

## kiwiSTART® Select

Introducing the key features of our innovative KiwiSaver scheme that is flexible, competitive and can be tailored to your goals.



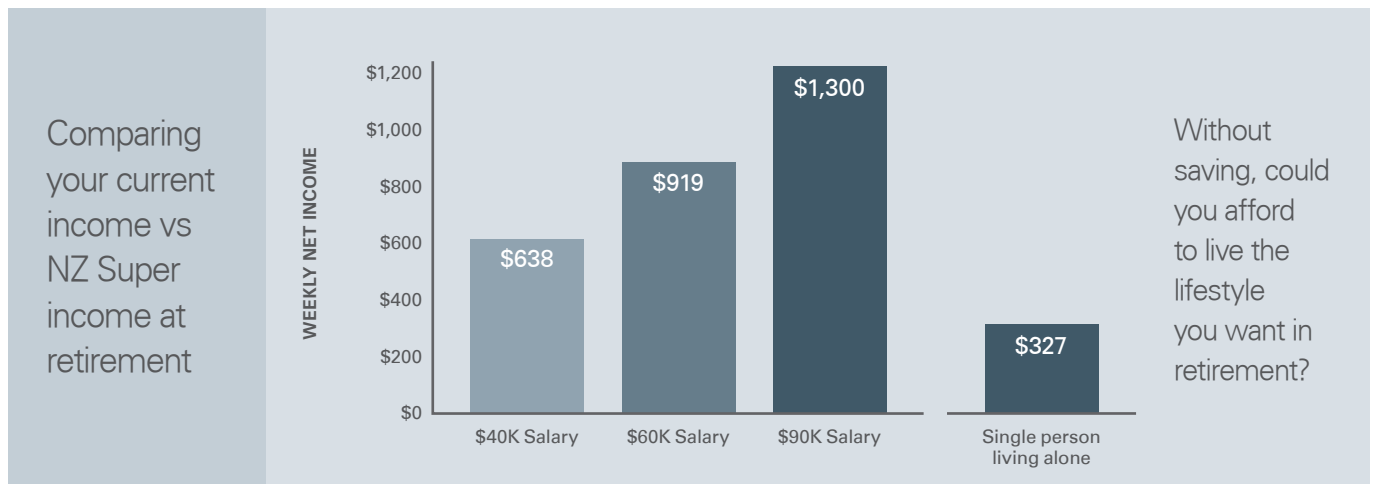
Investment **Options**

## KiwiSaver at a glance

### Why save for your retirement?

Saving for your retirement is one of the easiest decisions to put off, but the longer you wait, the less financial security you will have for your retirement.

Currently most retired New Zealanders receive their income from two main sources; their personal savings and New Zealand National Superannuation (NZ Super).



This graph is based on a single person living alone from the age of entitlement to NZ Super, currently age 65. The weekly net income amounts for each salary level are based on the applicable personal tax rates as at 1 October 2010.

### The aim of KiwiSaver

KiwiSaver is a Government savings initiative designed to encourage New Zealanders to save for their retirement.

#### Your contribution

- If you are employed and you are a member of a KiwiSaver scheme, you will generally need to contribute 2%, 4% or 8% (as nominated by you) of your gross (pre-tax) salary or wages - this is deducted from your net (after-tax) pay. If you do not nominate a contribution rate, the default is 2%. The Government has announced a proposal in the 2011 Budget that the minimum employee contribution rate will rise from 2% to 3% with effect from 1 April 2013. This will also be the new default contribution rate.\*
- If you are self-employed or a non-worker, you can decide how much you contribute into KiwiSaver (certain conditions may apply, please see our Investment Statement for details).

#### Employer contribution

- From age 18, if you are employed and contributing to KiwiSaver your employer will generally be required to contribute as well.
- These employer contributions are 2% of your gross (pre-tax) salary or wages. The Government has announced a proposal in the 2011 Budget that the compulsory minimum employer contribution rate will rise from 2% to 3% of the employee's gross salary or wages with effect from 1 April 2013.\*

As an example, if you earned \$60,000 per year for 40 years, your employer contributions could add up to \$48,000.

