



NGĀI TAHU
Whai Rawa

Investment Statement 2011

(for the purposes of the Securities Act 1978)

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:

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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.

In this document we're legally required to provide you with specific information about Whai Rawa's rules and conditions. Under each section we have provided the information we are legally required to, and we have also provided a summary of the key points. If after reading the key points you'd like more information, please refer to the main text in the first instance. We have also included a glossary at the back of this document to explain any terms you would like clarified. If you require further clarification, or have any questions on Whai Rawa please call the Ngāi Tahu Whai Rawa Contact Centre on 0800 Whai Rawa (0800 942 472) or using the contact details on the back of this Investment Statement.

Prepared as at 20 September 2011

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; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by one or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any 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.

Acknowledgement

Kā mihi nui ki kā tamariki KMK i haere ki te Kura Reo Kāi Tahu 2010 i te marae o Arowhenua.

1. What sort of investment is this?

In this section we are legally required to give you a brief description of the investment offered in this document.

The securities offered in this Investment Statement are investments in a unit trust known as Whai Rawa.

Whai Rawa is an account based unit trust. This means any contributions made by you, Te Rūnanga o Ngāi Tahu and any other person on your behalf, are combined with any investment returns to fund the withdrawals available to you from Whai Rawa.



Key points: What sort of investment is this?

Whai Rawa is a unit trust. Each unit is a sub-account where you or another party including Te Rūnanga can make contributions. With Whai Rawa you may have between one and five sub-accounts that together make up your Whai Rawa account:

- A distribution account for Ngāi Tahu's contributions.
- A savings account for your own savings.
- A Matched Savings account. Each year Ngāi Tahu will match your own savings to a maximum amount and on certain terms and conditions as it advises the Manager three months prior to the start of each Calendar Year. This account is for these matched savings.
- A Third Party account if any other person puts money into Whai Rawa for you.
- A Transfer account if another Member in Whai Rawa transfers money from the other Member's accounts to you.

Closing your Whai Rawa Account

A Whai Rawa account can be closed in the following situations:

- When a Member ceases to be registered on the Te Rūnanga o Ngai Tahu Register of Members (other than voluntary de-registration).
- When the terms of approval of a Participating Member or Elective Member (expressly approved by Te Rūnanga o Ngāi Tahu to become a member) are breached.
- When a Member passes on.
- When a Member's tribal registration is found to be invalid.
- When a Participating Member attains the age of 65 and doesn't elect to remain as an Elective Member.
- With the permission of the Member, where all accounts have had a zero balance and there has been no account activity for a year or more.
- Without the permission of the Member, where all accounts have had a zero balance for a period of more than three years.
- In the case of a Corporate Member, when that Corporate Member notifies the Manager that it has elected to cease to be a Member.

A Corporate Member will have a Corporate Member account, and other sub-accounts may also be set up with the agreement of the Manager, Whai Rawa Fund Limited. It is the Manager's policy currently not to accept Corporate Members.

If the Manager cannot ascertain the identity of the person that made a contribution to your Whai Rawa accounts, the Manager will credit these contributions to your Third Party account.

All your savings and any other contributions (including Ngāi Tahu's) will be combined so the total amount is available when you make a withdrawal. On your statement you will see the contributions that have been made to your Whai Rawa account.

2. Who is involved in providing it for me?

In this section we're legally required to provide you with general information about who is running Whai Rawa, as well as information about Whai Rawa and how long it has been running.

The Unit Trust

The name of the unit trust is Whai Rawa.

Whai Rawa (a unit trust under the Unit Trust Act 1960) has been in operation since June 2006.

Whai Rawa has been set up to operate for the benefit of Members and aims to build the wealth of Ngāi Tahu whānui and related persons by encouraging savings.

Promoter

The Promoter of Whai Rawa is Te Rūnanga o Ngāi Tahu at 50 Corsair Drive, Wigram, Christchurch 8042 and every Papatipu Rūnanga Representative in terms of the Te Rūnanga o Ngāi Tahu Charter. The representatives of each

Papatipu Rūnanga may change from time to time.

The representatives of each Papatipu Rūnanga of Ngāi Tahu Whānui at the date of this Investment Statement are Stewart Rewiti Bull, Ōraka Aparima Rūnaka, residing in Riverton, Gerald Lynn Te Kapa Coates, Te Rūnanga o Waihao, residing in Wellington, Walter Leonard Stone, Te Hapū o Ngāti Wheke (Rāpaki), residing in Kaikoura, Elizabeth Hera Cunningham, Te Rūnanga o Koukourārata, residing in Christchurch, James Kira Daniels, Wairewa Rūnanga, residing in Auckland, Matapura Frederick Ellison, Kāti Huirapa Rūnanga ki Puketeraki, residing in Karitane, Tahu Leslie Karetai Kingi Potiki, Te Rūnanga o Ōtākou, residing in Otago Peninsula, Gail Tewaru Tipa, Te Rūnanga o Moeraki, residing in Dunedin, Sandra Barbara Hunt Lockhart, Te Taumutu Rūnanga, residing in Christchurch, Terence Reginald Joseph Nicholas, Hokonui Rūnanga, residing in Invercargill, Maria Hinewai Pera, Awarua Rūnanga, residing in Bluff, Timothy Shane Rochford, Te Rūnanga o Makaawhio, residing in Wellington, Michael Richard Skerrett, Waihopai Rūnaka, residing in Invercargill, Mark Wiremu Solomon, Kaikōura Rūnanga, residing in Christchurch, Ngaire Mareta



Tainui Wybrow, Ōnuku Rūnanga, residing in Banks Peninsula, Lisa Tumahai, Ngāti Waewae Rūnanga, residing in Christchurch, Quentin Cheyne Selwyn Hix, Te Rūnanga o Arowhenua, residing in Timaru, Tutehounuku Korako, Te Ngāi Tūāhuriri Rūnanga, residing in Rapaki.

All representatives can be contacted at the address for Te Rūnanga o Ngāi Tahu.

Manager

The Manager of Whai Rawa is Whai Rawa Fund Limited, 50 Corsair Drive, Wigram, Christchurch 8042.

The Directors of the Manager as at the date of the Investment Statement are:

David Francis Caygill
Diana Buchanan Crossan
Timothy Patrick McGuinness
Sir Tipene Gerard O'Regan

Trustee

The Trustee of Whai Rawa is Trustees Executors Limited, Level 5, 10 Customhouse Quay, Wellington.

Administration Manager

The Administration Manager of Whai Rawa is Aon New Zealand Limited, 2nd Floor, Quay Tower, 29 Customs Street West, Auckland.

Investment Manager

The Investment Manager of Whai Rawa is Mercer (N.Z.) Limited. Mercer (N.Z.) Limited's address is 113-119 the Terrace, Wellington 6011.

Key points: Who is involved in providing it for me?

The **Manager** is responsible for the day-to-day running of Whai Rawa, including investing Whai Rawa's assets, issuing accounts to Members, procuring contributions to Whai Rawa, processing cashflows and encouraging and assisting saving and education amongst Ngāi Tahu Whānui. The Manager has delegated most of the administration of the fund to the Administration Manager.

Te Rūnanga o Ngāi Tahu created Whai Rawa and is called the Promoter.

The Trustee (either itself or through a custodian) holds the investments of Whai Rawa for your benefit under the terms of the Trust Deed. The Trustee does not guarantee your investment but monitors your interests in Whai Rawa in accordance with the Trust Deed and relevant legislation.

The **Administration Manager** will administer Whai Rawa. Administration services:

- Member Data Management
- Individual member data maintenance
- Reconciliation and allocation of contributions, annual distributions, matched savings payments
- Calculation and allocation of quarterly earnings
- Calculation and payment of benefits
- Delivery of daily account member account transaction data to Whai Rawa for member interface
- Cash Management

- Reconciliation and banking of contributions, benefit payments and the bank account
- Channeling of funds to the Trustee for onward allocation to the investment manager
- Payment of expenses and calculation and payment of PIE tax
- Reporting
- Monthly, quarterly and annual reporting
- Provide member statement data in electronic format as required
- Financial Statements
- Preparation of quarterly financials for earnings allocation and annual financial statement preparation to audit

The **Investment Manager** provides investment management services to Whai Rawa. Whai Rawa invests in a fund promoted by the Investment Manager (Mercer Investment Trust New Zealand's Defensive Fund). The Investment Manager:

- reports on the performance of Whai Rawa's investment and investment returns
- provides market commentary and outlook and
- provides asset allocation monitoring and monitors compliance with benchmark asset allocation

3. How much do I pay?

In this section we're legally required to tell you about how much you need to save into Whai Rawa. We've also explained how Te Rūnanga o Ngāi Tahu and anyone else may contribute to your account.

