

1 April 2008

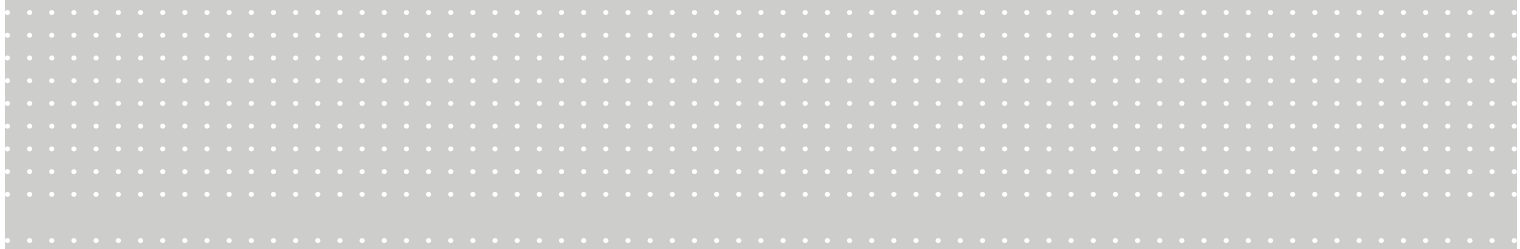
State Sector Retirement Savings Scheme

SUPPLEMENTAL INVESTMENT STATEMENT
AND APPLICATION FORM

ASB

Follow the golden rules of
investing.

Have a long term
investment horizon and
diversify your funds.





State Sector Retirement Savings Scheme Supplemental Investment Statement

Preamble

Investment in the State Sector Retirement Savings Scheme (ASB) (the “Scheme”) is made in terms of the ASB Superannuation Master Trust Prospectus (“Prospectus”) and the ASB Superannuation Master Trust Investment Statement (“Investment Statement”) together with this Supplemental Investment Statement dated 1 April 2008 (“Supplemental”), which forms part of and is to be read in conjunction with the Investment Statement. This Supplemental sets out the same questions as those contained in the Investment Statement, and includes information, statements and other matters that relate specifically to the Scheme. This Supplemental must be read in conjunction with the Investment Statement to provide you with the necessary information regarding the Scheme.

1. What sort of investment is this?

The Scheme is established under the ASB Superannuation Master Trust (the “Trust” in this Supplemental, or for the purposes of the Investment Statement the “Superannuation Scheme”). The Trust is a defined contribution superannuation scheme registered under the Superannuation Schemes Act 1989.

On 7 April 2004, the State Services Commissioner (“Commissioner”) entered into a Specification Agreement with the trustee (at that time) of the Trust prescribing the terms on which participation in the Trust is available to Employers (as defined in the glossary of this Supplemental) and to Eligible Employees (as defined below). On 14 May 2007 the Commissioner, Public Trust (the “Trustee”) and ASB Group Investments Limited (the “Manager”) entered into a replacement Specification Agreement amending the prescribed terms of participation. On 1 April 2008 the Commissioner, the Manager and the Trustee entered into an amendment to the Specification Agreement amending the prescribed terms of participation. Each of the Participating Employers has entered into an Admission Deed (as at the date set out in the glossary of this Supplemental).

Admission of Members to the Scheme

You may be offered membership of the Scheme as a Specified Superannuation Member (“Member”) if you are an employee of a Participating Employer and meet the eligibility requirements.

From 1 April 2008 the Scheme will close to new Members (other than employees of Schools).

From 1 October 2008 the Scheme will close to all new Members (including employees of Schools).

Following the closure to new Members, the Scheme will continue to operate for existing Members.

Subsidised Members

You may join the Scheme as a Subsidised Member if you are an Eligible Employee (as defined below) by completing and returning the application form attached to this Supplemental (“Application Form”) in accordance with the instructions on the Application Form.

However, if your Employer contributes to a KiwiSaver Scheme for your benefit, you will be an Unsubsidised Member of the Scheme for the period your Employer makes those contributions.

You will be an Eligible Employee if you are:

- (a) employed by an Employer:
 - i in New Zealand (or overseas, if you are employed under New Zealand terms and conditions and the offer of membership of the Scheme is not prohibited by the laws of the relevant jurisdiction); and
 - ii either permanently or under a fixed term agreement which will have four or more months to expiry at the date when you join the Scheme; and
 - iii as a registered kindergarten teacher, if you are employed by a free kindergarten association; and
- (b) receiving a Salary (as defined in the glossary of this Supplemental); and
- (c) not contributing as a member of the Government Superannuation Fund; and
- (d) not receiving (or will no longer receive, after becoming a Member) from your Employer:
 - i a funding subsidy, with respect to membership of another registered superannuation scheme, which (after deducting ESCT) exceeds or is equal to the Maximum Subsidy Rate (refer Section 3 of this Supplemental) and is not tradeable for any increase to your Salary; or
 - ii a superannuation allowance which is additional to your Salary and (after deducting tax) exceeds or is equal to the Maximum Subsidy Rate;

unless as a condition of becoming and remaining a Subsidised Member, you agree to reduce the level of the funding subsidy or superannuation allowance you receive by an amount at least equal (after tax) to the Maximum Subsidy Rate prescribed for you.

Unsubsidised Members

If you do not fall within the definition of Eligible Employee above, but do comply (at the date of joining the Scheme) with paragraphs (a) and (b) of the definition of “Eligible Employee”, you may join the Scheme as an Unsubsidised Member by completing and returning the Application Form attached to this Supplemental in accordance with the instructions on the Application Form.

Additionally, if you commence employment with an Employer on or after 1 July 2007 you may join the Scheme as an Unsubsidised Member if you are employed on a contract of 28 days or more and receiving a Salary.

As your circumstances change you may move between membership classes.

