

SuperLife's KiwiSaver scheme (KSS/10022)

TSB Bank's KiwiSaver solution

For Members who join SuperLife's KiwiSaver scheme ("SLKS") on or after 14 October 2011 as a Member of the arrangements referred to as the TSB Bank KiwiSaver solution ("the Solution")

14 October 2011

Important information

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

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

Choosing an investment

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

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient and transparent financial markets.

For more information about investing, go to www.fma.govt.nz.

Financial advisers can help you make investment decisions

Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check -

- the type of adviser you are dealing with
- the services the adviser can provide you with
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

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

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

What sort of investment is this?

You are offered membership of a KiwiSaver scheme under the KiwiSaver Act 2006 ("Act") providing KiwiSaver benefits, in terms of the Act, to people who join. The KiwiSaver scheme is SuperLife's KiwiSaver scheme (SLKS). The contributions and benefits described in this investment statement relate to people who join SLKS under the provisions of this investment statement. If you join SLKS under the provisions of this investment statement, the contributions and benefits while you are a Member are referred to as the TSB Bank KiwiSaver solution ("the Solution") though the membership is that of SLKS. Such people, who join, while they are an employee, are referred to as an "Employee Member" and while they are not an employee are referred to as an "Individual Member". Both Employee Members and Individual Members are collectively referred to as "Members".

Benefits are provided to Members based on the accumulation of the contributions and other payments credited to their KiwiSaver Account with investment earnings.

Under SLKS, there is a range of investment options that Members can choose to have their KiwiSaver Account invested in. There is a range of individual sector Pools covering the major asset classes and a range of standard risk return mixes of the individual Pools. Members can choose which of the Pools they invest their KiwiSaver Account in and can change their election at any time. The Trustee can also change the investment options that are made available from time to time at its discretion. There is no Crown guarantee in respect of SLKS or any investment product of SLKS.

Who is involved in providing it for me?

The registered name of the scheme is "SuperLife" and in this investment is referred to as SLKS and which in the context of Members who join under the provisions of this investment statement, is referred to as the TSB Bank KiwiSaver solution. SLKS is a trust and has been in operation since 29 November 2006. Since 1 July 2007 it has been a KiwiSaver scheme (KSS/10022) under the Act.

The Trustee, Manager and Promoter as at the date of the investment statement are:

Trustee:	SuperLife Trustee Limited
Manager:	SuperLife Limited
Promoter:	SuperLife Limited

The address of each is:

SuperLife House, 41 Charlotte Street
Eden Terrace, Auckland 1021

SuperLife Limited subcontracts the day to day administration to Aventine Limited ("the Administrator"). The Administrator can be contacted at the same address.

Each director of SuperLife Limited is also a Promoter. The names of the directors, of the Promoter and of the Manager are:

Michael John Chamberlain, Auckland
Owen George Nash, Auckland

Each director can be contacted at the address above.

The directors, or addresses of the Trustee, the Manager and the Promoter may change from time to time. You can search for information on the latest directors or addresses at www.companies.govt.nz

TSB Bank Limited:

- is involved in the marketing of the Solution or SLKS;
- but is not a promoter of the Solution or SLKS as defined in the Securities Act 1978;
- receives an administration fee from the Manager paid from and included in the income received from Members by the Manager.

Responsible investment, including environmental, social and governance considerations, is not taken into account in the investment policies and procedures of the scheme except that:

- the global shares and global bond portfolios are index related portfolios and therefore the securities reflect the make-up of the index.
- the emerging markets portfolios is a range of index and active funds. Generally responsible investments trends are not taken into account when securities are bought.
- the NZ and Australian share portfolios together with the NZ and Australian listed property securities have regard to responsible investment trends as one of many factors considered when determining the make up of the portfolio. The responsible investment trends will affect the supply/demand of securities and their future returns.
- the selection of the securities in the NZ bond and cash portfolios have regard for responsible investment considerations as one of the contributors to future yields and therefore returns.
- SLKS offers the Ethica option, a socially responsible option that has specific regard to responsible investment principles. This is one of the over-riding selection requirements of this investment option. The extent to which responsible investment is taken into account in Ethica's policies and procedures and methodology is set out in the SuperLife Web site - www.SuperLife.co.nz

How much do I pay?