Te Rūnanga o Ngāi Tahu contributions

Te Rūnanga o Ngāi Tahu may contribute an amount to Whai Rawa each Calendar Year (1 January to 31 December). The contribution may be comprised of Matched Savings and a Distribution. The level of distribution may differ as between Calendar Years and in a Calendar Year, may differ as between each class of Member normally and as between Members within a class. Any contributions will be applied to your account by the Manager as soon as practicable after receipt from Te Rūnanga o Ngāi Tahu.

Te Rūnanga o Ngāi Tahu is registered under the Income Tax Act 2007 as a Retirement Scheme. Under those rules Te Rūnanga o Ngāi Tahu contributions are subject to Retirement Scheme Contribution Tax (RSCT) withheld at the rate declared to Te Rūnanga o Ngāi Tahu by the Member.

(see page 13 for more information)

As at the date of this Investment Statement, Corporate Members, Elective Members and Members who have voluntarily de-registered as Ngāi Tahu Whānui are not eligible for Ngāi Tahu contributions.

Matched Savings

Te Rūnanga o Ngāi Tahu will advise the Manager at least three months before the start of each Calendar Year the amount Te Rūnanga o Ngāi Tahu wishes to contribute to Whai Rawa to match Member savings and the conditions under which it will match Member savings. The amount and conditions applying to Matched Savings ("Conditions"), may differ as between Calendar Years and, in a Calendar Year, may differ as between each class of Member and as between Members within a class.

The Manager will notify Members by the end of each year the Matched Savings amount and the Conditions for the following year.

Te Rūnanga o Ngāi Tahu may pay Matched Savings to the Manager at any time but no later than 31 March in the Calendar Year following the Calendar Year to which the Matched Savings relate (or as the Manager and Te Rūnanga o Ngāi Tahu agree). The Manager will credit the payment to the Members' Matched Savings account in accordance with the Conditions.

Matched Savings will be made where either the Member or another person has made contributions in respect of a Member during the previous financial year. Matched Savings will not be made for Distributions, any previous Matched Savings or transfers from other Members. If a Member transfers funds which were eligible for Matched Savings to a second Member, the Matched Savings shall be credited to the first Member.

2011 Matched Savings

Te Rūnanga o Ngāi Tahu will match Member savings made

during the Calendar Year, from 1 January 2011 to 31 December 2011, on the following basis:

- A Member who is a Child Member on 31 December 2011 will be entitled to receive \$4 in Matched Savings for every dollar they contribute or have had contributed for them by another person (other than a transfer from another Member) in the 2011 Calendar Year. The maximum Te Rūnanga o Ngāi Tahu Matched Savings contribution will be \$200 per Child Member;
- A Member who on 31 December 2011 is a Corporate Member, Elective Member, or a Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members will not receive any Matched Savings;
- All other Members on 31 December 2011 will be entitled to receive \$1 in Matched Savings for every dollar they contribute or have had contributed for them by another person (other than a transfer from another Member) in the 2011 Calendar Year. The maximum Te Rūnanga o Ngāi Tahu Matched Savings contribution will be \$200 per Member.

2012 Matched Savings

Te Rūnanga o Ngāi Tahu will match Member savings made during the Calendar Year, from 1 January 2012 to 31 December 2012, on the following basis:

- A Member who is a Child Member on 31 December 2012 will be entitled to receive \$4 in Matched Savings for every dollar they contribute or have had contributed for them by another person (other than a transfer from another Member) in the 2012 Calendar Year. The maximum Te Rūnanga o Ngāi Tahu Matched Savings contribution will be \$200 per Child Member;
- A Member who on 31 December 2012 is a Corporate Member, Elective Member, or a Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members will not receive any Matched Savings;
- All other Members on 31 December 2012 will be entitled to receive \$1 in Matched Savings for every dollar they contribute or have had contributed for them by another person (other than a transfer from another Member) in the 2012 Calendar Year. The maximum Te Rūnanga o Ngāi Tahu Matched Savings contribution will be \$200 per Member.

Distributions

Te Rūnanga o Ngāi Tahu may from time to time contribute to the Trust such sums in addition to the Matched Savings. The distribution process, the amount of Distribution Te Rūnanga o Ngāi Tahu wishes to contribute to Whai Rawa and the terms and conditions ("Conditions") under which it wishes to contribute the Distribution, may differ as between Calendar Years and, in a Calendar Year, may differ as between each class of Member and as between Members within a class. Te Rūnanga o Ngāi Tahu will pay the Distribution to the Manager at any time as agreed between Te Rūnanga o Ngāi Tahu and the Manager. The Manager will credit the Distribution to the Members' distribution account in accordance with the Conditions. At the date of this Investment Statement, any Member who on 31 December in any Calendar Year is a Corporate Member, Elective

Member or a Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members, is not entitled to receive any Distribution.

Newborn Distribution

Any registered tribal individual who, during the 2011 or 2012 calendar year, is enrolled with Whai Rawa before their first birthday, will receive a \$60 distribution payment. The distribution will be paid by no later than 31 March in the calendar year following enrolment.

Member contributions

You choose the amount you wish to invest but must contribute at least \$10 for your initial investment in Whai Rawa. There is no requirement for you to place any money into Whai Rawa when you join or subsequently. If you wish to make subsequent investments they can be made at the minimum amount specified by the Manager from time to time. At the date of this Investment Statement the minimum amount for subsequent investments is \$10.

Third Party contributions

Anyone may make a contribution to a Member if they satisfy any terms and conditions for such contributions set by the Manager from time to time. The first third party contribution must be at least \$10. There may be gift duty or tax consequences in respect of any third party contributions. Anyone intending to make a contribution to Whai Rawa in respect of a Member should seek individual advice on any potential legal or tax consequences.

Transferring – Contributions from one Member to another Member

A Member may transfer part or all of any amount in their accounts (Transferor Member) to any other Member. If any amount transferred is eligible for Matched Savings, the Matched Savings will be credited to the Transferor Member.

The Manager may decline to register any transfer where the Member receiving the transfer is entitled to make a withdrawal or where the Manager considers the transfer is being made to a Member who may be able to apply for a withdrawal for the purpose of avoiding the restrictions on withdrawals in Whai Rawa. The Manager may impose terms and conditions on any transfer as it sees fit, subject to applicable legal restrictions.

Manager Discretion

The Manager may from time to time specify, for Member or Third Party contributions, the minimum amount of any contribution, mechanisms by which contributions can be made and/or the maximum number of contributions permitted in any one Calendar Year.

Accounts

When a Member joins Whai Rawa the Manager will establish one account that will contain one or more sub-accounts for that Member. Each of those sub-accounts will be classified as a single unit. A sub-account will only be established (and a

unit issued) when the minimum contribution amount for a unit is received.

Each Member will have between one and five sub-accounts – a savings account for personal contributions, a Matched Savings account and a Distribution account for contributions received from Te Rūnanga o Ngāi Tahu. A Member may also have a Third Party account and/or a Transfer account.

A Corporate Member will have a Corporate Member account and may have any of the other sub-accounts.

Making a Payment

Payment options are listed below.

Go to www.whairawa.com for more information.

Automatic Payments

Can be established by completing the automatic payment authorisation form contained in the Whai Rawa registration pack. **Authorisations must include member's name and Whai Rawa account number in the reference fields.** Please send with a valid application form to:

Whai Rawa
50 Corsair Drive, Wigram
P.O. Box 13-046
Christchurch 8141

Internet/Phone Banking

Instructions on how to make contributions by internet or telephone banking are contained in the Welcome to Whai Rawa pack. **The member's name and Whai Rawa account number must be included in the reference fields for all payments.** An Australian bank account is available into which Members can deposit savings electronically.