Investment of contributions

Establishment of Member’s Scheme Accounts

Depending upon your circumstances and the nature of your contributions, the Trustee will establish for you one or more of the following accounts (“Scheme Accounts” in this Supplemental or, for the purposes of the Investment Statement, your “Superannuation Account”), each of which will be credited with contributions made by you or your Employer (as the case may be):

- > Member Contribution Account;
- > Member Voluntary Contribution Account;
- > Employer Contribution Account;
- > Employer Voluntary Contribution Account.

Selection of Superannuation Investment Funds

You may invest the balances in your Scheme Accounts in one or more of the following Superannuation Investment Funds:

- > ASB NZ Cash Fund,
- > ASB Conservative Fund,
- > ASB Balanced Fund; and
- > ASB Growth Fund.

The investment policy and objectives for each Superannuation Investment Fund are described in the Investment Statement under the section entitled “What sort of investment is this?”.

You may elect in the Application Form how your contributions to the Scheme (and those payable by your Employer on your behalf, if applicable) are to be invested in any one or more of the Superannuation Investment Funds and in what proportions. Currently you are only permitted to invest in the four Superannuation Investment Funds referred to in the preceding paragraph. If you do not make an election, then the balance in your Scheme Accounts will be invested in the ASB Balanced Fund (being the default Superannuation Investment Fund prescribed by the Trustee for Members who do not make investment elections) or in such other Superannuation Investment Fund as the Commissioner may direct the Trustee to prescribe from time to time for this purpose and which the Trustee advises to you in writing.

Switching

You may elect at any time to transfer all or a portion of your Total Credit to one or more Superannuation Investment Funds other than the Superannuation Investment Fund or Funds in which your contributions (and those of your Employer if applicable) are invested, in such percentages as you direct. This is called “switching”. Switching is subject to:

- (a) you giving the Manager at least 7 days’ prior written notice; and
- (b) you completing and returning an Investment Switch / Redirection Request Form; and
- (c) the restriction that elections to switch Superannuation Investment Funds may not be made more frequently than twice during each financial year of the Scheme (being 1 April to 31 March), unless the Trustee otherwise allows; and
- (d) such other terms and conditions as the Trustee may prescribe from time to time.

For further information on the Superannuation Investment Funds please refer to the section in the Investment Statement entitled “What sort of investment is this?”.

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2. Who is involved in providing it for me?

The trustee of the Trust is Public Trust. For details of the names and addresses of the Trustee and the members of the Public Trust Board please refer to the section of the Investment Statement entitled “Who is involved in providing it for me?”.

ASB Group Investments Limited is the administration and investment manager of the Trust.

The promoters of the Trust (in terms of the Securities Act and Regulations) and their addresses are set out in section 2 of the Investment Statement.

In terms of the offer of membership under the Scheme, the State Services Commissioner is also a promoter of the Trust. The Commissioner at the date of this Supplemental is Mark Prebble, who can be contacted at the State Services Commission, 100 Molesworth Street, Wellington. The State Services Commissioner is not currently a Member of the Scheme, but may become a Member at a later date. The State Services Commissioner may change from time to time.

The Employers have not been instrumental in formulating the terms on which the Trustee will make participation in the Scheme available to Employers and Eligible Employees, and accordingly are not promoters (as that term is defined in the Securities Regulations 1983) of the Scheme. The chief executive of each Employer may have a direct or indirect interest in the Trust or the Scheme and/or a contract entered into by, or in respect of, the Trust or the Scheme.

ASB Bank Limited is involved in the marketing and distribution of the Trust but is not a promoter of the Scheme (as that term is defined in the Securities Regulations 1983).

For further information please refer to the section in the Investment Statement entitled “Who is involved in providing it for me?”.

3. How much do I pay?

Your contributions

Subsidised Member

If you are a Subsidised Member:

- > you must contribute to the Scheme, for each period during which you are a Subsidised Member, an amount not less than 1.5% of every Salary payment received by you;
- > you can elect to make a contribution above the minimum level, in whole multiples of 0.5% of your Salary with no maximum rate or amount; and
- > your Employer will deduct your contribution from each Salary payment and pay it direct to the Trustee.

Unsubsidised Member who receives a Salary from an Employer

If you are an Unsubsidised Member who receives a Salary:

- > who commences employment with an Employer on or after 1 July 2007, you must make contributions to the Scheme, for pay periods during which you are an Unsubsidised Member, at the rate of not less than 4% of every Salary payment received by you;
- > who commences employment with an Employer prior to 1 July 2007, you may (but are not required to) make contributions to the Scheme, for pay periods during which you are an Unsubsidised Member, at the rate not less than 1.5% of every Salary payment received by you;
- > you can elect to make a contribution over the relevant minimum level in whole multiples of 0.5% of your Salary with no maximum rate or amount; and
- > your Employer will deduct your contribution from each Salary payment and pay it direct to the Trustee.

Unsubsidised Member who does not receive a Salary from an Employer

If you are an Unsubsidised Member who does not receive a Salary:

- > you may (but are not required to) make contributions to the Scheme, for periods during which you are an Unsubsidised Member, by deduction from your bank account or direct debit or such other means as the Trustee may approve;
- > the minimum contribution amount is \$20 per payment (or such other amount as the Trustee and the Commissioner agree from time to time); and
- > you can elect to make a contribution over the minimum level in whole multiples of \$10 per payment, with no maximum contribution amount.

Rules relating to contributions applicable to all Members

Election of contribution amounts

You are required to state in your Application Form attached to this Supplemental the amount of contributions that you will make to the Scheme, subject to the minimum contribution levels referred to.