#### Government contribution

- When you first join KiwiSaver, the Government will kick-start your savings with \$1,000 in your first year.
- Subject to certain criteria, from age 18, you may receive member tax credits of 50 cents per dollar of qualifying member contributions (up to \$10 per week, \$521.43 per annum).

At this current rate, over 40 years this could all add up to \$21,857.20 from the Government alone.

\* The Budget proposals described above are proposals only at the date of this Investment Options Brochure.

## KiwiSaver helps stretch your investment dollar

In the first year alone you could more than double the contributions in your Member KiwiSaver Account thanks to the incentives of KiwiSaver.

### Example:

A 2% contribution for an employee earning \$60,000 pa



If you earn \$60,000 per annum, by investing \$1,200 in the first year you increase your first year contribution by 225% and each subsequent year by 140% before taking into account the performance of the portfolio. This increase takes into account the Government kick-start which is only received in your first year of membership in KiwiSaver.\*

\*The above assumes that your employer's contributions are exempt from Employer Superannuation Contribution Tax (ESCT). From 1 April 2012 ESCT will apply to all employer contributions and therefore the numbers above will change. The Government announced a proposal in the 2011 Budget that from 1 April 2013 the minimum employee and employer contribution rates will be raised to 3% of your gross salary or wages.

## Other features of interest

### Tax exempt employer contributions

Compulsory employer contributions of up to 2% of an employee's gross salary or wages are exempt from Employer Superannuation Contribution Tax until 31 March 2012, thereafter these employer contributions will be subject to ESCT at the appropriate rate.

### Contributions holiday

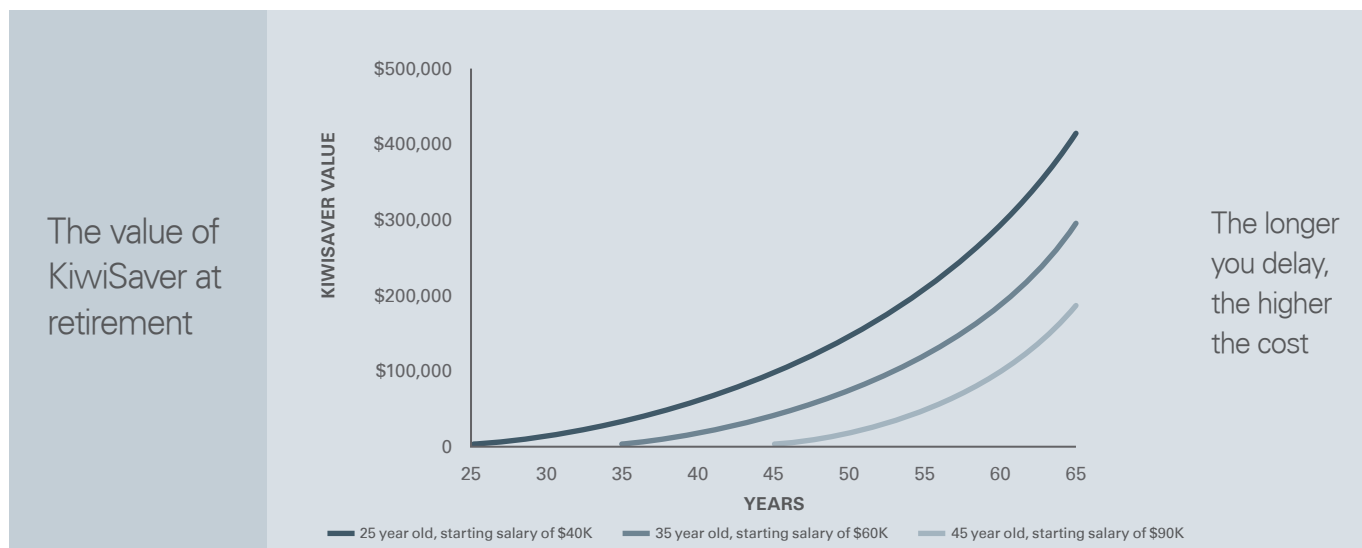
- After being a KiwiSaver member for 12 months, you can choose to take a break – called a contributions holiday.
- This can last between three months and five years.
- You can still contribute \$1,042.86 to your KiwiSaver provider each year in order to receive member tax credits of \$521.43 from the Government.