As a Member you must make contributions in accordance with the provisions of the Act. The provisions of the Act may change from time to time.

You may also make extra lump sum contributions direct to your KiwiSaver Account at any time. Cheques should be made payable to the "SuperLife - KiwiSaver " and sent to the Administrator at the address above.

Your contributions will accumulate in an account called your "KiwiSaver Account".

Individual Members

If you are an Individual Member you may determine from time to time the level of your regular contributions subject to the provisions of the Act. SLKS does not impose any minimum or maximum amount but has the right to impose a minimum contribution amount.

Regular contributions are paid monthly, by direct debit from your bank account, but may be made at such other times or by such other means as agreed with the Trustee.

Employee Members

If you are an Employee Member you must contribute, an amount equal to 2% of your Pay (3% of your Pay from 1 April 2013). Alternatively, you may choose to contribute at 4% or 8% of your Pay. Your "Pay" is equal to your "salary or wages" as that expression is defined in the Act.

Your regular contributions will be deducted from your Pay each pay day, and paid to the Trustee via the IRD under the PAYE tax regime. You can change the level of your regular contributions at any time by advising SLKS or your employer and completing the appropriate IRD form.

What are the charges?

- Administration fees: As a Member you will pay an annual dollar administration fee and an annual percentage of assets administration fee.
 - the fixed dollar administration fee is an amount set by the Trustee from time to time. The fixed dollar administration fee is deducted from your KiwiSaver Account and the equivalent gross fee is paid to the Manager. The current fixed dollar administration fee is a net \$33 a year.
 - the percentage of assets administration fee is equal to an annual fee of 10 cents in each \$100 invested (i.e. 0.1%). This fee is deducted from the investment returns before they are credited to your KiwiSaver Account. The administration fee is paid to the Manager.
- Investment management fees: As SLKS invests all of its net assets into SuperLife Limited's registered superannuation scheme, SuperLife (AS/1068) ("SLSS"); the Trustee pays no investment managers' fees directly in relation to your KiwiSaver account. The returns credited to SLKS by the trustee of SLSS are net of all investment managers' fees that are payable by the trustee of SLSS to their managers. The effective current investment management fees paid are:

Pool	Investment fee (% p.a. of assets)
Cash	0.220%
NZ bonds	0.245%
Overseas government bonds	0.240%
Overseas non-government bonds	0.320%
Property (approx.)	0.450%
NZ shares	0.320%
Australian shares	0.320%
Overseas shares currency hedged	0.270%
Overseas shares (unhedged)	0.250%
Emerging markets (approx.)	0.870%
Gemino	5% of the positive returns
Ethica (approx)	0.400%

The investment fees described above are deducted from the investment returns before they are distributed to SLKS and can be changed from time to time by agreement between the trustee of SLSS and the relevant investment managers.

- The normal costs of investing, such as brokerage, stamp duty etc. are deducted from SLKS's assets directly or indirectly through its investments in SLSS and therefore are offset

against the investment returns payable and are not met directly by Members

- (d) Other costs: The Trustee may debit the SLKS's assets as a whole with the external running costs directly associated with SLKS including the costs of audit, legal expenses, printing, postage and other similar expenses. Currently, these in-fund costs are limited to a net 10 cents a year for each \$100 invested (0.1% p.a. of assets).
- (e) Switching fees: there is no charge when you switch from one investment Pool to another. However, the Trustee reserves the right to charge a transaction fee and pay it to the Manager.
- (f) Benefit and exit fees: there is no charge when you take money out of SLKS at retirement. However, the Trustee reserves the right to charge a transaction fee in respect of pre-retirement payments of up to a net \$100 and pay it to the Manager. Currently this is only imposed on transfers to any other KiwiSaver scheme.

All these fees may be changed by the Trustee at the written request of the Promoter.

What returns will I get?

The returns you will get from the Solution depend on the benefits you receive relative to the contributions that you pay. The benefits payable to you will depend on factors including how much you have contributed, how much your employer has contributed, the \$1,000 kick-start contribution from the government, any "tax credits" received that are paid by the government and the investment returns net of any expenses deducted from your KiwiSaver Account.

