



1 October 2010

Important changes to the Thoroughbred Unit Trusts Investment Statement dated 1 April 2010

The Taxation (Budget Measures) Act 2010 (in this Supplement, the "Act") made changes to prescribed investor rates ("PIRs") and the tax rate applying to widely held unit trusts. These changes are not reflected in the current Investment Statement dated 1 April 2010 and are described below.

The Act changed the 12.5%, 21% and 30% PIRs to 10.5%, 17.5% and 28% respectively with effect from 1 October 2010. This change affects the "Taxation" subsection of the "What returns will I get?" section on pages 5 and 6, the "Tax risks" subsection of the "What are my risks?" section on page 8, as well as the application form. All references in these sections to PIRs of 12.5%, 21% and 30% should be read as 10.5%, 17.5% and 28% respectively.

The table below reflects the changes to PIRs by the Act. From 1 October 2010, the PIRs are as follows:

PIRs	Who is eligible?
0%	A New Zealand tax resident company (including a unit trust), charity, proxy for PIE investors, and New Zealand tax resident trustee of a trust (other than a trustee that notifies a higher rate).
10.5%	<ul style="list-style-type: none"> • An individual who is a New Zealand tax resident and who has in either of the two income years before the current tax year earned: <ol style="list-style-type: none"> a) \$14,000 or less in taxable income (excluding attributed PIE income); and b) \$48,000 or less in total taxable income and attributed PIE income. • A New Zealand tax resident trustee of a testamentary trust (excluding a trustee of a unit trust or charity) who notifies this rate.
17.5%	<ul style="list-style-type: none"> • A New Zealand tax resident individual and who does not qualify for the 10.5% rate, and who has in either of the two income years before the current tax year earned: <ol style="list-style-type: none"> a) \$48,000 or less in taxable income (excluding attributed PIE income); and b) \$70,000 or less in total taxable income and attributed PIE income. • A New Zealand tax resident trustee of a trust (excluding a trustee of a unit trust or charity) who notifies this rate.
28%	<ul style="list-style-type: none"> • An individual who is a New Zealand tax resident and who does not qualify for the 10.5% or 17.5% rates. • A non-New Zealand tax resident who notifies this rate. • When an investor does not provide both their PIR and IRD number, then this is the default rate. • A New Zealand tax resident trustee of a trust (excluding a trustee of a unit trust or charity) who notifies this rate.

The Act changes the rate at which widely held unit trusts are taxed from 30% to 28% with effect from 1 April 2011. This change affects the "Tax risks" subsection of the "What are my risks?" section on page 8. Accordingly, when reading this subsection, the reference in the third paragraph to 30% should be read as "30% (28% from 1 April 2011)".

For further information on the above changes, please contact your financial adviser or National Bank Managed Funds on 0800 656 888.

Thoroughbred Unit Trusts

Investment Statement



Public Trust is the trustee, and ING (NZ) Limited is the issuer, promoter, administration manager and investment manager, and ANZ National Bank Limited is the distributor, of the Thoroughbred Conservative Trust, Thoroughbred Balanced Trust and Thoroughbred Growth Trust (the 'Trusts'). An investment in the Trusts is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of ING (NZ) Holdings Limited, ANZ National Bank Limited, Australia and New Zealand Banking Group Limited, Public Trust, any member of their respective groups of companies or any other person guarantees (either partially or fully) ING (NZ) Limited or the capital value or performance of any products issued or managed by it, including the Trusts. Units in the Trusts do not represent deposits or liabilities of ANZ National Bank Limited.

ING (NZ) Limited is wholly owned by ANZ National Bank Limited and has a licence from ING Corporate Services Pty Limited enabling it and related companies to use the ING brand and certain trademarks owned by ING Group or its subsidiaries while transitioning to a new brand, which is expected to be during 2010.

Important information

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

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

Choosing an investment

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

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What sort of investment is this?	2
Who is involved in providing it for me?	2
How much do I pay?	3
What are the charges?	4
What returns will I get?	4
What are my risks?	7
Can the investment be altered?	8
How do I cash in my investment?	9
Who do I contact with inquiries about my investment?	9
Is there anyone to whom I can complain if I have problems with the investment?	9
What other information can I obtain about this investment?	9

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.

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 1 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.