Variation of contribution rates

Irrespective of whether you are a Subsidised Member or an Unsubsidised Member you may elect by notifying your Employer (or the Manager if you are not receiving a Salary) in writing to:

- > increase or decrease your rate of contributions to the Scheme, provided that after decreasing your contribution rate you maintain the required minimum rate of contributions to the Scheme; or
- > suspend your contributions to the Scheme, either indefinitely or for such period as you elect. However, if you commence employment with an Employer on or after 1 July 2007 your contributions may not be suspended for a period longer than five years, but you can roll any suspension over for further periods of up to five years.

You may not make such an election more than twice in each financial year of the Scheme (being 1 April to 31 March).

If your Employer is contributing to a KiwiSaver Scheme for your benefit, your contributions to the Scheme will be suspended for the period while those Employer Contributions continue (unless you notify your Employer in writing to resume your contributions).

Lump sum payments

You may contribute additional lump sums to the Scheme at any time provided that any additional lump sum contribution:

- > is at least NZ\$100 (or such greater minimum amount as the Commissioner and the Trustee may agree from time to time) with no maximum;
- > is made in New Zealand currency; and
- > complies with such other terms and conditions as the Commissioner and the Trustee may agree from time to time.

Lump sum payments do not give rise to any additional Employer contribution entitlements under the Scheme.

Employer contributions

Employer subsidy contributions

If you are a Subsidised Member, your Employer must contribute to the Scheme in respect of you, for each pay period, on or within 31 days after the date when you receive a Salary payment for that pay period:

- (a) an amount equal to:
 - i your contribution to the Scheme for that pay period; plus
 - ii any contribution on your behalf from your Employer to the Scheme for that pay period under paragraph (b) below (after deducting ESCT);subject to a combined maximum of the Maximum Subsidy Rate (after deducting ESCT); plus
- (b) the contributions payable by the Employer to the Scheme for that pay period under any Salary Sacrifice Agreement with you.

The "Maximum Subsidy Rate" payable in respect of a Subsidised Member is 3% of Salary.

From the Maximum Subsidy Rate will be deducted:

- i any funding subsidy received by the Member from an Employer in respect of membership of another registered superannuation scheme, if that funding subsidy is not tradeable for any increase to the Member's Salary; and
- ii any superannuation allowance received by the Member from an Employer which is additional to Salary; unless, as a condition of the Member becoming and remaining a Subsidised Member, that funding subsidy or superannuation allowance has been reduced by an amount at least equal (after tax) to the Maximum Subsidy Rate then prescribed for the Member.

The Maximum Subsidy Rate for a Member may at any time be a greater percentage of Salary if the Member's Employer so determines.

Unsubsidised Members

If you are an Unsubsidised Member, then unless you are a party to a Salary Sacrifice Agreement, your Employer will not make any contributions to the Scheme on your behalf, other than those contributions which fell due while you remained a Subsidised Member and are unpaid.

Contributions made by an Unsubsidised Member (other than contributions under a Salary Sacrifice arrangement) are credited to your Member Voluntary Contribution Account.

Former Employees

No contributions are payable by your Employer to the Scheme in respect of you for any period after you have left the employment of your Employer.

Salary Sacrifice Arrangements

Salary sacrifice contributions

During the course of your employment, with the agreement of your Employer, you may enter into a Salary Sacrifice Agreement with your Employer, whereby your remuneration is reduced in consideration of your Employer agreeing to contribute to your Employer Voluntary Contribution Account in amounts agreed between you and your Employer.

Suspending/reducing Membership contributions

If you have entered into a Salary Sacrifice Agreement with your Employer, you may elect at any time (with effect from the commencement of the next pay period) not to contribute, or to reduce, cease or suspend your contributions, to the Scheme, so long as your Employer notifies the Manager accordingly and, following that election:

- > your contributions to the Scheme (if any); plus
- > the contributions made to the Scheme by your Employer under the Salary Sacrifice Agreement, after deducting ESCT;

together total not less than 1.5% (or in the case of an Unsubsidised Member who commences employment on or after 1 July 2007, 4%) of every Salary payment received by you.

Varying rate of contributions

Subject to the immediately preceding paragraph, where you have entered into a Salary Sacrifice Agreement, your Employer may at any time vary its rate of contributions to your Employer Voluntary Contribution Account by agreement with you, so long as the Employer notifies the Manager accordingly.

Parental Leave – Backdated contributions

Member/salary sacrifice contributions

If you are a Subsidised Member resuming receipt of a Salary following a period of Parental Leave, you may contribute to the Scheme (or arrange for your Employer to contribute to the Scheme, subject to the existence of a Salary Sacrifice Agreement) an amount equal (after deducting ESCT, in the case of a salary sacrifice contribution) to at least 1.5% of the Salary which you would have received for pay periods during your Parental Leave calculated as if your Salary during the Parental Leave period equalled the greater of your Salary immediately before commencing Parental Leave and your Salary on the date of resuming receipt of your Salary.

These contributions must be made within 7 months of the end of the Parental Leave period.

Employer subsidy contributions

If you are a Subsidised Member and you contribute (or your Employer contributes under a Salary Sacrifice Agreement) in accordance with the preceding paragraph then your Employer must contribute to the Scheme as soon as practicable, in respect of you, an additional amount equal (after deducting ESCT) to that contribution (for which purpose a salary sacrifice contribution will be the net amount contributed to the Scheme after deducting ESCT), subject to the Maximum Subsidy Rate for the relevant Parental Leave period.

Failure to make contributions

If you fail to make contributions to the Scheme and as a result, after the deduction of fees from your Scheme Accounts, you have a nil Total Credit, the Trustee may terminate your membership of the Scheme.

Contributions made by you as a Member or by someone on your behalf will only be made or deemed to have been made once the Trustee actually receives the contribution.

4. What are the charges?

The fees and charges applicable to the Scheme are set out below (and prevail over those fees and charges stated in section 4 of the Investment Statement).