### Withdrawal to buy your first home

- After you have been contributing to KiwiSaver for three years you may be able to withdraw part (or all) of your contributions, and your employer contributions, to buy your first home (not an investment property).
- Your Government \$1,000 kick-start and member tax credits cannot be withdrawn to buy your first home.

## The benefit of joining KiwiSaver now

The graph below demonstrates how much better off an employee could be at retirement by joining KiwiSaver sooner rather than later. The effect of long-term compounding investment returns highlights the cost of delaying your decision to join KiwiSaver.



This graph assumes starting salaries rise steadily at 3% per annum until age 65 and employees contribute 2% of their salary to their KiwiSaver scheme, which is matched by their employer. This graph includes the \$1,000 kick-start and member tax credit (Government incentives of KiwiSaver). All value amounts are shown in today's dollar terms. The graph above is an illustration using an average investment return of 5% pa (after fees and taxes) and does not represent any indication of future performance.

## kiwiSTART® Select

### Why choose kiwiSTART® Select?

kiwiSTART® Select is one of New Zealand's most innovative KiwiSaver schemes providing you with greater choice and control of your retirement investments.

You can create your own portfolio from our list of over 100 nominated securities. This enables you to self-select your preferred investments and tailor your own KiwiSaver scheme.

In addition you can select any of our risk based Investment Options which correspond to our Defined Portfolios Unit Trusts<sup>1</sup> to provide further diversification to your investment.

Product feature	Benefit to you
<b>Self-selected Portfolio investment option</b>	You have the control and flexibility to select your investments from more than 100 of Craigs Investment Partners' nominated Australasian and Global securities.
<b>Defined Portfolio investment option</b>	You can choose from our range of risk based Investment Options which correspond to our Defined Portfolios Unit Trusts <sup>1</sup> that best suit your needs and risk profile, and leave the management of your KiwiSaver scheme to Craigs Investment Partners Investment Management Limited.
<b>Investment advice</b>	Your Investment Adviser is available to help you tailor your own KiwiSaver scheme to suit your risk profile.
<b>Proven investment philosophy and performance</b>	<p>The key tenets of our investment philosophy are:</p> <ul style="list-style-type: none"><li>• Minimisation of costs</li><li>• Focus on quality</li><li>• Compounding returns</li><li>• Buy and monitor approach</li></ul> <p>This ensures a balanced approach is applied to our investment portfolios. Craigs Investment Partners Investment Management Limited, backed by our research team<sup>1</sup>, actively monitors the composition of the Defined Portfolios Unit Trusts with the aim of achieving above-average risk adjusted returns.</p>
<b>KiwiSaver tax advantages</b>	Employer Contributions of up to 2% of your gross salary or wages are exempt from tax (ESCT <sup>2</sup> ) until 31 March 2012 when these employer contributions will be subject to ESCT at the appropriate rate. You receive the full or gross benefit of your employer's contribution to your KiwiSaver scheme to the extent that the contribution is exempt from ESCT (until 31 March 2012).
<b>Control of your investments</b>	You can change your chosen Investment Options and the composition of your portfolios at any time.
<b>Transparency of investments</b>	You are able to view the securities or funds you are invested in.

<sup>1</sup> Please see our website [www.craigsip.com](http://www.craigsip.com) for further details.

<sup>2</sup> ESCT - Employer Superannuation Contribution Tax. Please refer to the kiwiSTART® Select Investment Statement for further details.

## What are your Investment Options?

kiwi**START**® Select offers three Investment Options



When selecting an Investment Option you need to consider your appetite for investment risk. We recommend that you seek advice from a Craigs Investment Partners Adviser before making an investment decision.