Cheque

Payments by cheque can be made and must also **include the member's name and Whai Rawa account number.** Cheque payments should be sent to:

Whai Rawa Administration Manager
C/- Aon New Zealand
2nd Floor, Quay Tower
29 Customs Street West
P O Box 3167
Auckland 1140

Over the counter deposits

Deposits can be made at any ANZ bank branch in New Zealand using an over the counter deposit card issued by the Contact Centre. **Member's name and Whai Rawa account number must be included in the reference fields.**

Paypal

A Paypal payment facility has been established primarily to enable overseas based members to pay into Whai Rawa.

Transfers

Contributions from one Member to another can be transferred by completing the Transfer Form available from the Contact Centre.

Key points: How much do I pay?

Te Rūnanga o Ngāi Tahu Contributions

Te Rūnanga o Ngāi Tahu may make contributions to your Whai Rawa account in two ways – through Matched Savings and from time to time, normally annually, a Distribution payment to all Members excluding Elective and Corporate Members and Members who have voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members.

Each Calendar Year Te Rūnanga o Ngāi Tahu will decide on the level of Matched Savings and Distribution. The Manager will calculate how much each Member is eligible for Matched Savings to receive based on each Member's own savings.

Matched Savings for 2011

Te Rūnanga o Ngāi Tahu will match Member savings made during the Calendar Year, from 1 January 2011 to 31 December 2011, on the following basis:

- Matched Savings for Participating Members (generally, individual Adult Members aged under 65 years) – for every \$1 saved in 2011 Te Rūnanga o Ngāi Tahu will match this dollar for dollar up to \$200.
- Matched Savings for children – every dollar saved into a child's account in 2011 up to a maximum of \$50 will receive \$4 from Te Rūnanga o Ngāi Tahu. The total maximum contribution by Te Rūnanga o Ngāi Tahu will be \$200 per Child Member.
- Matched Savings are not available to Corporate Members, Elective Members or Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members during the year.
- Matched Savings for 2012 and beyond are subject to change.

Matched Savings for 2012

Te Rūnanga o Ngāi Tahu will match Member savings made during the Calendar Year, from 1 January 2012 to 31 December 2012, on the following basis:

- Matched Savings for Participating Members (generally, individual Adult Members aged under 65 years) – for every \$1 saved in 2012 Te Rūnanga o Ngāi Tahu will match this dollar for dollar up to \$200.
- Matched Savings for children – every dollar saved into a child's account in 2012 up to a maximum of \$50 will receive \$4 from Te Rūnanga o Ngāi Tahu. The total maximum contribution by Te Rūnanga o Ngāi Tahu will be \$200 per Child Member.
- Matched Savings are not available to Corporate Members, Elective Members or Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members during the year.
- Matched Savings for 2013 and beyond are subject to change.

Annual Distributions

- In addition to the Matched Savings, Te Rūnanga o Ngāi Tahu may also pay a Distribution to all Participating Members (generally, those Members aged under 65 years) and Child Members. The level of Distribution may differ as between Calendar Years and, in a Calendar Year, may differ as between each class of Member and as between Members within a class.
- Any such Distribution is not available to Corporate Members, Elective Members or Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members during the year.

Newborn Distribution

Te Rūnanga o Ngāi Tahu will pay a 'newborn' incentive payment of \$60 payable to all Members who:

- became enrolled with Whai Rawa at any time during the 2011 or 2012 calendar year; and
- who are aged less than 1 year at the time they are enrolled with Whai Rawa.

Member Contributions

- You can save your own money into Whai Rawa.
- We encourage you to make your own contributions to get the Matched Savings and maximise your savings.
- You can make as many contributions as you like.
- Any savings you make during the year need to be at least \$10 per contribution.

Third Party Contribution

- Other people – including people who aren't Members of Whai Rawa – can contribute money to your Whai Rawa account.
- The minimum contribution is \$10 and people can contribute as often as they like during the year.
- Transferring contributions from one Member to another
- You can transfer all or part of your Whai Rawa savings to another Whai Rawa Member.
- If any amount transferred is eligible for a Matched Savings contribution, the Matched Savings will be given to the Member who made the transfer.

Making a Payment

You can deposit into your Whai Rawa account using:

- Automatic Payments
- Telephone or internet banking
- Cheque
- ANZ bank deposit cards
- Paypal (online)

There's more information about each of these payment methods on page 7.

4. What are the charges?

In this section we're legally required to tell you about certain costs involved with Whai Rawa

The following types of charges are incurred by Whai Rawa and may be payable by a Member either in part or full, being charges that will or may affect the amount of your returns.

Manager's fee

The Manager is responsible for the management of Whai Rawa. The Manager is entitled to be reimbursed for all costs and expenses it incurs in its role as Manager of Whai Rawa out of the assets of Whai Rawa. The Manager is also entitled to reimbursement for any GST it is required to pay. However, the Manager is not entitled to any further payment for its services and is not operating to make any profit. To find out the level of costs and expenses being incurred by the Manager at the time you join Whai Rawa you can contact the Contact Centre on 0800 Whai Rawa (0800 942 472). Te Rūnanga o Ngāi Tahu may agree to pay all or part of the Manager's fees, costs and expenses from time to time. Any fees not paid by Te Runanga o Ngāi Tahu or any other third party will be met by Whai Rawa from its assets and may be charged to Member's accounts. Te Runanga o Ngāi Tahu has agreed to pay all of the Manager's fees, costs and expenses until 30 June 2012. All costs and expenses other than Investment Manager fees and associated costs outlined on this page will be met by Te Rūnanga until 30 June 2016. Te Rūnanga will review its policy on payment of costs on a regular basis.

Administration Manager's fee

The Administration Manager is responsible for providing administration and registrar services to Whai Rawa. The Administration Manager is entitled to a fee payable from the assets of Whai Rawa. The Administration Manager's fee contains two components, a fixed fee for base services and a volume based fee relating to the number of Members in Whai Rawa.

At the date of this Investment Statement the Administration Manager's fee is capped at \$700,000 per annum. The Administration Manager's fee may change from time to time on agreement with the Manager. You can find out the current amount of the Administration Manager's fee at any time by contacting the Contact Centre on 0800 Whai Rawa (0800 942 472).

Trustee's fee

The Trustee is responsible for carrying out the Trustee's functions (including the custodian function). The Trustee is entitled to a fee payable from the assets of Whai Rawa. At the date of this Investment Statement a minimum annual fee of \$20,000 has been agreed. The Trustee is also entitled to be reimbursed for any GST it pays on its fee. The Trustee's fee may change from time to time on agreement with the Manager. You can find out the level of the Trustee's fee at any time by contacting the Contact Centre on 0800 Whai Rawa (0800 942 472).

Investment Manager fees

The Investment Manager is responsible for providing investment management services to Whai Rawa. The Investment Manager is entitled to a fee payable from the assets of Whai Rawa equal to 0.49 percent of the net asset value of the funds invested by Whai Rawa in the trust promoted by the Investment Manager. The Trustee of the investment manager is also entitled to recover expenses incurred in operating the fund. There is no limit on the amount of expenses that can be recovered, but based on past years, these expenses are not expected to exceed 0.02% per annum of gross assets. The Investment Manager's fee may change from time to time on agreement with the Manager. From 1 July 2012, all Investment Manager fees will be met by members until further notice.

Expenses of Whai Rawa/Other fees

The Manager and Trustee are entitled to be reimbursed for all costs and expenses incurred in respect of Whai Rawa.

Te Rūnanga o Ngāi Tahu may agree to pay all or part of the fees and expenses (as listed above) in relation to Whai Rawa from time to time and has agreed to meet all fees and expenses (other than investment fees) through to 30 June 2016. After 30 June 2016, Te Rūnanga o Ngāi Tahu may decide to reduce the amount it pays towards those fees and expenses or decide not to pay those fees and expenses. Any fees not paid by Te Rūnanga o Ngāi Tahu or any other third party will be met by Whai Rawa and may be charged to Members' accounts. If costs, fees or expenses are met by Whai Rawa, this will affect the returns to Members.

Key points: What are the charges?

As with any savings scheme, there will be costs incurred for managing Whai Rawa.