Entry Fee	Nil
Switching Fee	Nil
Exit Fee	Nil
Administration Fee ¹	A monthly amount of \$2.50 per Member.
Fund Management Fee	<p>Fund Management Fees are calculated daily and payable quarterly in arrears by deduction from each of the Trust's Superannuation Investment Funds. Fund Management Fees are determined as a percentage of the value of the Trust's assets comprised in each respective Superannuation Investment Fund and deducted from the assets of that Superannuation Investment Fund.</p> <ul style="list-style-type: none"> > ASB NZ Cash Fund 0.20% gross per annum > ASB Conservative Fund 0.34% gross per annum > ASB Balanced Fund 0.34% gross per annum > ASB Growth Fund 0.34% gross per annum
Trustee Fee	A fee as disclosed in section 4 of the Investment Statement is charged and payable to the Trustee. This fee is payable from the assets of each Superannuation Investment Fund to the Trustee, and is calculated daily and payable monthly in arrears.

Note

1. The Administration Fee is payable monthly in arrears, and is deducted from the Member's Employer Contribution Account. Where the Member's Employer Contribution Account is not sufficient to meet the cost of the Administration Fee, the Administration Fee is deducted from the Member's other Scheme Accounts as determined by the Trustee.

Charging Fees

The Trustee will charge the above fees (other than the Administration Fee), when they fall due for payment, from the assets of the relevant Superannuation Investment Fund of the Trust.

Variation of fees and charges

At any time the Manager and the Commissioner (not acting unreasonably) may agree to:

- > increase, maintain, reduce or remove the Administration Fee effective the following 1 July or 1 January (as the case may be); and
- > increase, maintain, reduce or remove any of the other fees referred to in the table above, or add an additional fee.

You will be notified in writing no less than four weeks before any new or increased fee is introduced.

Other Expenses of the Trust

In addition to the fees described in this section, the Trustee is indemnified under the Trust Deed in respect of all costs, charges and expenses properly and reasonably incurred in connection with the operation, administration and marketing of the Trust, including costs relating to the formation of the Trust, the acquisition of assets, and costs relating to taxes, interest, and professional fees. The Trustee is entitled to be reimbursed out of the funds of the Trust or the underlying Superannuation Investment Funds.

For further information please refer to section 4 in the Investment Statement.

General

The Trust may claim tax relief on its expenses to the extent permitted under the current income tax legislation. Where appropriate, this will include passing those expenses to an underlying investment vehicle for deduction, and seeking compensation from the underlying investment vehicle for the value of any tax benefit it receives.

5. What returns will I get?

The Superannuation Investment Funds offered in the Scheme are ‘pooled’ funds. The money you invest in a Superannuation Investment Fund entitles you to a share of that Superannuation Investment Fund, which is calculated in units (“Units”). The unit value (“Unit Value”) is the price you pay or receive when you want to invest in or redeem Units from a Superannuation Investment Fund. The Unit Value on any given day is determined by dividing the value of the Superannuation Investment Fund on that day by the number of Units on issue.

The amount of the return on your investment will be reflected as an increase or decrease in a Superannuation Investment Fund’s Unit Value. A Unit Value incorporates both capital growth and capital losses of the assets in a Superannuation Investment Fund, as well as any income earned after payment of expenses and taxes. The Trustee is legally liable to reflect such returns in the Unit Value. You should also note the currency risks and hedging policy described in section 6 of the Investment Statement (‘What are my risks?’).

You should be aware that no percentage rate of return is or has been guaranteed by any party. The key factor determining the returns from each Superannuation Investment Fund will be the investment performance of the assets purchased for each Superannuation Investment Fund in accordance with the investment objectives set by the Trustee for each Superannuation Investment Fund.

The investment policy and objectives for each Superannuation Investment Fund are summarised in section 1 of the Investment Statement (‘What sort of investment is this?’).

The following factors will also affect the amount of the return:

- > the amount of the fees and charges referred to under section 4 of this Supplemental (‘What are the charges?’);
- > taxation (refer to the Taxation summary under section 5 of the Investment Statement); and
- > the number of Units you have, and the Unit Values at which you invest or redeem Units in a Superannuation Investment Fund.

The Trustee (in consultation with the Manager) may change the management approach, the objectives and the investment mixes for each Superannuation Investment Fund at any time. This flexibility is required to ensure that the Superannuation Investment Funds, some of which are long term investment vehicles, are able to adapt to changes in the investment environment. You will be notified in advance if any material changes occur.

Benefit Withdrawals – Access to your investment

You may only make withdrawals of your investment or be paid a benefit under the Scheme in the following circumstances:

Member Voluntary Contribution Account balances

You may withdraw from the Scheme at your election, at any time, part or all of your Member Voluntary Contribution Account balance, provided that the minimum withdrawal amount is \$1,000 (or such greater minimum amount as may be agreed between the Trustee and the Commissioner) unless you are withdrawing the full balance of your Member Voluntary Contribution Account. You may make only two withdrawals under this facility during each financial year of the Scheme (being 1 April to 31 March).

Significant financial hardship

The Trustee may at its sole discretion permit you to withdraw from the Scheme all or part of your Total Credit if the Trustee is satisfied, based on whatever supporting evidence it may reasonably require, that the withdrawal is necessary to alleviate significant financial hardship on your part.

Attaining Age 50 and leaving State Sector

If you have attained age 50 and are no longer employed by any Employer and the Manager is satisfied that you have no intention of being re-employed by any Employer either permanently or under a fixed term agreement, you may withdraw from the Scheme at your election part or all of your Total Credit. You will not be entitled to make a withdrawal under this facility if you are taking up employment with another Employer.