Note: If your marginal tax rate is 10.5% or 17.5% you should consider our kiwi**START**® Defined KiwiSaver scheme that has tax advantages for 10.5% or 17.5% taxpayers. An Investment Statement for kiwi**START**® Defined is also available from your Craigs Investment Partners Adviser or you can download a copy from our website [www.craigsip.com](http://www.craigsip.com).

### Self-selected Portfolios

A Self-selected Portfolio gives you the flexibility to create your own portfolio from our list of nominated securities.

This gives you control over the asset allocation of your portfolio and the securities that make up your investment. In conjunction with your Investment Adviser you can select from our list of nominated securities, giving you global Investment Options across a range of sectors and securities.

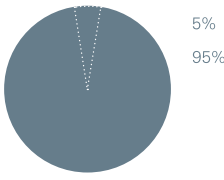
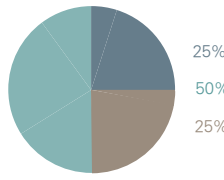
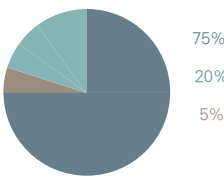
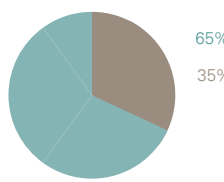
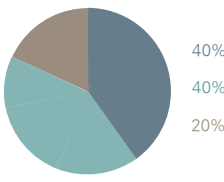
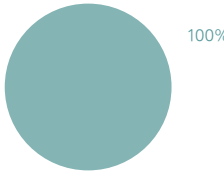
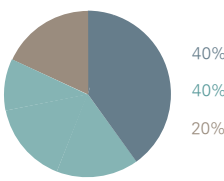
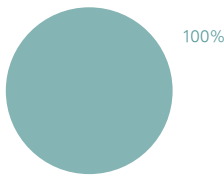
A list of the current nominated securities is available from your Craigs Investment Partners Adviser on request.

#### Your Self-selected Investment Options include:

<b>Cash and fixed interest</b>	Access to your cash via Craigs Investment Partners Cash Management Accounts. Access to fixed interest securities via our Defined Portfolios Fixed Interest Fund or Conservative Fund.
<b>New Zealand equities</b>	Select from our list of nominated securities for access to New Zealand shares through listed index funds that track local stockmarket indices or choose our Defined Portfolios New Zealand Equity Fund.
<b>Global funds</b>	Select from our list of nominated securities for access to investment funds that provide an easy and diversified way to invest in global markets and themes such as the emerging markets.
<b>Property</b>	Select from our list of nominated securities for access to local and global listed property funds that invest in, or have interests in, the property industry.
<b>Australian equities</b>	Select from our list of nominated securities for access to Australian shares through listed index funds that track local stockmarket indices or choose our Defined Portfolios Australian Equity Fund.
<b>Global equities</b>	Select from our list of nominated securities for access to direct investment in global shares in the US, UK, Europe, Asia and the emerging markets or choose our Defined Portfolios Equity Fund.

## Defined Portfolios

The Defined Portfolios provide easy access to a diversified range of risk based Investment Options.