This is an Investment Statement for the purposes of the Securities Act 1978. It is prepared as at 1 April 2010. There is a registered prospectus containing an offer of securities to which this Investment Statement relates. The offer of securities is made only in New Zealand.

What sort of investment is this?

The investments offered are units in unit trusts.

Who is involved in providing it for me?

The Manager

ING (NZ) Limited ('the Manager')
Level 27
135 Albert Street
PO Box 7149, Wellesley Street
Auckland 1141

Registered Office:
Level 27
135 Albert Street
Auckland 1010

The directors of ING (NZ) Limited are:

Philip Michael Smith (Chairman), Auckland
John Robert Body, Auckland
Steven Montgomery Fyfe, Wellington
Jennifer Anne Fagg, Wellington
Helen Therese Troup, Auckland

The directors of ING (NZ) Limited may change from time to time without notice to investors.

The contact address of the directors listed above is:

Level 27
135 Albert Street
PO Box 7149, Wellesley Street
Auckland 1141

ING (NZ) Limited ('INGNZ') is responsible for selecting and managing the assets held by the Thoroughbred Unit Trusts ("the Trusts"), together with the overall administration and marketing of the Trusts. INGNZ may appoint specialist asset managers to manage specific assets of the Trusts. Such managers may change from time to time without notice to investors.

On 30 November 2009, ANZ National Bank Limited, part of the Australia and New Zealand Banking Group (the 'ANZ Group') acquired ING Insurance International B.V.'s 51% shareholding in ING (NZ) Holdings Limited, which was part of ING Group. Accordingly, ING (NZ) Holdings Limited is now ultimately wholly owned by the ANZ Group and has ceased to form part of the ING Group. ING (NZ) Holdings Limited is the holding company of the Manager.

In this Investment Statement, all references to "INGNZ", "the Manager", "the issuer", "the promoter", "us", "we", "our" or "National Bank Managed Funds" refer to ING (NZ) Limited.

Trustee

Public Trust ('the Trustee')
Level 10
141 Willis Street
PO Box 5067, Lambton Quay
Wellington 6145

Promoter

ING (NZ) Limited
Level 27
135 Albert Street
PO Box 7149, Wellesley Street
Auckland 1141

The Trusts are distributed through The National Bank of New Zealand, part of ANZ National Bank Limited ('The National Bank').

Nature of the Trusts

The names of the unit trusts and the dates from which they have been in operation are:

- Thoroughbred Conservative Trust – 1 April 1994
- Thoroughbred Balanced Trust – 30 August 1988
- Thoroughbred Growth Trust – 1 April 1994.

The Trusts are unit trusts under the Unit Trusts Act 1960. Each Trust enables investors to participate, as beneficiaries under a trust, in the income and gains arising from the property of the Trust.

A description of each Trust and its benchmark allocation to growth and income assets is set out below. Each Trust also has a long term target allocation to each asset class – shares, fixed interest investments, listed property and cash. The allocations to both growth and income assets and the individual asset classes will vary from the benchmarks due to both market movements and the Manager varying the allocations away from each benchmark at times with the aim of managing risk or increasing potential returns. Changes from each benchmark allocation may potentially be significant in certain market conditions but are restricted by ranges above and below each benchmark. The benchmark and the ranges may vary from time to time as agreed between the Trustee and the Manager, without notice to investors. You may request a copy of the ranges by calling National Bank Managed Funds on 0800 656 888 or emailing nbnzmanagedfunds@ingnz.com.

The Conservative Trust invests primarily in income assets such as cash and fixed interest, with a lesser exposure to growth assets such as shares and property.

The Balanced Trust invests across a range of asset classes including cash, fixed interest, shares and property.

The Growth Trust invests primarily in growth assets such as shares and listed property with a lesser exposure to cash and fixed interest.

The benchmark investment portfolios of the Trusts are:

	Conservative Trust	Balanced Trust	Growth Trust
Total growth assets	20%	60%	80%
Total income assets	80%	40%	20%

Generic references to cash may include short term debt securities, term deposits and floating rate notes.

The Trusts may invest within the benchmark ranges described on the previous page by investing:

- directly in the types of investments described on page 2 (shares, listed property, fixed interest and cash); and/or
- indirectly by investing in vehicles which invest in those investments.