All fees, costs and expenses will be paid by Te Rūnanga o Ngāi Tahu until 30 June 2012

From 1 July 2012 costs and expenses will be met as follows:

- All Investment Manager fees and expenses will be met by members until further notice. These fees and expenses are as follows:
 - A gross investment management fee of 0.49% per annum is charged on the Portfolio and is calculated as a percentage of the net asset value of each Portfolio. The investment management fee is deducted from the Portfolio before the Unit Price is calculated and allocated to the Member Account.
 - The Trustee of the investment manager is

also entitled to recover expenses incurred in operating the fund. There is no limit on the amount of expenses that can be recovered, but based on past years, these expenses are not expected to exceed 0.02% per annum of gross assets.

- The net of tax fees for each Member are calculated by reference to the PIR that the Member has notified to the Trustee for each tax year commencing 1 April. The increased tax paid by Members on a higher PIR means these Members also receive a higher tax credit on their fees, resulting in lower net fund costs.
- All costs and expenses other than those Investment Manager fees and associated costs outlined above will be met by Te Rūnanga until 30 June 2016.

Te Rūnanga o Ngāi Tahu will from time to time review its policy of helping to cover fees, costs and expenses.



5. What returns will I get?

In this section we tell you about how you can withdraw from Whai Rawa, about the credited earnings allocated to your accounts, and about tax implications.

The nature of your return from Whai Rawa is in the form of a withdrawal which you can only make in the circumstances set out below. Note the Manager has the power to make an adjustment to your account balance or your withdrawal amount to reflect any tax allocated to you as a result of your Whai Rawa membership. This may happen at the time you make a withdrawal or at any other time. We recommend that you consult your tax advisor on the potential tax consequences if you wish to make a withdrawal.

Withdrawals

Education withdrawal

You can apply for a withdrawal from Whai Rawa for the purpose of financing tertiary education.

If your Education withdrawal is approved you can withdraw up to the total amount in your Whai Rawa account. You can also make a partial withdrawal.

The Manager may approve an Education withdrawal if all of the following conditions are met:

- (a) The Education withdrawal is used for the purpose of tertiary education; and
- (b) The Education withdrawal is being paid on completion of a bona fide tertiary course of study and the Education withdrawal will be applied to repay or reduce your Student Loan or, at the Manager's discretion to refund tertiary fees paid; or
- (c) The Education withdrawal will be applied to meet costs, fees and/or expenses related to tertiary education provided the Manager is satisfied in its sole opinion funds to meet these costs, fees and/or expenses are not otherwise reasonably available to the Member while the Member is undertaking the course of study; and
- (d) You are not under 16 years; and
- (e) The amount of the Education withdrawal is not greater than the total balances of your Whai Rawa accounts.

The Manager may, at its discretion, modify or waive any of these conditions, other than condition (d) and (e), in special circumstances if it is satisfied that the overall intent of the Education withdrawal payment is to finance tertiary education.

Housing withdrawal

You can apply for a withdrawal from Whai Rawa to assist in the purchase of a house in which you intend to reside.

If your Housing withdrawal is approved, you can withdraw up to the total amount in your Whai Rawa account. You can also make a partial withdrawal.

The Manager may approve a Housing withdrawal if all of the following conditions are met:

- (a) The Housing withdrawal will be used for the purpose of home ownership; and
- (b) You do not already own your own home and have not (unless the Manager agrees otherwise) previously owned your own home; and
- (c) You have secured finance or have other finance available to complete the purchase of the home; and
- (d) You intend to live in the home upon purchase; and
- (e) A valid sale and purchase agreement is in place or will be put in place once the Housing withdrawal is approved; and
- (f) You have not previously received a Housing withdrawal; and
- (g) You are not under 16 years or a Corporate Member; and
- (h) The amount of the Housing withdrawal is not greater than the total balances of your Whai Rawa accounts.

The Manager may, at its discretion, modify or waive any of the above conditions, other than conditions (c), (g) and (h) in special circumstances if it is satisfied the overall intent of the withdrawal payment is to enable you to enter into owner/occupier home ownership.

Retirement withdrawal

On reaching the age of 55 years, a Member other than a Corporate Member, may make Retirement withdrawals.

The following conditions apply to a Retirement withdrawal:

- (a) You may make a maximum of two withdrawals in each Calendar Year; and
- (b) Withdrawals must be for a minimum of \$500 (or the total amount in your Whai Rawa account, whichever is less); and
- (c) The maximum withdrawal is the balance of your Whai Rawa account.

Special Circumstances withdrawal

In certain situations you may apply for a Special Circumstances withdrawal. This is a discretionary withdrawal that will be considered by the Manager and a decision made whether or not to allow the withdrawal.

The Manager may approve a Special Circumstances withdrawal if it is satisfied that special circumstances (including but not limited to significant financial hardship as defined in the Income Tax Act 2007) exist.

Withdrawal on Death

If you pass on while you are a Member of Whai Rawa, the Manager will pay the total amount in your Whai Rawa

accounts at the date of the withdrawal to your personal representatives when the Manager receives such evidence of entitlement and form of discharge as it requires..

Corporate Member withdrawal

If you are a Corporate Member you are only entitled to a Corporate Member withdrawal. You can make a Corporate Member withdrawal at any time. You can withdraw all or part of the balance of your Corporate Member account.

Child Member withdrawal

In the event a Child Member passes on, their estate will be entitled to the balance of the account. A Child Member is not entitled to any other withdrawal whilst they remain a Child Member.

Key factors determining returns

The key factors that determine your return are:

- the level of contributions you or someone on your behalf pays into your Whai Rawa account;
- the amount of Matched Savings and Distribution Te Rūnanga o Ngāi decides to contribute to Whai Rawa in each Calendar Year and the conditions attaching to these contributions;
- the rate of return (whether negative or positive) the Manager decides to allocate to your Whai Rawa account by reference to the investment returns of Whai Rawa;
- the investment performance of Whai Rawa's funds (net of expenses, if any);
- tax payable in relation to your Credited Earnings in Whai Rawa (including any tax on your Credited Earnings which is accounted for out of a withdrawal paid to you);
- any amount allocated to you from the Reserve Account;
- any liability for which Whai Rawa may become liable (such as indemnifying the Manager or the Trustee);
- any fees and expenses charged against your Whai Rawa account or the Reserve account;
- the rate at which Maori Authority credits are attached to Te Rūnanga o Ngāi contributions.

The return allocated by the Manager to your savings is likely to vary each year. The returns on Whai Rawa's investments will be affected by movements in interest rates, exchange rates, political and economic events and other local and global economic factors and indicators. Because of this and because in some years there may be a negative return, neither the Manager, the Trustee, nor any other party, guarantees the performance or returns of Whai Rawa.

Whai Rawa is a portfolio investment entity for tax purposes. Your Whai Rawa accounts will also be affected by tax allocated to your accounts, which will be based on your portfolio investor rate, discussed on pages 13 and 14.

At the end of each quarter in a Calendar Year or such other times as the Manager decides, the Manager will determine at its discretion the Credited Earnings to be applied to your Whai Rawa account having regard to Whai Rawa's investment performance.

Payment of the returns is dependent on the date you make a withdrawal. Therefore, the dates on which payments are made and/or the frequency of the returns is unknown as at the date of this Investment Statement. The level of return on your savings is also affected by the Credited Earnings credited to your Whai Rawa account or any amounts debited to your Whai Rawa account. Therefore, no amount of returns quantifiable as at the date of this Investment Statement and enforceable by you, is promised.

Reserves

The application of the Reserve account will affect your returns. Any positive earnings on Whai Rawa's assets, any withdrawal which became due to a Member and remains unclaimed after six years, any forfeited withdrawals, or any money not required for the payment of withdrawals will be credited to the Reserve account. Any negative earnings will be debited against the Reserve account.

The Reserve account can be applied by the Manager, at its discretion to:

- apply Credited Earnings to Member's accounts in proportion to the balances of these accounts;
- meet Whai Rawa's expenses.

If there are insufficient funds in the Reserve account to meet Whai Rawa's expenses or Whai Rawa has a negative Credited Earnings rate, the Manager may decide to deduct the expenses or the negative Credited Earnings rate from Member's Whai Rawa accounts in proportion to the balances of these accounts.

Credited Earnings

Credited Earnings will be allocated to your Whai Rawa accounts (and the Reserve account) at the end of each quarter (or at any other time determined by the Manager). The Credited Earnings are determined by the Manager by determining a Credited Earnings rate based on the investment earnings of Whai Rawa for the previous quarter. It is possible, but not likely, that the Credited Earnings rate will be negative. Credited Earnings are allocated by the Manager in its discretion to Members' Whai Rawa accounts and the Reserve account.