Partial Retirement

If you are within 10 years of reaching New Zealand Superannuation Age (currently age 65) and:

- > you are employed by your Employer for less than 30 hours per week; and
- > you have reduced your working hours from full time; and
- > you have notified the Manager, in writing, that you do not intend to increase your hours in paid employment in the future;

you may withdraw from the Scheme, at your election, part or all of your Total Credit.

Attaining NZ Superannuation Age

If you have reached New Zealand Superannuation Age (currently 65) you may withdraw from the Scheme, at your election, part or all of your Total Credit.

Special Provision – Teaching Service Members

If you are employed to work as a teacher or principal at a School and have attained age 50, you may withdraw from the Scheme at your election (whether or not you have left the teaching profession or your Employer), part or all of the balance in each of your Member Contribution Account, Member Voluntary Contribution Account and Employer Voluntary Contribution Account.

Total and Permanent Disablement and Serious Illness

If the Trustee is reasonably satisfied that you are suffering from a Serious Illness (after considering and obtaining such medical evidence as it considers appropriate) then the Trustee will pay you your Total Credit, unless you elect (under the paragraph entitled 'Deferring Withdrawals' below) to defer withdrawing from the Scheme all or part of your Total Credit.

If the Trustee has concluded that you are not suffering from a Serious Illness, the Trustee will then review and consider whether or not you have suffered Total and Permanent Disablement (after considering and obtaining such medical evidence as it considers appropriate).

If the Trustee forms the opinion that you are suffering Total and Permanent Disablement then the Trustee will pay you your Total Credit, unless you elect to defer your withdrawal as described above.

Death

If you die then the Trustee must pay your Total Credit to your legal personal representatives.

First home purchase

You may withdraw from the Scheme all or part of your Total Credit (excluding the balance in your Employer Contribution Account) if:

- (a) the Trustee is satisfied the withdrawal is for the purpose of purchasing a first home; and
- (b) you have been contributing to a State Sector Retirement Savings Scheme (or KiwiSaver Scheme) for at least 3 years from 1 July 2007; and
- (c) the withdrawal would be permitted under the KiwiSaver Scheme Rules (as if you have been a member of a KiwiSaver Scheme for the period referred to in (b) above).

Permanent emigration

You may elect to transfer from the Scheme to an authorised overseas superannuation scheme all or part of your Total Credit at any time after your permanent emigration from New Zealand. Alternatively, you may withdraw from the Scheme all or part of your Total Credit one year after your permanent emigration from New Zealand. The Trustee must be satisfied that any withdrawal or transfer would be permitted under the KiwiSaver Scheme Rules if you were a member of a KiwiSaver Scheme.

Deferring Withdrawals

If you become eligible for a benefit payment in any of the above circumstances (except under the Member Voluntary Contribution Account withdrawal facility, by reason of significant financial hardship, or permanent emigration, or under the first home purchase withdrawal facility), you may elect to defer withdrawing from the Scheme all or part of your Total Credit, provided that the initial amount retained in the Scheme is not less than the lesser of \$5,000 (or such greater minimum as may be agreed between the Trustee and the Commissioner) and your Total Credit.

You may then elect to withdraw part or all of your Total Credit at any time, but:

- (a) you may make only two such withdrawals during each financial year of the Scheme (being 1 April to 31 March); and
- (b) the minimum amount you can withdraw is the lesser of \$1,000 (or such greater minimum as may be agreed between the Trustee and the Commissioner) and the value of your Total Credit.

Limiting Withdrawals

Notwithstanding the previous section on “Benefit Withdrawals” the Trustee may, at its discretion, limit or suspend withdrawals if to do otherwise would, in the Trustee’s opinion, jeopardise the continued registration of the Trust under the Superannuation Schemes Act 1989.

Fund Withdrawal Tax

The Trustee must deduct from a benefit payable to you, before it is paid, any fund withdrawal tax payable pursuant to current income tax legislation with respect to the withdrawal of all or any of your Employer Contribution Account and Employer Voluntary Contribution Account balances. For further information on fund withdrawal tax refer to the Taxation summary in section 5 of the Investment Statement.

Resignation from an Employer

If you resign from employment with an Employer (and you are not employed by another Employer) prior to the age of 50 you have two options:

- > you may remain in the Scheme by becoming an Unsubsidised Member. Contributions can be made either from your bank account or by deduction from your salary (with the approval of your new employer); or
- > you may (where the Manager is satisfied that you have no intention of being re-employed by any Employer either permanently or under a fixed term agreement) transfer your Total Credit to a KiwiSaver Scheme or another locked in superannuation scheme approved by the Commissioner either in New Zealand or overseas.

For further information on the Benefits you may be entitled to, please refer to section 5 of the Investment Statement.



6. What are my risks?

Information on the risks associated with this investment can be found in section 6 of the Investment Statement (“What are my risks?”).

The balance of risk and return is the key to understanding your investment. Generally speaking, if the investment return over the short term is fairly predictable, the investment is said to be of lower risk. If the return has the potential to fluctuate widely over the short term, the investment is said to be of higher risk. Over the longer term however, the potential returns on higher risk investments are expected to be greater although there is no guarantee that this is the case.

It is important to note that investment returns in the Superannuation Investment Funds will fluctuate up or down. They are subject to market risk in relation to the performance of the assets in which they are invested. Returns can be negative or insufficient to cover charges and costs. This means it is possible for you to get back less than the total amount you invested.



7. Can the investment be altered?

Your investment in the Scheme may be altered in one or more of the following ways:

Contributions

Subject to the minimum contribution levels outlined in section 3 of this Supplemental, the Trustee may allow you to increase or decrease the rate of your contributions to the Scheme provided you do not elect to do so more than twice in each financial year of the Scheme (being 1 April to 31 March).