To the extent permitted by the governing trust documents, derivatives may be used by the Trusts and the Trusts may also borrow (please see the 'What are my risks?' section for a definition of derivatives). Where the Trusts make indirect investments through investing in other investment vehicles (including by investing in other funds managed by ING (NZ) Limited) the Trusts and their investors will be exposed to the investment management activities implemented by those vehicles. For example, those vehicles may have greater flexibility regarding the use of derivatives and borrowing than the Trusts themselves, and may enter into securities lending, repurchase and other transactions.

There is no double charging of INGNZ management fees on any investment in an unlisted INGNZ managed fund.

Understanding Risk

Understanding and managing risk is the cornerstone of any successful investment philosophy, so it's very important you become familiar with the concept of risk. In simple terms, investment risk is the chance that what you receive back on your investment will be less than you expect and may involve the loss of some or all money invested.

All investments have some degree of risk associated with them and risk can take many forms (see page 7 for a more detailed explanation of risks involved with investing in the Trusts). There is typically a direct relationship between risk and return. Generally, the greater the risk, the greater the potential return and the lower the risk, the lower the potential return over the long term. In addition, the higher the degree of risk an investment carries, the more its price may fluctuate.

The Trusts aim to satisfy both the return expectations and the risk tolerance of investors, by providing access to both income and growth assets. 'Income' assets are defined as cash and fixed interest investments that provide a return from an interest payment and the repayment of principal at some future date. 'Growth' assets include shares and property.

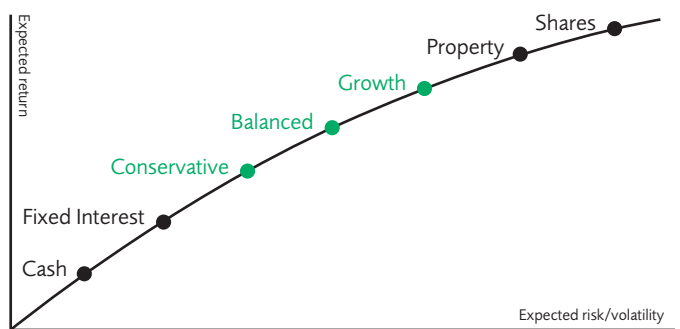
Looking at risk versus return, income assets tend to have lower risks and lower returns than growth assets as illustrated in the diagram. So investors wanting to earn higher returns generally have a higher proportion of growth assets in their investment portfolios. As the proportion of growth assets in a portfolio increases, so too does the expected level of risk.

The Trust(s) you choose should reflect your investment objectives, risk profile and investment timeframe. Returns and the value of your investment in the Trusts are not guaranteed.

The chart illustrates the usual relationship of risk and return. Generally, the higher the position in the top right corner, the greater the risk of variability in the returns to investors.

However, to compensate for accepting these risks, higher risk funds also have the potential for higher returns.

Long-term risk/return



- Thoroughbred Unit Trusts
- The main asset classes

This diagram is for illustrative purpose only.

How much do I pay?

Ways of investing

Investment can be made in the following two ways:

- Lump sum payment
 - You can make an initial investment of \$1,000 or more. This may be split between Trusts (minimum \$500 per Trust). You can then make additional lump sum investments (minimum \$500 per Trust).
- Regular savings
 - You can make regular savings directly from your bank account, with minimum contributions per Trust as follows: weekly – \$12.50, fortnightly – \$25, monthly – \$50, quarterly – \$150 or annually – \$600.

An initial lump sum payment is not needed to start saving regularly. You can increase, reduce, suspend, cancel and restart your payments at any time (provided the minimum requirements are met).

Unit prices for the Trusts are determined by adding the market value of the investments on each normal business day with any accrued income and deducting all liabilities and then dividing the total number of units on issue.

The value of units principally fluctuates according to the changing values of the assets in which the Trusts have invested.

Unit prices for all Trusts are available on the internet at www.nationalbank.co.nz or by calling National Bank Managed Funds on 0800 656 888.

Unit prices are calculated excluding Portfolio Investment Entity (PIE) tax attributable to investors. Refer to the 'Taxation' section on page 5 for further information. With the approval of the Trustee, the Manager can increase the minimum investment amount and the minimum monthly contribution for the regular savings plan.

Making a payment

Take your completed application form together with your direct debit form or cheque (made payable to ING (NZ) Limited) to any branch of The National Bank who will forward on to the Manager.

What are the charges?