If you are paid a withdrawal during a quarter, the Manager may determine an Interim Credited Earnings Rate to be applied up to the date of withdrawal. At present, the Manager's policy is to not determine interim Credited Earnings rates on withdrawals.

Portfolio Elections

The Manager may nominate one or more portfolios for the investment of Whai Rawa or any part of Whai Rawa. If the Manager does nominate one or more portfolios, it will notify you of the portfolios available and invite you to make a Portfolio Election. At the date of this Investment Statement it is the Manager's intention to have only one Portfolio and this will be invested in a conservative mix of defensive and growth assets with a benchmark split of 80% defensive assets and 20% growth assets. The intention is to:

- Maintain the risk of negative returns in any 12 month period at less than 4% (i.e. less than 1 year in 25 on average).
- Achieve a real return before tax and investment management fees of at least 4.5% per annum over any rolling 10 year period.

There is no guarantee that Whai Rawa can achieve its investment objectives.

Taxes and Duties

Tax is likely to affect returns. We recommend that you discuss your personal taxation position with your tax adviser. This is because individual circumstances vary. Tax rules and rates are subject to change and may affect the operation of Whai Rawa or Member benefits. The following information is based on current taxation law and rates, and is intended as a guide only.

For more information go to www.whairawa.com

Tax on Te Rūnanga o Ngāi Tahu contributions

Māori Authority Tax Credits

Contributions made by Te Rūnanga o Ngāi Tahu (whether matched savings or distributions) will generally have Māori authority tax credits (MATCs) attached to them at up to 19.5% which the Member can use to partly offset against personal tax obligations (including Retirement Scheme Contribution tax ("RSCT") as discussed below).

Retirement Scheme Contributions Tax (RSCT)

The RSCT rules, subject to ongoing compliance with IRD requirements, apply to contributions made by Te Rūnanga o Ngāi Tahu (whether matched savings or distributions). Under those rules Te Rūnanga contributions are treated as taxable income of the applicable Member but have RSCT withheld at the rate declared to Te Rūnanga o Ngāi Tahu by the Member.

The applicable RSCT rates for contributions made to resident Members are:

- 10.5% if the Member's taxable income (other than PIE income) did not exceed \$14,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate or 12.5% and provided their IRD number;
- 17.5% if the Member's taxable income (other than PIE income) was more than \$14,000 but did not exceed \$48,000 in either of the two income tax years

immediately before the income tax year in question, and the Member has elected this rate or 21% and provided their IRD number:

- 30% if the Member's taxable income (other than PIE income) was more than \$48,000 but did not exceed \$70,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate or 33% and provided their IRD number;
- 33% for all other Members who do not fall in any one of the above categories.

References to an "income tax year" in the above requirement are to years ending 31 March.

If a resident Member has not notified a RSCT rate and/or provided their IRD number, their RSCT rate will default to 33%.

Those Members that identify themselves as non-residents and:

- provide an IRD number; or
- receive a gross payment from Te Rūnanga of \$200 or less will have RSCT withheld at a rate of 10.5%.

Non-resident members who have not notified a RSCT rate and/or provided their IRD number, will be taxed at the default RSCT rate of 33%.

The RSCT liability can be reduced by the amount of Maori authority tax credits attached to the contribution. Contributions made by Te Rūnanga o Ngāi Tahu up until 31 March 2012 (whether matched savings or distributions) will generally have Māori Authority tax credits attached to them at 10.5%. This rate may change after that time but will not be higher than the maximum Māori authority tax credits rate of 19.5%. RSCT will be a final tax and Members will not be required to include contributions made by Te Rūnanga o Ngāi Tahu in any tax return they may be required to file unless the Member declares a RSCT rate to Te Rūnanga o Ngāi Tahu that is lower than the rate they are entitled to declare.

Tax on the Credited Earnings

The Trust elected to become a Portfolio Investment Entity (PIE) from 1 October 2007. As a PIE, the Trust will allocate all its taxable income (or losses) between the Members based on the value of the units held by the Members. The Manager will then calculate the tax payable by the Trust in respect of the income so allocated, having regard to each Member's notified Prescribed Investor Rate ("PIR"). The Manager will adjust Members' interests to reflect the tax payable by the Trust in respect of the income allocated to the Members.

There are four PIRs available:

- 10.5% applies to a New Zealand resident Member if the Member's taxable income (other than PIE income) did not exceed \$14,000, and the Member's combined taxable income and PIE income did not exceed \$48,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate or 12.5%, and provided their IRD number.

- 17.5% applies to a New Zealand resident Member if:
 - the Member's taxable income (other than PIE income) did not exceed \$14,000, and the Member's combined taxable income and PIE income was more than \$48,000 but did not exceed \$70,000, in either of the two income tax years immediately before the income tax year in question and the Member has elected this rate or 19.5%, and provided their IRD number; or
 - the Member's taxable income (other than PIE income) was more than \$14,000 but did not exceed \$48,000, and the Member's combined taxable income and PIE income did not exceed \$70,000, in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate or 19.5%, and provided their IRD number.
- 28% applies to all other individuals and non-residents, including those who have elected this rate.
- 0% applies to Corporate Members and other special classes of Members (such as unit trusts, other PIEs and charities).

New Zealand resident trustees of a trust (other than a unit trust, a charitable trust or a testamentary trust, but including a superannuation fund) may elect to have a 0%, 17.5% or 28% PIR.

Legislation has recently been passed, whereby from 1 April 2012 individuals who have recently become a New Zealand tax resident (including returning New Zealanders who have previously lost their New Zealand tax residency) must have regard to their worldwide income, rather than just their New Zealand taxable income, in determining the applicable PIR (unless the individual reasonably expects that their New Zealand taxable income in the relevant year will be significantly lower than their total worldwide income in the income year immediately before the year in which the individual becomes a New Zealand tax resident). Legislation implementing this proposal was passed on 29 August 2011.

PIE for taxpaying members

You need to make sure we have your IRD number and you have told us the correct PIR to use for you.

You also need to tell us if your correct PIR changes. If you do not tell us of a change when you should have, or provide a lower PIR than applicable, you will be personally liable to pay any resulting tax shortfall including penalties and Interest and may be required to file a tax return.

Otherwise, the tax paid on income allocated to you (unless you have a zero-rated Member as discussed below) by Whai Rawa will be a final tax.

Tax will be paid annually by Whai Rawa based on each Member's PIR and the amount of Credited Earnings allocated to them during the year with the value of each of

the Member's Accounts adjusted to reflect the tax liability that arises in respect of Credited Earnings allocated to that Member's Account. In addition, if a Member withdraws from the Trust (either in part or full), the Manager will deduct the tax payable on the portion of Credited Earnings attributed to the value of the Member's interest that is withdrawn from the Trust.

Corporate Members or other zero-rated Members

Corporate Members or other zero-rated Members must return for tax purposes any Credited Earnings allocated to them, regardless of whether the Trust makes any distributions or payment to them.

The Trust will not adjust the value of Corporate Members or other zero-rated Members for PIE tax, as the Trust does not pay tax on Credited Earnings allocated to such Members.

Zero-rated Members will be entitled to claim their share of tax credits and tax losses (in relation to the Trust) directly.

Possible change to tax cycle

At the date of this Investment Statement, the Trustee is considering changing the income tax cycle of the Trust. If the proposed change is implemented, the tax consequences discussed above should continue to apply. However, tax will be paid by the Trust quarterly, instead of annually.

The amount of tax payable will be calculated based on each Member's PIR and the amount of Credited Earnings allocated to them during the relevant quarter. The value of each of the Member's Accounts would continue to be adjusted accordingly to reflect the tax liability payable in relation to the relevant quarter.

The Trust will also continue to endeavour to deduct the appropriate amount of tax payable when a Member (other than a member who has a 0% PIR) withdraws from the Trust (either in part or full). The amount of tax payable will be calculated based on the Member's PIR and the portion of Credited Earnings attributed to the value of the Member's interest that is withdrawn. This should generally ensure that such a Member would not have an obligation to file a tax return as a result of a full withdrawal.