ASSET CLASS KEY	
Income Asset:	<span style="color: #2c4e64;">■</span> CASH & FIXED INTEREST <span style="color: #008080;">■</span> Growth Asset: NZ/AUST EQUITIES <span style="color: #804020;">■</span> GLOBAL EQUITIES
<b>LOWER RISK</b>	<b>HIGHER RISK (cont)</b>
<p><b>FIXED INTEREST FUND</b></p> <p><b>Investment Objective</b></p> <p>To preserve capital while generating an income stream. The Fund will generally hold a diversified portfolio predominantly made up of New Zealand fixed interest and cash, including NZ Government stock, local authority stock, corporate bonds, term deposits, interest rate swaps, floating rate notes and forward rate agreements. The Fund may also hold global fixed interest either directly, through exchange traded funds or approved managed funds. All global investments will be fully hedged to New Zealand dollars.</p> 	<p><b>GROWTH FUND</b></p> <p><b>Investment Objective</b></p> <p>To grow the value of capital. The Fund will generally hold a diversified range of investments made up predominantly of equities. The Fund will also hold New Zealand and international fixed interest based investments and cash. Investments in managed funds may be included if deemed appropriate.</p> 
<p><b>CONSERVATIVE FUND</b></p> <p><b>Investment Objective</b></p> <p>To preserve capital, while generating an income stream that is automatically re-invested. The Fund will generally hold a diversified range of investments predominantly made up of cash, bank bills, fixed interest, and corporate debt securities. These income assets serve to reduce the downside risk of the investment markets. Equities may also be held to provide a growth component to the Fund. Investments in managed funds may be included if deemed appropriate.</p> 	<p><b>EQUITY FUND</b></p> <p><b>Investment Objective</b></p> <p>To grow the value of capital. The Fund will hold a diversified portfolio of listed equity investments. Securities will be chosen by the Manager rather than being those included in a particular index. The Fund will invest predominantly in 'large cap' equities in recognised markets around the world. Listed funds, exchange traded funds and hedge funds may be included if deemed appropriate.</p> 
<b>MEDIUM RISK</b>	
<p><b>BALANCED FUND</b></p> <p><b>Investment Objective</b></p> <p>To grow the value of capital, by providing a mix of both capital growth and income. The Fund will generally hold a diversified range of investments made up of equities, New Zealand and international fixed interest based investments and cash. The income assets are included to aim to restrict the downside risk of market falls. Investments in managed funds may be included if deemed appropriate.</p> 	<p><b>NEW ZEALAND EQUITY FUND</b></p> <p><b>Investment Objective</b></p> <p>To grow the value of capital. The Fund will hold a diversified portfolio of listed New Zealand equities and cash. Securities will be chosen by the Manager rather than being those included in any NZ equity index. The Fund will invest predominantly in 'large cap' equities. No single equity investment will exceed 15% of the Fund's investments. Futures and options may be used if deemed appropriate.</p> 
<b>HIGHER RISK</b>	
<p><b>BALANCED SRI FUND</b></p> <p><b>Investment Objective</b></p> <p>To grow the value of capital, by providing a mix of both capital growth and income. The Fund will be restricted to companies and funds that are deemed to be Socially Responsible. On this basis, the Manager will invest in companies that it believes make a positive social or environmental contribution or that are endeavouring to operate in an environmentally and socially sustainable way.</p> 	<p><b>AUSTRALIAN EQUITY FUND</b></p> <p><b>Investment Objective</b></p> <p>To grow the value of capital. The Fund will hold a diversified portfolio of listed Australian equities and cash. Securities will be chosen by the Manager rather than being those included in any Australian equity index. The Fund will invest predominantly in 'large cap' equities. No single equity investment will exceed 15% of the Fund's investments. Futures and options may be used if deemed appropriate.</p> 
<p>Each Fund has been carefully structured with the aim of delivering the best possible return for the relevant risk profile. A monthly fact sheet for each of the Funds is available from the Craigs Investment Partners website <a href="http://www.craigsip.com">www.craigsip.com</a>.</p> <p><small>Portfolio compositions may change from time to time at the discretion of Craigs Investment Partners Investment Management Limited.</small></p>	

## Frequently Asked Questions

### What are the charges?

The charges for kiwi**START**® Select are listed in the table below. Where you choose a selection of portfolios the charge will be pro rata.

	Self-selected Portfolio	Defined Portfolio	Explanation of fees
Administration fee	\$60 per annum	\$60 per annum	Covers the administrative cost of providing the support infrastructure for kiwi <b>START</b> ® Select, maintaining membership records and calculating and paying benefits.
Brokerage	1.25% on securities bought or sold	NIL	Covers the cost of undertaking research and identifying specific securities and is charged at entry and exit.
Custodial service fee	1.25% Self-selected Portfolio	0.75% Fixed Interest Fund 0.75% Conservative Fund 1.00% Balanced Fund 1.25% Balanced SRI Fund 1.25% Growth Fund 1.25% Equity Fund 1.25% New Zealand Equity Fund 1.25% Australian Equity Fund	Covers the cost of maintaining your account, processing contributions and withdrawals, receiving and actioning correspondence and preparing account statements. The custodial service fee will vary according to your portfolio selection.

