0277

Fax: (04) 499 0488

Fund Managers

AMP Capital Investors (New Zealand) Limited

Level 14, HP Tower
171 Featherston Street
P O Box 3764
Wellington

Phone: (04) 498 8000

Fax: (04) 471 2926

Auditor

KPMG

KPMG Centre
10 Customhouse Quay
P O Box 996
Wellington

Phone: (04) 816.4500

Fax: (04) 816.4600

Tower Asset Management Limited

50-64 Customhouse Quay
P O Box 2798
Wellington

Phone: (04) 495 6900

Fax: (04) 473 9837

Registrar of Members

Waterfront Industry Superannuation Fund

220 Willis Street
P O Box 27-201
Wellington

Phone: (04) 385 0122

Fax: (04) 385 0121

Email: enquiries@wisf.co.nz

Tyndall Investment Management Limited

Level 7, Vero Centre
48 Shortland Street
P O Box 3892
Auckland

Phone: (09) 377 7200

Fax: (09) 377 7231

Solicitors

Kensington Swan

89 The Terrace
P O Box 10 246
Wellington 6015

Phone: (04) 472 7877

Fax: (04) 472 2291

New Zealand Assets Management Limited

General Buildings
29 Shortland Street
P O Box 2673
Auckland

Phone (09) 358 1517

Fax: (09) 358 4532

WATERFRONT INDUSTRY SUPERANNUATION FUND and WATERFRONT INDUSTRY KIWISAVER SCHEME

APPLICATION FOR MEMBERSHIP

1. PERSONAL DETAILS (to be completed by the applicant for membership)

TITLE		FIRST NAMES				
SURNAME				GENDER	MALE	FEMALE
ADDRESS						
DATE OF BIRTH				DAYTIME CONTACT PHONE NUMBER		
IRD NUMBER				PRESCRIBED INVESTOR RATE (PIR)		
					From 1 October 2010	10.5 %
				See pages 14 and 15 of the Investment Statement for more information. If you do not select a PIR the default rate will be 28%		
EMAIL						

2. CONTRIBUTION DETAILS

	Waterfront Industry Superannuation Fund (WISF)		Waterfront Industry KiwiSaver Scheme (WIKS)		Total
	Investment Portfolio		Investment Portfolio		
	Balanced	Conservative	Balanced	Conservative	
Contribution Rate					
			<i>Total Contributions to WIKS must be either 4% or 8%</i>		
I would like my employer's contributions split like this:					
Employer's Contribution	WISF		WIKS		

3. DECLARATION

I hereby apply for admission as a member of the:

Waterfront Industry Superannuation Fund (WISF) Waterfront Industry KiwiSaver Scheme (WIKS)

and, I:

- acknowledge that I have received information regarding the main provisions of the Plan and have read and understood the Investment Statement;
- agree to abide by the terms and conditions of the Trust Deed from time to time in force;
- direct that my contributions be invested as recorded above;
- authorise my employer to give the Trustees the information set out below and any further information necessary for the purposes of the Plan; and
- authorise the Trustees to disclose any personal information relating to myself to the Plan's advisors as necessary for the purposes of the Plan.

SIGNATURE OF APPLICANT		DATE			
------------------------	--	------	--	--	--

Under the Financial Transactions Reporting Act 1996 it is a requirement that identification is verified. Please attach a copy of your passport or driver's licence or two other forms of identity to this application.

September 2010

4. EMPLOYER VERIFICATION (to be completed by the employer)

COMPANY NAME				
<input type="checkbox"/> NEW MEMBER	EMPLOYEE'S OCCUPATION			
<input type="checkbox"/> TRANSFER	CONTRIBUTION START DATE			
EMPLOYER CONTRIBUTION RATE	WISF		WIKS	
<i>Contributions to WIKS count towards the employer's obligation to contribute to WISF</i>				

I / We acknowledge that I / we have verified the identification of the employee; and
 I / We confirm that the company has agreed to make contributions at the rate recorded above.

SIGNATURE OF EMPLOYER		DATE			
-----------------------	--	------	--	--	--

5. OFFICE USE ONLY

MEMBER NUMBER		VERIFICATION OF IDENTITY		
CONFIRMATION and WELCOME SENT				
IRD NOTIFIED				

WATERFRONT INDUSTRY KIWISAVER SCHEME

ACCOUNT TRANSFER FORM

If you are transferring your Account from another KiwiSaver provider please complete this form.

1. PERSONAL DETAILS (to be completed by the applicant for membership)

TITLE		FIRST NAMES														
SURNAME											GENDER	MALE		FEMALE		
ADDRESS																
DATE OF BIRTH												DAYTIME CONTACT PHONE NUMBER				
IRD NUMBER												PRESCRIBED INVESTOR RATE (PIR)				
													From 1 October 2010	10.5%	17.5%	28%
												<i>See pages 14 and 15 of the Investment Statement for more information. If you do not select a PIR the default rate will be 28%.</i>				
EMAIL																

2. TRANSFER DETAILS

FUND MANAGER	PRODUCT NAME	ACCOUNT / MEMBER NUMBER

3. TRANSFER AUTHORISATION

I hereby authorise the Trustees of the Waterfront Industry KiwiSaver Scheme to contact my existing product provider and arrange for the transfer of funds as specified above. Please pay these funds directly into my Waterfront Industry KiwiSaver Scheme Account.

SIGNATURE OF APPLICANT	DATE

4. SECTION TO BE COMPLETED BY THE PRODUCT PROVIDER

Please arrange for the transfer amount to be direct credited to the following bank account:

Waterfront Industry Superannuation Fund KiwiSaver Account	1	2	-	3	1	4	1	-	0	1	0	6	8	5	7	-	6	2
--	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Please provide the following reference details when making payment:

MEMBER NAME	MEMBER NUMBER

Once the payment has been made, please provide confirmation by mail to Waterfront Industry KiwiSaver Scheme, P O Box 27201, Wellington or by email to enquiries@wisf.co.nz