PIE tax is a little complicated, but it should help to ensure the tax on your investment in Whai Rawa is fair. If you are not sure how it works or how to calculate your PIR, talk to your tax adviser, if you have one, or call the contact centre on 0800 942 472.

Suspension of withdrawals

Withdrawals may be suspended in situations where, as a result of circumstances affecting the ability to liquidate investments, the Manager forms the opinion in good faith that withdrawals are not practical or would be materially prejudicial to the interests of Members. Suspension of more than 90 days requires the agreement of the Trustee.

Payment of returns

The Manager, Whai Rawa Fund Limited, is legally liable to pay the returns under Whai Rawa.

Key factors determining returns on your Whai Rawa account

The Manager will invest all Whai Rawa savings. Income earned on your Whai Rawa savings will depend on the performance of the total amount invested by the Manager.

Once the income earned in a quarter has been determined the Manager then decides how that income is to be allocated to Members' Whai Rawa accounts. If it is positive your savings will go up and if it is negative your savings will go down.

This income will be allocated to your Whai Rawa account quarterly.

The amount of the return on your savings will depend on how much you, or others, have contributed to your account and the income earned on those savings and, the PIR and RSCCT rate that you have nominated to apply to your Whai Rawa accounts for tax purposes.

The Manager also operates a Reserve account. Any applications from the Reserve account to your Whai Rawa account will have an impact on the level of return on your savings.

You should check your individual tax situation before investing in Whai Rawa.

Key points: What returns will I get?

In this section when we talk about returns we mean the amount available for you to withdraw from your Whai Rawa account.

You can withdraw from your Whai Rawa account:

- To help finance your tertiary education
- To buy your first house
- For retirement

You can also withdraw in certain special circumstances and savings will be paid to your estate when you pass on.

You need to be 16 years old or over to make any withdrawal.

You cannot withdraw more than the amount in your Whai Rawa account.

Corporate Members can make a withdrawal at any time.

If you wish to make a withdrawal you need to fill out a withdrawal request form and send it to the Manager for approval.

If you are withdrawing part of your savings, the amount will come out of your personal savings account first, followed by any Third Party account, any Transfer account, your Matched Savings account and lastly your Distribution account.

In some circumstances the Manager may exercise its discretion to approve a withdrawal where not all of the conditions are met.

Education withdrawal

- The Education withdrawal is for tertiary education. This includes university, polytechnic and some private training organisation courses.
- You can apply for it to help finance your tertiary education during and at the end of your study.

Housing withdrawal

- You can withdraw money to help buy a home that you intend to live in.

- It should be your first home.
- You need to have a sale and purchase agreement and have proof that you have arranged other finance to buy the house if there is a shortfall between the purchase price and the amount of your requested withdrawal.
- You can only make one Housing withdrawal.
- You can purchase a home with a partner or other whānau member as long as you will be recorded as one of the legal owners.

Retirement withdrawal

- People aged 55 or over can make Retirement withdrawals.
- You can make up to two Retirement withdrawals each calendar year.
- A withdrawal must be at least \$500 (if you have less than \$500 in your account you must withdraw the full amount).

Special Circumstances withdrawal

In certain situations you may be eligible for a Special Circumstance withdrawal.

Special Circumstances may include:

- Significant financial hardship
- Significant medical illness or trauma
- Matrimonial separation
- Likelihood of bankruptcy

Withdrawal on Death

- Whai Rawa savings will be paid to your estate when you pass on.
- We encourage you to make a will so you can determine who receives your Whai Rawa savings.

6. What are my risks?

In this section we outline the risks of investing in Whai Rawa. We have legal obligations to detail all the risks including unlikely events such as insolvency. They are included here because we are required to outline all the risks – not because we expect these things to occur.

Could I get back less than my contributions?

All investments carry risk. There is no minimum entitlement from Whai Rawa and there are risks associated with Whai Rawa which could affect your ability to recover the amount of your contributions in full or impact on the returns described under the heading “What returns will I get?” on page 11 so that you may not receive such returns.

The principal risks applying to Whai Rawa that could affect returns (and which are risks applying to most unit trusts generally) are:

- **Investment Risk:** The risk of a result of negative returns on Whai Rawa’s investments or that the returns for Whai Rawa are insufficient to meet its expenses.
- **Credit Risk:** The risk of Whai Rawa becoming insolvent and being placed into receivership, liquidation or statutory management or being otherwise unable to meet its financial obligations. If this occurs, you may not recover the full amount of your investment in Whai Rawa.
- **Liquidity Risk:** The risk associated with an inability on the part of Whai Rawa to meet monetary obligations in a timely manner. This risk arises where there is a mismatch between the maturity profile of investments and the amounts required to pay withdrawals.
- **Regulatory Risk:** The risk of future changes to general or tax or unit trust legislation which could affect the operation of Whai Rawa (for example, the Manager may alter the rate at which it attaches Maori Authority tax credits to contributions paid to Members as a result of a change in legislation) or Members’ entitlements, or of the Trust Deed being amended in a manner permitted by law that has the effect of reducing entitlements.
- **Member Risk:** The risk of any withdrawal being forfeited by you if you become bankrupt or unable to manage your affairs. For more information, see “How do I cash in my investment?” on page 20.
- **Administrative Risk:** The risk of technological or other failure impacting on Whai Rawa or financial markets.
- **Loss of Tax Status Risk:** The risk of Whai Rawa losing its PIE and/or RSCT status for failing to meet the requirements of the Income Tax Act 2007 for reasons beyond the control of the Manager or the Trustees of the Trust, giving rise to a different tax treatment of contributions to, or Members’ interests in, Whai Rawa.
- **Tax Rate Risk:** The risk that tax rates may change in the

future. The risk of either over or underpaying tax within Whai Rawa on your behalf because you have provided the wrong PIR or RSC rate or have not advised us to change your rate when it needed to be changed. The risk that the rate which Maori authority tax credits are attached to contributions is lower than in previous years. In the event of an underpayment of tax you will be obliged to pay the shortfall and additional tax (and potentially penalties or interest) to the IRD, and may have to file a tax return. In the event tax credits are attached to contributions at a lower rate you will be required to file a tax return to claim the remainder of any credit for which you are eligible.

One of the key functions of the Manager is to operate Whai Rawa in a manner that mitigates these risks as far as practicable.

For example, Whai Rawa’s performance is regularly assessed against any investment guidelines adopted, and Whai Rawa’s investments are managed with a view to ensuring its cashflow requirements are met.

Whai Rawa is intended to be a conservative investment vehicle. Whai Rawa’s funds are invested in a conservative mix of defensive and growth assets with a benchmark split of 80% defensive assets and 20% growth assets. Whai Rawa’s investment objectives are:

- To have a low probability of a negative return in any 12 month period of less than 4% (ie less than 1 year in 25 on average)
- To achieve a real return before tax and investment management fees of at least 4.5% per annum over any rolling 10 year period

There is no guarantee that Whai Rawa can achieve its investment objectives. Whilst the Manager believes it is unlikely that you will receive back less than your own contributions to Whai Rawa it is possible that this could occur if you withdraw a short time after joining due to short term fluctuations in income earned and you may not receive the returns described under the heading “What returns will I get?” on page 11.

If Whai Rawa becomes insolvent or if Whai Rawa is wound up, you may receive in total less than the amount you paid to Whai Rawa for the units in the Trust.

You will not be required to pay more money than that disclosed under the headings “How much do I pay?” on page 6 and “What would happen if Whai Rawa was wound up?” below.

What would happen if Whai Rawa was to be wound-up?

In the unlikely event of the insolvency of Whai Rawa or if Whai Rawa is wound up, your liability to pay money to any

other person as a result would be limited to the money you were required to pay to Whai Rawa up to that date (see “How much do I pay?” on page 6) and cannot extend beyond the amounts in your Whai Rawa account.

In the event of Whai Rawa being wound up or put into liquidation the following claims will rank ahead of claims by you:

- (a) any payment preferred at law (for example, payments to secured creditors);
- (b) taxation;
- (c) any unpaid liabilities of Whai Rawa.

Following payment of the above claims and the deduction of the charges associated with winding-up Whai Rawa, the remaining funds would be paid to Members in proportion to the value of their Whai Rawa accounts.

If the Manager introduces Portfolio Elections, in the unlikely event that the assets attributable to a particular portfolio are insufficient to meet the liabilities attributable to that portfolio, the assets of any other portfolio may be called upon to meet those liabilities on an equitable basis.