Note: The above fees may vary. The Trustee may be paid or reimbursed for all costs and expenses (including brokerage as described above). For further information, please refer to the 'What are the charges?' section in the Investment Statement.

### What returns will you get?

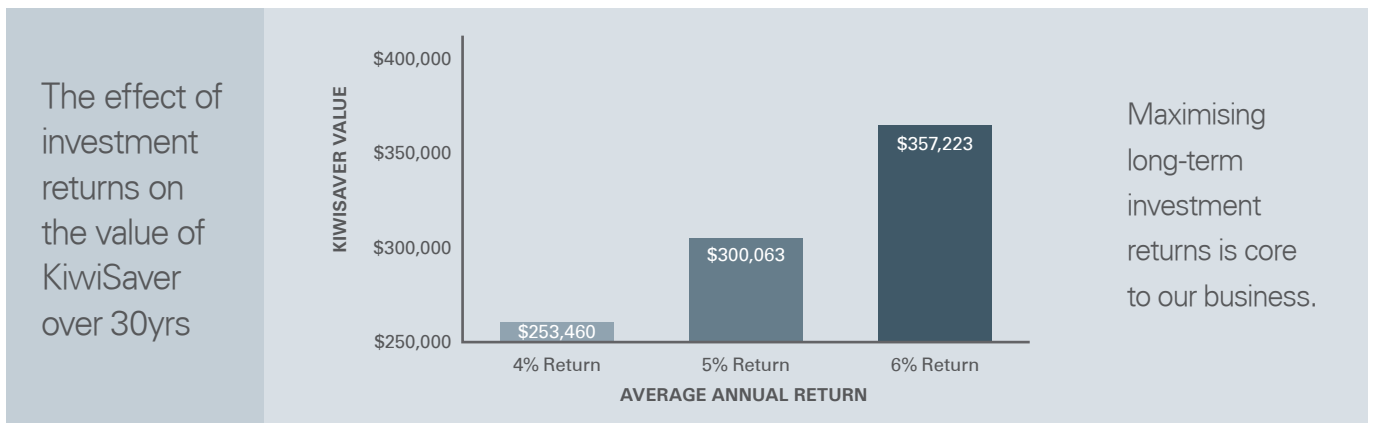
The value of your kiwi**START**® Select Account will depend on the contributions you have made, the amount of Government incentives received, fees, tax and the returns achieved on your portfolio/s. The date of permitted withdrawal of your kiwi**START**® Select Account is currently the age of entitlement to National Superannuation in New Zealand, which is age 65.

### What are your risks?

Your investment returns are not guaranteed and the value of your portfolio may go down as well as up. For full details on all the risks, which are common to most KiwiSaver and superannuation schemes, refer to the kiwi**START**® Select Investment Statement.

### The effect of investment returns on the value of your kiwiSaver scheme

- A 1.00% increase in your average yearly return could substantially increase the value of your KiwiSaver scheme at retirement.



This analysis assumes three investors in KiwiSaver, who all begin investing in KiwiSaver at the age of 35 on starting salaries of \$60k that rise steadily at 3% per annum until age 65 and employees contribute 2% of their salary to their KiwiSaver scheme, which is matched by their employer. This graph includes the \$1,000 kick-start and member tax credit (Government incentives of KiwiSaver). Each Investor achieves a different average rate of return as shown above (after fees and taxes). All value amounts are shown in today's dollar terms. The graph above is an illustration and does not represent any indication of future performance.

## Next steps

KiwiSaver is a long-term investment and before making any decision we recommend seeking advice from a Craigs Investment Partners Adviser. If you do not have an Investment Adviser contact your nearest Craigs Investment Partners branch (see details below).