Subject to the restrictions in section 3 of this Supplemental, you can cease or suspend your contributions for nominated periods. The Trustee may require you to make contributions of a different amount and in a different manner to that specified in your Application Form if such changes are required to be made by new legislation or government regulation.

If your Employer is contributing to a KiwiSaver Scheme for your benefit, your contributions to the Scheme will be suspended while those Employer Contributions continue (unless you notify your Employer in writing to resume your contributions).

Benefit Transfers

You may elect at any time to transfer all or part of your Total Credit to any other State Sector Retirement Savings Scheme in which your Employer participates, subject to the approval of the trustee of that scheme and that scheme being open to new members.

From 1 April 2008, you may elect to transfer your Total Credit to any KiwiSaver Scheme, subject to the approval of the trustee of that scheme.

You may elect to transfer your Total Credit out of the Scheme in the circumstance described under ‘Resignation from an Employer’ in section 5 of this Supplemental.

If you are eligible for a benefit payment (other than under the Voluntary Contribution Account withdrawals facility, by reason of significant financial hardship or under the first home withdrawal purchase facility) you may transfer your Total Credit to a KiwiSaver Scheme or another locked in superannuation scheme approved by the Commissioner either in New Zealand or overseas.

Fees and Charges

At any time, the Manager and the Commissioner (not acting unreasonably) may agree:

- > to increase, maintain, reduce or remove the Administration Fee effective the following 1 July or 1 January (as the case may be); or
- > to increase, maintain, reduce or remove any of the other fees referred to in section 4, or to add an additional fee.

You will be notified in writing no less than four weeks before any new or increased fee is introduced.

Switching

Subject to the restrictions referred to in section 1 of this Supplemental, you may elect to transfer all or a portion of your Total Credit from one Superannuation Investment Fund to another Superannuation Investment Fund.

KiwiSaver Members

If you are a Subsidised Member and your Employer starts contributing to a KiwiSaver Scheme for your benefit, you will be an Unsubsidised Member of the Scheme for the period that your Employer makes those contributions.

Cessation of Superannuation Investment Funds

If the Trustee ceases to offer a Superannuation Investment Fund or Funds in which your contributions are invested, then the Trustee must:

- > substitute for that Superannuation Investment Fund the Superannuation Investment Fund offered by the Trustee which, in the Trustee's opinion, most closely corresponds to the Superannuation Investment Fund no longer offered; and
- > if the Trustee determines no longer to hold any Trust assets in the relevant Superannuation Investment Fund, transfer your residual balances in that Superannuation Investment Fund to the substituted Superannuation Investment Fund (or to another Superannuation Investment Fund at your election).

Termination of Membership

You will cease to be a Member if, at any time, you have a nil Total Credit:

- > following a benefit payment (except a payment made under the circumstances outlined in section 5 of this Supplemental under the heading "Deferring Withdrawals", if you remain an Eligible Employee and have elected that your Member contributions or salary sacrifice contributions will continue in certain circumstances); or
- > following a transfer to a Transferee Scheme; or
- > for any other reason, if the Trustee resolves that your membership is to cease.

Termination of Employer's Participation

The Commissioner, on the Employer's behalf, may terminate the Employer's participation in the Trust at any time by giving the Manager three months' notice (or earlier in certain circumstances). Similarly, the Trustee may (subject to the Manager's consent) terminate the Employer's participation in the Trust at any time by giving the Commissioner three months' notice. An Employer may terminate their participation in the Scheme at any time by giving the Manager one month's notice. In all instances, you will be invited to transfer your Total Credit to a Transferee Scheme. In the event that you elect not to transfer your Total Credit to a Transferee Scheme, you will retain your Total Credit in the Trust and remain as an Ordinary Member of the Trust, under such terms and conditions of membership as the Trust Deed prescribes for that membership, and you will cease to be a Member of the Scheme.

Termination of the Trust

If the Trust is wound up you will be invited by the Commissioner to transfer your Total Credit to a Transferee Scheme. In the event that you elect not to transfer you will be paid your Total Credit. As at the date of this Supplemental the Trustee and the Manager have no intention to wind up the Trust.

Amendment by Trustee

Subject to the terms of the Trust Deed, Establishment Deeds, Specification Agreement, and the law (and in particular the Superannuation Schemes Act 1989), the Trustee is in certain circumstances able to vary or amend the provisions of the Trust Deed, the Specification Agreement and any Admission Deed.

In addition, the Trustee may alter the Prospectus, the Investment Statement and this Supplemental.

For further information on the ways in which your investment may be altered, please refer to section 7 of the Investment Statement. Apart from the receipt of benefits as outlined in this Supplemental and in section 5 of the Investment Statement, you may not terminate, cancel, surrender or otherwise obtain payment of returns from the Scheme.



8. How do I cash in my investment?

Benefit payments from the Scheme may only be made in the circumstances described in section 5 of this Supplemental (“What returns will I get?”).

In addition to the other charges and fees referred to in section 4 (“What are the charges?”), the Trustee must deduct from a benefit payable to you, before it is paid, any fund withdrawal tax payable pursuant to current income tax legislation with respect to the withdrawal of all or any amount in your Employer Contribution Account and Employer Voluntary Contribution Account. For further information on fund withdrawal tax refer to the Taxation summary in section 5 of the Investment Statement.

For further information, please refer to section 8 of the Investment Statement.



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

If you have any questions about the Scheme please contact:

Client Services Manager
ASB Group Investments Limited
Sovereign House
33–45 Hurstmere Road Takapuna
Private Bag 93518
Takapuna 1332

The address of the registered office of the Manager is:

Level 28, ASB Centre
135 Albert Street
P O Box 35
Auckland 1010

Alternatively you may call us on 0800 ASB RETIRE (0800 272 738) during normal business hours or email us at retire@asb.co.nz. You may also contact the State Services Commissioner, 100 Molesworth Street, Thorndon, P O Box 329, Wellington.