Key points: What are my risks?

There are risks involved in any investment. The Manager of Whai Rawa intends to invest conservatively with some potential for gains. The aim is to try to ensure Whai Rawa earns a reasonably consistent level of income and doesn't experience the big gains and losses that higher risk investments are exposed to. All steps have been taken to achieve positive returns on your Whai Rawa investment, however there are no guarantees.



7. Can the investment be altered?

In this section we are legally required to disclose the rights of any Member, the Manager, the Trustee, or Te Rūnanga o Ngāi Tahu to amend the terms of Whai Rawa.

Member changes

Subject to any conditions set by the Manager from time to time, after your initial contribution you can choose to contribute as much or as little as you want, and can start and stop contributions as often as you want and you can transfer part or all of your Whai Rawa account to another Member.

Manager changes

The Manager may, with the prior approval of Te Rūnanga o Ngāi Tahu:

- create different classes of Members and offer Members different withdrawal options;
- introduce new withdrawal options for Members or different classes of Members;
- acting together with the Trustee, amend the Trust Deed with the approval of 75 percent of affected Members; or without approval in certain limited circumstances if the amendments are of a formal, technical or administrative nature or will not materially adversely affect the rights of any Members.

At the date of this Investment Statement the Manager has decided to invest all the assets of Whai Rawa conservatively. However, the Manager may in the future change that investment approach or establish one or more portfolios, with differing investment objectives, to allow you more choice in how your savings are invested.

The issue terms for any portfolio (if established) may be changed if the Manager and the Trustee agree that the change is not material; or if the change is notified to Members, and 75 percent of Members with an interest in the relevant portfolio at the meeting of Members do not object.

The Manager may alter the requirements with which Members have to comply to, for example, withdraw or transfer funds, in accordance with its discretion provided to it under the Trust Deed. The Manager may agree different level of fees with the Administration Manager, the Investment Manager and the Trustee.

The Manager may, with the prior approval of Te Rūnanga o

Ngāi Tahu, notify Members that it proposes to wind-up Whai Rawa or a portfolio. If Members holding 10% of the value of the units affected do not request a meeting, or if 75 percent such affected Members approve, the wind up will occur and the Manager will pay the net proceeds to Members in the case of winding-up Whai Rawa in proportion to the value of each Member's accounts. The Manager can wind up a portfolio by giving notice to the Trustee and the Manager will pay the net proceeds of the wound up portfolio to another portfolio chosen by the Member (or a default portfolio if no election is made).

The Manager may alter minimum contribution amounts payable to Whai Rawa by any Member or Third Party, the mechanisms by which contributions can be paid to Whai Rawa and the maximum number of contributions in any one Calendar Year.

Trust Deed changes

The Manager and the Trustee may amend the Trust Deed with the approval of 75 percent of affected Members. They may amend the Trust Deed without approval in certain limited circumstances such as where the amendments are of a formal, technical or administrative nature or will not materially adversely affect the rights of any Members.

Te Rūnanga o Ngāi Tahu changes

Each year Te Rūnanga o Ngāi Tahu may change the amount it contributes to Whai Rawa for Matched Savings and the Distribution or suspend or cease those contributions. It can also alter the conditions around who is entitled to receive any contributions, and the level of contributions they will receive and the conditions applying to entitlement to contributions. The amount and conditions of any Matched Savings or Distributions may differ as between Calendar Years, and, in a Calendar Year, may differ as between each class of Member and as between Members within a class. Te Rūnanga o Ngāi Tahu may, in the future, vary the extent or rate as to which Māori Authority credits are attached to Te Rūnanga o Ngāi Tahu contributions.

At the date of this Investment Statement it is intended that Te Rūnanga o Ngāi Tahu will meet all the fees and expenses of Whai Rawa until 30 June 2012. From 1 July 2012 members will pay the investment fees while other costs will continue to be met by Te Rūnanga o Ngāi Tahu until 30 June 2016. Beyond that time, Te Rūnanga o Ngāi Tahu may decide to reduce the amount it pays towards those fees and expenses or decide not to pay those fees and expenses.

Key points: Can the investment be altered?

You can change:

- The amount or frequency of your contributions within the rules set by the Manager.

The Manager can change:

- The minimum contribution amounts
- The ways you can make payments
- The maximum number of payments in any one year
- The investment strategy for Whai Rawa
- The Trust Deed in association with the Trustee
- The Administration Manager
- The level of fees payable to the Administration Manager, the Investment Manager and the Trustee
- The issue terms of any portfolio
- Portfolios in which Members can invest

The Trustee can change:

The Trust Deed in association with the Manager

The Manager of Whai Rawa if it believes this is necessary for the effective running of Whai Rawa. Any new Manager must be approved by Te Rūnanga o Ngāi Tahu.

Each year Te Rūnanga o Ngāi Tahu can change:

- The amount available for Matched Savings and the Distribution and the conditions attaching to these contributions
- It can also determine the rules around who is entitled to receive any contributions and the level of those. For example, while adult Members will receive dollar for dollar Matched Savings for 2011 and 2012, Te Rūnanga o Ngāi Tahu could change this for later years



8. How do I cash in my investment?

Withdrawals available from Whai Rawa and the manner in which they are paid are described under the heading “What returns will I get?” (see page 11).

The Manager may, with the prior approval of Te Rūnanga o Ngāi Tahu, notify Members that it proposes to wind-up Whai Rawa or a portfolio (if required by the Trust Deed). If Members holding 10% of the value of the units affected do not request a meeting, or if 75 percent of affected Members approve the wind-up will occur and the Manager will pay the net proceeds to Members in the case of winding-up Whai Rawa in proportion to the value of each member’s accounts. The Manager can wind up a portfolio by giving notice to the Trustee. The Manager will pay the net proceeds of the wound up portfolio to another portfolio chosen by the Member (or a default portfolio if no election is made).

If you become bankrupt your Whai Rawa accounts (other than your savings account) will be forfeited to Whai Rawa to the extent permitted by law. However, the Manager may in its absolute discretion apply an amount, not exceeding the amount forfeited to Whai Rawa, for the support, maintenance or otherwise for the benefit of you, persons nominated by you, or any persons the Manager considers appropriate (including your dependants).

If you become unable to manage your affairs the Manager will pay any withdrawal that you are entitled to receive in accordance with the decision of the person duly appointed to manage your affairs and in the absence of such an appointment will apply any withdrawal payable to you for the maintenance support or otherwise for the benefit of you, any person nominated by you, and any persons the Manager considers appropriate (including your dependants).

You may transfer part or all of the value of your Whai Rawa account to another Member at no charge subject to the terms and conditions set by the Manager from time to time as set out under “How much do I pay?” on page 6. In the Manager’s opinion there is no established secondary market for the sale of units.

The risk of the Trustee either over or underpaying tax within Whai Rawa on your behalf because you have provided the wrong PIR or RSCT rate or have not advised us to change your rate when it needed to be changed. In the event of an underpayment of tax you will be obliged to pay the shortfall and additional tax (and penalties and interest) to the IRD, and may have to file a tax return. The Manager may apply tax credits attaching to Te Rūnanga o Ngāi Tahu contributions at a rate lower than the maximum permitted at law.

Key points: How do I cash in my investment?

Other than withdrawals (see page 11) you may also get money out of Whai Rawa in the following ways:

- If Whai Rawa is wound-up. At the date of this Investment Statement there is no intention to do this. If this occurred you’d get everything in your accounts after we’ve paid any expenses, tax and any withdrawals owing at the date of wind up. The Manager can wind up a portfolio and apply the net proceeds to another portfolio you elect (or a default portfolio if no election is made).
- If you are bankrupt you forfeit all or part of the amounts in your Whai Rawa accounts (other than your savings account) to Whai Rawa. The Manager may then use that money to help you, or others.
- If you become unable to manage your affairs and you’re entitled to a withdrawal (e.g. for people aged 55 and over) the Manager will pay any money in your Whai Rawa account to the most appropriate person.



9. Who do I contact with enquiries about my investment?

All enquiries should in the first instance be directed to a Contact Centre representative at Whai Rawa's Contact Centre.