### How to Join kiwi**START**<sup>®</sup> Select?

- 1 Read the kiwi**START**<sup>®</sup> Select Investment Statement**  
If you do not have a copy of this Investment Statement contact our **START**<sup>®</sup> Team on **0800 878 278** or download a copy from our website **www.craigsip.com**.
- 2 Complete the kiwi**START**<sup>®</sup> Select Application Form**  
This is contained in the Investment Statement and should be returned to your nearest Craigs Investment Partners branch. Also include any necessary identification required with your application.
- 3 Employees complete the KS2 Application Form**  
After you have completed the KS2 application form, return it to your employer.

#### Already with another provider?

- Compare your current KiwiSaver scheme with kiwi**START**<sup>®</sup>. Transferring to kiwi**START**<sup>®</sup> is easy, simply follow the same steps to join as above and we will do the rest.

#### Disclosure Statement

In accordance with the Financial Advisers Act 2008 (the 'Act') and the Code of Professional Conduct for Authorised Financial Advisers, this Investment Options Brochure is a class service and anyone receiving this Investment Options Brochure will not receive a personalised service involving personalised advice as defined by the Act.

This means that in providing the kiwi**START**<sup>®</sup> Select Investment Options Brochure we will not consider whether kiwi**START**<sup>®</sup> Select is suitable to your personal circumstances, and will not take into account your financial position, financial needs, financial goals or risk tolerance.

You should therefore consider your personal circumstances in determining whether kiwi**START**<sup>®</sup> Select is suitable to you.

### Superannuation transfer service

#### UK pensions

- Craigs Investment Partners offer a complimentary UK pension transfer service that provides a hassle free method to convert your overseas pension into a New Zealand superannuation scheme, where you may be able to access your funds tax-free at retirement.

#### Australian superannuation

- It is expected that the Australian and New Zealand Governments will soon allow the transfer of retirement funds between complying superannuation funds, and Craigs Investment Partners intend to provide an Australian Superannuation transfer service.

To find out more on either of these services contact our **START**<sup>®</sup> team on **0800 878 278** or email [super.transfers@craigsip.com](mailto:super.transfers@craigsip.com).

Craigs Investment Partners is a registered KiwiSaver provider.

For full details on kiwi**START**<sup>®</sup> Select, please refer to our Investment Statement. To request an Investment Statement contact our **START**<sup>®</sup> team on **0800 878 278** or download a copy at **www.craigsip.com**.

BRANCHES	<b>Gisborne</b> (06) 868 1155	<b>New Plymouth</b> (06) 759 0015	<b>Wanganui</b> (06) 349 0030
<b>Auckland</b> (09) 919 7400	<b>Gore</b> (03) 208 9310	<b>North Shore</b> (09) 486 6567	<b>Wellington</b> (04) 917 4330
<b>Blenheim</b> (03) 577 7410	<b>Hamilton</b> (07) 838 1818	<b>Palmerston North</b> (06) 953 3460	<b>Whangarei</b> (09) 438 1988
<b>Christchurch</b> (03) 379 3433	<b>Invercargill</b> (03) 214 9939	<b>Rotorua</b> (07) 348 1860	<b>FREEPHONE:</b> 0800 878 278
<b>Dunedin</b> (03) 477 5900	<b>Kerikeri</b> (09) 407 7926	<b>Tauranga</b> (07) 577 6049	<b>WEBSITE:</b> <a href="http://www.craigsip.com">www.craigsip.com</a>

The Craigs Investment Partners kiwi**START**<sup>®</sup> Select scheme (kiwi**START**<sup>®</sup> Select) is issued by The New Zealand Guardian Trust Company Limited (Issuer) and managed by Craigs Investment Partners Superannuation Management Limited (Manager). Investments made in kiwi**START**<sup>®</sup> Select are subject to investment and other risks (including those set out in the Investment Statement and prospectus) and are not guaranteed by the Issuer, the Manager, their directors or any other person.