Alternatively you can write to the Trustee at:

Public Trust
Level 10
141 Willis Street
Wellington

Or you can call Public Trust on 04 978 4497 during normal business hours, or email Public Trust at enquiry@trustee.co.nz



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

Any complaints about your investment should be directed to the Manager, whose address and contact details are set out on the previous page. If you are not satisfied with the outcome of any complaint, you may refer to the persons outlined in section 10 of the Investment Statement.



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

For details on what other information you can obtain about your investment, please refer to section 11 of the Investment Statement.



12. Important information

Neither the Trustee, the Manager, the promoters, the State Services Commissioner, or any Employer, ASB Bank Limited or its subsidiaries (the “Banking Group”), the Commonwealth Bank of Australia nor any other company in the Commonwealth Bank of Australia Group, nor any of their Board members or directors (as the case may be), nor any other person, guarantees the securities referred to in this Supplemental (including the capital value of such securities) or the performance of those securities (including any of the investments or returns made in respect of those securities). The securities offered in this Supplemental do not represent bank deposits or liabilities of the Banking Group or the Commonwealth Bank of Australia and are subject to investment risk including the loss of income and principal invested.

No offer of interests in the Scheme may be made on the basis of an Admission Deed unless the Admission Deed:

- > has been signed by the Employer; and
- > has been registered by or filed with the Registrar; and
- > is available for public inspection.

The Admission Deeds for the Scheme meet these criteria as they have been signed by each Employer and have been filed with the Registrar at the Ministry of Economic Development and are available for public inspection.

Glossary

In this Supplemental, unless the context indicates otherwise:

“Admission Deed” means a Deed entered into between the trustee of the ASB Superannuation Master Trust (at that time) and each respective Employer admitting the Employer to participate in the Trust on the terms set out in the Admission Deed and the Specification Agreement pursuant to which the terms of the section within the Trust known as the “State Sector Retirement Savings Scheme (ASB)” are prescribed;

“Employer” means each Participating Employer and any other entity who the State Services Commissioner permits to participate in the Trust and who enters into an Admission Deed, that has not ceased to participate in the Scheme;

“Employer Contribution Account” means an account into which all of the Employer’s contributions to the Scheme in respect of each Member will be credited, other than salary sacrifice contributions;

“Employer Voluntary Contribution Account” means an account into which all of the Employer’s contributions to the Scheme in respect of each Member under any Salary Sacrifice Agreement will be credited;

“ESCT” means employers superannuation contribution tax;

“KiwiSaver Scheme” means a KiwiSaver scheme as defined in section 4 of the KiwiSaver Act 2006;

“Maximum Subsidy Rate” means the maximum contribution level payable by an Employer, if the Employer is liable to make such contribution, calculated as set out in this Supplemental (and expressed as a percentage of the amount of Salary received by a Subsidised Member for each pay period);

“Member” means a member of the Scheme. Each Member will be a “Specified Superannuation Member” as defined in and for the purposes of the Trust Deed;

“Member Contribution Account” means an account into which the contributions of a Subsidised Member are credited, to the extent that they do not exceed, when made, the Maximum Subsidy Rate for the relevant period;

“Member Voluntary Contribution Account” means the account into which is credited:

- (a) the contributions of a Subsidised Member to the extent that those contributions exceed (when made) the Maximum Subsidy Rate; and
- (b) contributions made by an Unsubsidised Member;

“New Zealand Superannuation Age” means the age at which persons ordinarily qualify for New Zealand superannuation under section 7 of the New Zealand Superannuation and Retirement Income Act 2001 (or any amending or replacement legislation);

“Parental Leave” means parental leave as defined in section 2(1) of the Parental Leave and Employment Protection Act 1987 (or any amending or replacement legislation);

“Participating Employer” means the following entities which have each entered into an Admission Deed on the following dates:

- > 15 April 2004;
 - i The 35 Departments of the Public Service, comprising the Ministry of Agriculture and Forestry, Archives New Zealand, Department of Child, Youth and Family Services, Department of Conservation, Department of Corrections, Crown Law Office, Government Communications Security Bureau, Ministry for Culture and Heritage, Ministry of Defence, Ministry of Economic Development, Ministry of Education, Education Review

Office, Ministry for the Environment, Ministry of Fisheries, Ministry of Foreign Affairs and Trade, Ministry of Health, Department of Building and Housing, Inland Revenue Department, Department of Internal Affairs, Ministry of Justice, Department of Labour, Land Information New Zealand, Ministry of Maori Development, Ministry of Pacific Island Affairs, National Library of New Zealand, New Zealand Customs Service, Department of the Prime Minister and Cabinet, Ministry of Research, Science and Technology, Serious Fraud Office, Ministry of Social Development, State Services Commission, Statistics New Zealand, Ministry of Transport, The Treasury and Ministry of Women's Affairs;

ii New Zealand Defence Force, New Zealand Police, Office of the Clerk, Parliamentary Counsel Office and Parliamentary Service;

iii State Education Sector and of free kindergarten associations (acting through the Secretary of Education).

> 20 October 2004;

Broadcasting Standards Authority, Career Services, Earthquake Commission, Families Commission, New Zealand Symphony Orchestra, Pharmaceutical Management Agency and Retirement Commission.

> 3 November 2004;

Electricity Commission.

> 15 December 2004;

New Zealand Fire Service Commission.

> 31 August 2005;

New Zealand Tourism Board and Charities Commission.

> 17 January 2006;

Health Sponsorship Council.

> 31 July 2007;

New Zealand Food Safety Authority.