You may contact the Contact Centre at 50 Corsair Drive, Wigram, Christchurch by phoning 0800 942 472, or faxing (03) 341 6792, or writing to PO Box 13-046, Christchurch, 8141, or emailing whairawa@ngaitahu.iwi.nz.



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

If you have any complaints you should contact the Complaints Officer of Whai Rawa Fund Limited, 50 Corsair Drive, Wigram, Christchurch by phone 0800 942 472 or faxing (03) 341 6792 or writing to PO Box 13-046, Christchurch, 8141 or emailing whairawa@ngaitahu.iwi.nz.

If the Manager cannot resolve any matter relating to your investment to your satisfaction you should contact the Business Manager, Trustees Executors Limited, at Level 5, 10 Customhouse Quay, Wellington, or by telephoning (04) 495 0999.

There is no ombudsman who deals with investment complaints in respect of this investment. However, the normal legal remedies are of course available to you.

The Manager is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited and is registered on the Financial Service Providers Register, pursuant to the Financial Service Providers (Registration and Dispute Resolution) Act 2008. If you wish to make a complaint or provide any other feedback about Whai Rawa you can do so by telephone, fax, email, post or in person. Any complaint received will be investigated and Whai Rawa will take appropriate steps to try and resolve it. If after this, the complaint is not satisfactorily resolved, Members are

welcome to contact Financial Services Complaint Limited (FSCL). FSCL's contact details are: telephone 0800 347257, Fax 044723727, Email: info@fscl.org.nz and post: Box 5967, Wellington 6145.

You can search the Financial Service Providers Register to find out details about the Manager on <http://www.business.govt.nz/fsp/>.

Whai Rawa is a member of the Australian Financial Ombudsman's Dispute Resolution Service. Australian based members who wish to make a complaint may do so by contacting this service. The contact details for the Australian Financial Ombudsman's Dispute Resolution Service are: GPO Box 3, Melbourne, Victoria 3001, telephone 1300 78 08 08, 9am – 5pm AEST weekdays. The cost of calling the Australian Financial Ombudsman's Dispute Resolution Service is that of a local rate from landline phones anywhere in Australia. Mobile phones incur standard mobile call rates.

Whai Rawa has the following Australian address for service: Whai Rawa, c/- Mills Oakley, Level 6, 530 Collins Street, Melbourne, Victoria 3000. Australian members may contact Whai Rawa by post at this address as an alternative to contacting Whai Rawa at its New Zealand address.

11. What other information can I obtain about this investment?

Prospectus and Financial Statements

More information about Whai Rawa and the Manager is contained in the registered Prospectus (containing a summary of the financial statements) for Whai Rawa, and where applicable, in the Trust Deed and financial statements for Whai Rawa. You can get a copy of the registered Prospectus, the financial statements and annual report free of charge from the Manager at 50 Corsair Drive, Wigram, Christchurch. A fee of no more than 20 cents per page can be charged for copies of the Trust Deed. A copy of the registered Prospectus, financial statements (when available) and other documents relating to Whai Rawa are filed on a public register at the Companies Office of the Ministry of Economic Development, and are available for public inspection (including at www.companies.govt.nz)

Information available on request

As a Member, you may request the following information free of charge

- an estimate of the value of your Whai Rawa account;
- a copy of the most recent annual report; a copy of the most recent Investment Statement;
- a copy of the most recent Prospectus and financial statements

At a cost of no more than 20 cents per page

- the Whai Rawa Trust Deed.

All the information in this section can be requested by calling 0800 WHAI RAWA (0800 942 472), Monday to Friday, 8.30am – 5.00pm or emailing whairawa@ngaitahu.iwi.nz

Key points: What other information can I obtain about this investment?

You can get the copies of

- The most recent Investment Statement
- The most recent Prospectus and financial statement
- The Trust Deed (there may be a charge for this)
- The most recent Whai Rawa annual report
- An estimate of the value of your Whai Rawa account
- A comparison of Whai Rawa's actual results against the prospective financial information set out in the relevant prospectus

You can get this information by calling the Contact Centre on 0800 Whai Rawa (0800 942 472).

Annual Information

The Manager will send you:

- within 5 months of each accounting period (which is currently 31 March), a copy of Whai Rawa's financial statements together with the auditor's report; and
- every 6 months, a written statement that evidences the nature and ownership of the units you hold in Whai Rawa..



Glossary

Administration Manager

The Administration Manager will administer Whai Rawa.

Calendar Year

1 January to 31 December in any year.

Child Member

A member under the age of 16.

Corporate Member

Any entity approved by Te Rūnanga Ngāi Tahu as a Corporate Member.

Credited Earnings

The income (positive or negative) received on the assets of Whai Rawa and allocated to your Whai Rawa account.

Distribution

The Distribution is the amount Te Rūnanga o Ngāi Tahu will contribute to Whai Rawa accounts from time to time. This is paid into Members' distribution accounts.

Education withdrawal

This is the withdrawal you can make to help finance tertiary education.

Elective Member

A Member who has attained 65 years of age and has elected to remain in Whai Rawa as an Elective Member or a Member who has applied to join Whai Rawa as an Elective Member.

Housing withdrawal

This is the withdrawal you can make to help purchase your first home.

Interim Credited Earnings Rate

The rate of income the Manager may apply to your Whai Rawa account if you withdraw part way through a quarter.

Investment Statement

The legal document that sets out a summary of the rules and conditions of Whai Rawa. You must receive this before you invest in Whai Rawa.

Manager

The Manager is responsible for the day to day running of Whai Rawa, including investing Whai Rawa's assets. The Manager has delegated the administration of the fund to the Administration Manager.

Matched Savings

For every dollar you save of your own

into your Whai Rawa account, Te Rūnanga o Ngāi Tahu may match it to a certain value. This contribution is paid into your Matched Savings account.

Member

A member of Whai Rawa includes a Child Member, a Corporate Member, an Elective Member and a Participating Member or a Member who has voluntarily de-registered from the Te Rūnanga o Ngāi Tahu Register of Members.

Participating Member

A Member other than a Child Member, Corporate Member or an Elective Member.

Portfolio Elections

If the Manager introduced portfolios to allow you to choose between differing investment options you will be asked to choose which portfolio or portfolios you want for your savings in Whai Rawa.

Promoter

Te Rūnanga o Ngāi Tahu is known as the Promoter because it created Whai Rawa. As a matter of law, the Papatipu Rūnanga representatives in terms of the Te Rūnanga o Ngāi Tahu Charter are also classified as Promoters of Whai Rawa.

Prospectus

The Prospectus contains a summary of the Trust Deed and financial statements for Whai Rawa as well as other information.

Registered Tribal Individual

A person who is registered as a tribal member by the Whakapapa Unit of Te Rūnanga o Ngāi Tahu in terms of the Te Rūnanga o Ngāi Tahu Act 1996.

Reserve account

An account held by the Manager and used for the administration of Whai Rawa.

Retirement withdrawal

This is the withdrawal you can make once you're aged 55 years or over.

Return

With Whai Rawa, returns mean the amount available for you to withdraw

from your Whai Rawa account.

Special Circumstances withdrawal

This is a discretionary withdrawal you can request when you're experiencing certain difficulties.

Third Party

This is anyone other than you or Te Rūnanga o Ngāi Tahu who makes a contribution to your Whai Rawa account. They don't need to be Ngāi Tahu or hold a Whai Rawa account to make a contribution.

Transfer account

When someone transfers money from their Whai Rawa account to yours it goes into your Transfer account.

Transferor Member

A Member who transfers all or part of any amount in that Member's Whai Rawa account to another Member.

Trust Deed

The document setting up Whai Rawa containing the terms and conditions under which Whai Rawa was established and is operated.

Trustee

The Trustee holds the investments of Whai Rawa. The Trustee does not guarantee your investment, but monitors interests in Whai Rawa as legally required.

Trust Fund

All investments, cash, property and other assets, liabilities and obligations of Whai Rawa held by the Trustee.

Whai Rawa

A long term savings scheme for Ngāi Tahu whānui to build independent wealth.

Whai Rawa account

This is your total savings in Whai Rawa and include your savings account, Matched Savings account, distribution account, Third Party account and a Transfer account (or corporate account) if applicable.

Withdrawal on Death

Whai Rawa savings will be paid to your estate when you pass on.



Whai Rawa Fund Limited

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