Employer contributions

If you are an Employee Member, your employer also contributes such amounts and on such basis as it determines from time to time or may be required to contribute from time to time in accordance with the Act. Contributions paid by your employer are known as your "Employer Subsidy".

The Employer Subsidy in respect of you (less the rate of employer superannuation contribution tax ("ESCT") payable (if any) on employer contributions to superannuation schemes) will be credited to your KiwiSaver Account. The current rate of ESCT applicable to you ranges up to 33% depending on the taxable income you receive from the employer and the contributions paid by your employer.

Government payments

The \$1,000 kick-start contribution, any tax credits and any other amounts paid by the government in respect of you under the Act will be credited to your KiwiSaver Account as soon as practicable after they have been received by the Trustee.

Investment Returns

The investment returns are based on the earning rates, after tax, investment management and asset related fees and costs of the investments for the investment strategies you choose from the options made available from time to time. The investment returns will vary with the movement in the market value of the investments. In some years they may be high, in others they could be low or even negative. If an earning rate is negative, the negative investment returns will be deducted from your KiwiSaver Account.

If you do not decide on an investment strategy for your KiwiSaver Account, your KiwiSaver Account will be invested in accordance with the Standard Option and the investment returns will be the returns achieved by the Standard Option. The Standard Option is set by the Trustee from time to time at its discretion. The current

Standard Option is the investment option known as AIM^{Age Steps}. AIM^{Age Steps} allocates a Member's savings between the investment sector Pools in a defined way, based on the Member's age. The underlying strategy varies from 80% property/shares and 20% cash/bonds at age 30 and under, to 50% property/shares and 50% cash/bonds at age 65. However, unless a Member advises otherwise, the Standard Option is the Cash Pool for the first three months and the money is then moved to AIM^{Age Steps} over the subsequent six months.

Where a Member dies then, as soon as practicable after the Trustee receives formal advice of the death, the investment strategy of the Member will be changed to be 100% invested in the Cash Pool.

SLKS is required to pay tax on its investment earnings before they are allocated to your KiwiSaver Account. SLKS is a "Portfolio Investment Entity" ("PIE"). Under the PIE regime, SLKS deducts and pays tax on behalf of Members at a rate of 10.5%, 17.5% or 28% depending on the Member's Prescribed Investor Rate. Tax legislation and rates of tax may be subject to change. The impact of tax may vary depending on your individual circumstances.

Benefits will be payable under SLKS only in circumstances and at times in accordance with the Act.

- (a) **Retirement:** If you attain the later of the state pension age and the date upon which you have been a member of KiwiSaver for five years, you will become entitled to receive a retirement benefit. The retirement benefit is equal to the value of your KiwiSaver Account as at the date of the payment of the retirement benefit.
- (b) **Death:** If you die, while you are a Member, a death benefit will be payable to your estate. The amount payable is equal to the value of your KiwiSaver Account as at the date of the payment of the death benefit.
- (c) **Significant financial hardship:** If you suffer "significant financial hardship", as defined in the Act you may become entitled to a payment from your KiwiSaver Account of an amount equal to the lesser of the value of your KiwiSaver Account as at the date of payment less the sum of the government's \$1,000 kick-start and the tax credits (if any) credited to your KiwiSaver Account, and the amount required to alleviate the significant financial hardship.
- (d) **Serious illness:** If you suffer "serious illness" as defined in the Act, you can apply for a serious illness benefit. The serious illness benefit is equal to the value of your KiwiSaver Account as at the date of the payment of the serious illness benefit.
- (e) **First home:** If you have been a member of KiwiSaver for at least three years and you buy your first home, you may elect to receive a first home benefit. The first home benefit is equal to an amount that you nominate up to the amount that is equal to the value of your KiwiSaver Account as at the date of payment less the sum of the government's \$1,000 kick start and the tax credits (if any) credited to your KiwiSaver Account.
- (f) **Other benefits:** If any other circumstances arise where the Act permits a benefit, a benefit will be payable in accordance with the relevant provisions of the Act.