“Salary” means:

(a) in relation to:

i a Member who is a principal of a School, the sum of the annual before-tax amount of base salary (including supplementary component) plus decile funding; and

ii a Member who is a teacher at a School, the sum of the annual before-tax amount of base salary or wages plus permanently allocated salary units;

being received by the Member through the Ministry of Education's payroll facility in respect of a School; and

(b) in relation to any other Member (unless the Commissioner directs otherwise) the annual before-tax amount of base salary or wages being received by the Member through an Employer's payroll facility.

Salary excludes any fixed-term Salary unit (in the case of a Member to whom paragraph (a) of this definition applies) and any other allowance or remuneration allocated or paid to the Member, whether through an Employer's payroll facility or otherwise. If a Member who receives a Salary enters into a Salary Sacrifice Agreement (whereby the Member's remuneration is reduced in consideration of the Employer agreeing to contribute to an Employer Voluntary Contribution Account on the Member's behalf) then, for the purposes of the Scheme, the Member's Salary will be determined as if the resulting reduction in remuneration had not occurred;

“Salary Sacrifice Agreement” means an agreement between a Member and his or her Employer whereby the Member's remuneration is reduced in consideration of the Employer agreeing to contribute to an Employer Voluntary Contribution Account on the Member's behalf;

“School” means a state or a state-integrated school in New Zealand;

.....

“Serious Illness” is defined in the KiwiSaver Scheme Rules and, as at the date of this Supplemental, means an injury, illness or disability:

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

The government has indicated that the definition in the KiwiSaver Scheme Rules may change - please contact the Manager for further information;

“State Sector Retirement Savings Scheme” means the Teachers’ Retirement Savings Scheme and any other registered superannuation scheme, or section comprised within a registered superannuation scheme, which is approved by the State Services Commissioner and in which all or any of the Employers participate on terms materially corresponding to those of this Scheme;

“Total and Permanent Disablement” means absence from service with your Employer for six consecutive months (or such lesser period as the Trustee may determine) by reason of injury or illness of such extent that you are unlikely ever to engage in or work for reward in any occupation or work for which you are reasonably qualified by education, training or experience;

“Total Credit” means the total balances in the Member Contribution Account, Member Voluntary Contribution Account, Employer Voluntary Contribution Account and Employer Contribution Account, less any fees due for payment from any of those accounts, and if applicable the Member’s share of any termination or wind up costs payable under the Trust Deed;

“Transferee Scheme” means:

- (a) any State Sector Retirement Savings Scheme; and
- (b) any KiwiSaver Scheme; and
- (c) in respect of a Member who is eligible for a benefit payment (other than under the Voluntary Contribution Account withdrawals facility, by reason of significant financial hardship, or permanent emigration, or under the first home purchase withdrawal facility), any other division of the Trust which is at the relevant time approved by the Trustee as a division to which the Member may transfer the Member’s Total Credit; and
- (d) a scheme registered under the Superannuation Schemes Act 1989, or an overseas superannuation scheme, which at the relevant time is approved by the State Services Commissioner as a scheme to which a Member may transfer a Member’s Total Credit.

> 5. Declaration and Authorisation

- > I wish to apply for membership in the Scheme upon the terms of the current Supplemental and any subsequent Supplemental.
- > I have received, read, and understand the current ASB Superannuation Master Trust Investment Statement and the Supplemental to which this application relates, and agree to be bound by the terms and conditions of the Trust Deed governing the ASB Superannuation Master Trust.
- > I authorise my Employer to deduct contributions in accordance with section 2 of this Application Form.
- > I have read and understood the provisions of the above Authorisations as they may affect my investment in the ASB Superannuation Master Trust, as outlined above.
- > I consent to receiving commercial electronic messages regarding financial opportunities, products or services offered by the ASB Group of Companies and agree (pursuant to the Unsolicited Electronic Messages Act 2007) that the person sending any such messages does not need to include a functional unsubscribe facility in the message.

initial

- > **Apart from the special circumstances outlined in the Investment Statement and Supplemental, I understand that I will not have access to my funds.**

initial

- > **I understand that Units in the ASB Superannuation Master Trust are not bank deposits or liabilities of ASB Bank Limited or its subsidiaries ("the Banking Group") and that neither the Manager, the Banking Group, Commonwealth Bank of Australia nor any company in the Commonwealth Bank of Australia Group nor any of their directors nor any other person (including the Trustee) guarantees the investment returns or the repayment of any capital.**

initial

- > **I understand that the capital value of my investments can rise or fall depending on market conditions and that the capital value of the investment is not guaranteed by the Banking Group or any other party. I may therefore receive back less than I invested.**

initial

- > **I understand that fund withdrawal tax may impact on my investment at the time of withdrawal.**

initial

- > **I have made this investment in the ASB Superannuation Master Trust of my own volition.**

The promoter of the ASB Superannuation Master Trust is ASB Group Investments Limited. ASB Bank Limited is involved in the marketing and distribution of the Trust but is not a promoter of the Scheme (as defined in the Securities Regulations 1983).

Member's Signature

Date

Day		Month		Year			

> 6. Employer Details – Employer to complete

Employer/School Name

School Number (school only)

Employer Contribution

 %

Salary Sacrifice Authorisation

Yes No

Date Joined Scheme

Day		Month		Year			

Subsidised Unsubsidised

The Employee named in this Application Form has applied to become a member of the Scheme, based on the information supplied. The Employer makes the following declarations concerning the Employee:

- > At the date of joining the ASB Superannuation Master Trust the Employee meets the Employer's normal criteria for being offered membership.
- > The Employee has received a copy of the Investment Statement for the ASB Superannuation Master Trust and the Supplemental for the Scheme.

Signed by Employer

Date

Day		Month		Year			

Print Name

Title

For a State or State integrated School please send the completed form to: The Ministry of Education, Retirement Saving Schemes, PO Box 1317, Wellington 6140.

For ASB Use Only

Accepted by

Date Stamp

Branch