Any benefit payable, is paid to you as a cash lump sum or can be retained in SLKS and paid to you later as you choose. Retirement benefits can also be transferred to SLSS at your option.

Benefits are currently paid tax-free.

No quantifiable amount of returns has been promised or guaranteed.

TSB Bank Limited does not guarantee or underwrite that you will receive the capital value of any contribution made to your KiwiSaver Account or any investment return, benefit or other amount associated with your KiwiSaver Account. Your KiwiSaver Account under SLKS does not represent a deposit with, or other liability of, TSB Bank Limited.

The person legally liable to pay the benefits is the Trustee.

What are my risks?

Investment performance

Ordinarily, you can expect to receive a benefit from your KiwiSaver Account under SLKS that is greater than the total of any contributions that you make. However, no-one guarantees future investment returns. Your risks are the normal risks associated with investments. If you have been in SLKS for a short time and the markets applicable to the investments held by SLKS in respect of your investment strategy go down, then you can get a lower return than expected, and even a negative return. In these cases, you might receive less than you invested. However, you will never be required to pay any more money than your agreed contributions including on the insolvency of SLKS.

Termination

The Trustee can dissolve SLKS and SLKS will be dissolved if the Trustee goes into liquidation and no replacement trustee is appointed. If SLKS is dissolved, the Trustee first keeps enough to pay the winding up costs and any tax and other liabilities. Members will get their share of remaining assets in each Pool by transfer to another KiwiSaver scheme in equal priority in proportion to the amount in their KiwiSaver Account in that Pool. Members will not have to pay any further amounts on dissolution.

Can the investment be altered?

You may change your regular contribution amount at any time in the manner and on the basis set out in the Act. You pay no charges for this change. You may change your investment strategy (i.e. switch the investment of your KiwiSaver Account between the Pools) in accordance with the regulations set by the Trustee from time to time.

The Trustee may change:

- any provision of SLKS's trust deed at any time, as long as it complies with the requirements of the trust deed and the Act, and
- the fees payable on giving 3 months' notice.

The provisions of SLKS will also be altered if the Act changes and as a consequence SLKS is required to change to maintain its KiwiSaver scheme status.

How do I cash in my investment?

You may receive a benefit from SLKS only in accordance with the provisions of the Act.

You may, in accordance with the Act, transfer the balance in your KiwiSaver Account to another KiwiSaver scheme of which you become a member. You can do this at any time.

You may not assign, mortgage, charge, transfer, or attempt to assign, your interest in SLKS, or allow an event to occur that causes your benefit entitlement to vest in another person.

If your KiwiSaver Account balance reduces to zero the Trustee may, at its discretion, terminate your membership.

Who do I contact with enquiries about my investment?

You can contact the Administrator, at:

SuperLife House, 41 Charlotte Street,
Eden Terrace, Auckland 1021

PO Box 8811, Symonds Street, Auckland 1051
Telephone (09) 375 9800

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

You should address your complaint in writing in the first instance to the Manager at the address above. The Manager will try to resolve your complaint under SuperLife's internal dispute resolution process and in the event they cannot, you have the right to refer your complaint to the Trustee's external dispute resolution service:

The FDR
Freepost 231075
PO Box 5730
Wellington 6145
Telephone no: 0508 337 337

What other information can I obtain about this investment?

SLKS's financial statements and prospectus have more information about SLKS and the Trustee. A copy of SLKS's most recent financial statements and prospectus may be obtained free of charge from the Manager at its address. They are also available on the Web site www.tsbbankkiwisaver.co.nz.

SLKS's financial statements, prospectus and other documents are filed on public register at the Companies Office of the Ministry of Economic Development, Level 18, ASB Building, 135, Albert Street, Auckland and are available for public inspection (including at www.companies.govt.nz).

You will receive a benefits statement and also an annual report (that will include a summary of SLKS's financial statements) and newsletters from time to time.

At any time, you can contact the Administrator to see the most recent annual report, trust deed, and most recent investment statement applicable to Solution. You can have a copy of the trust deed free of charge. They are also available on the Web site www.tsbbankkiwisaver.co.nz.