There are no entry or exit fees for any of the Trusts. The fees currently charged for investing in the Trusts are:

Investment fee – Trusts	1.55% per annum of gross Trust value (paid from the Trusts)
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These fees are based on the gross Trust value and are payable from the Trust, not directly by you.

The trustee fee, management fee and all other expenses, costs and charges in relation to the Trusts (including any applicable Goods and Services Tax (GST)) are included in these fees.

However, certain transactional expenses incurred by the Manager, such as fees incurred when processing direct debit contributions may be charged to the Trusts.

Some of the Trusts invest in other managed funds in which fees and expenses are charged which may affect returns to the Trust's investors.

The Manager may use part of the management fee to pay for the services of specialist asset managers. There is no double charging of the management fees on any investment in an unlisted INGNZ managed fund.

You will be given three months' notice before any new fees are imposed or fees are changed.

The fees payable by investors in the Trusts are subject to limits set out in the Trust Deed for the Trusts and conditions of establishment for the Trusts.

There may be cases where charges are payable by a Trust to a related company of INGNZ, where the related company manages or provides services in respect of the underlying assets. Where these transactions occur, they will be conducted on standard commercial terms. For example, a Trust may invest into a deposit (or deposits) with ANZ National Bank Limited, or a Trust may enter into forward foreign exchange contracts with ANZ National Bank Limited.

Management Expense Ratio (MER)

A Management Expense Ratio ("MER") is used to indicate the level of fees and expenses (excluding transactional costs) of a Trust. The MER is not a separate fee. The MER does not show the actual ongoing fees and any other expenses of the Trusts or any individual investor in a Trust. It shows the rate of fees and other expenses of the Trust as a percentage of the average size of the Trust over the relevant financial year.

The MER is shown before tax. Expenses from underlying managers are collected on the basis of what they disclose, and reliance is placed on their completeness.

The MER for the current financial year or any future period is not guaranteed. The MER has been calculated in accordance with the following formula:

$$\text{MER} = \frac{\text{Fees and Recovered Expenses} \times 100}{\text{Average Trust Size}}$$

MER (before tax) for year ended	31/12/09	31/12/08	31/12/07
Thoroughbred Conservative Trust	1.55%	1.55%	1.55%
Thoroughbred Balanced Trust	1.55%	1.55%	1.55%
Thoroughbred Growth Trust	1.55%	1.55%	1.55%

The above table shows the MER from the last three completed financial years for the Trusts.

What returns will I get?

Nature of the returns

Returns are reflected in the value of the units held in the Trust(s) excluding PIE tax attributable to investors. Returns for tax-paying investors will be adjusted for any tax payable or tax rebates received by cancelling or issuing units in your Trust(s) as described in the Taxation section on page 5. The Trusts are usually valued on each business day.

Key factors that determine returns

The main form of returns to you will be the difference between what you pay for units and what you receive when you sell them or withdraw. Because the unit price is determined by the value of the assets of the relevant Trust, the key factors that determine the returns to you are principally increases and decreases in the values of those assets. The values of the assets in the Trusts are mainly determined by market conditions.

Fund managers cannot control or guarantee the performance of investment markets, and investors should be aware that fluctuations in market supply and demand will be reflected in the changing market values of assets held in the Trust(s). This means that the unit price for each of the Trusts may rise or fall and the performance may vary.

Other key factors that determine your returns are:

- The amount contributed to the Trust(s) by you or on your behalf; and
- The investment performance of the Trust(s) your contributions are invested in; and
- Fees, charges and expenses payable (as set out under "What are the charges?" on this page); and
- Taxes payable by the Trust or you in respect of your investment.

ING (NZ) Limited is legally liable to pay any returns to the extent available, in respect of each Trust. Investors should be aware that no percentage rate of return or fixed amount has been promised or guaranteed and there are no specified dates on which, or frequency with which, returns will be paid. Past performance is not indicative of future performance.

Returns may also be affected by future tax changes. For a more detailed description of the risks of investing please refer to the 'What are my risks?' section on page 7.

Withholding of returns

Payment of returns may be withheld as set out below.

Units are usually redeemed on the first business day after the Manager receives the request, and payment will usually be made within two business days of the redemption for the value on the next valuation day, normally being the day the request is received.

The Manager can suspend redemptions of units for up to six months if it is desirable for the protection of the Trust or in the interests of investors.

If on any business day, an investor requests the redemption of more than 5% of the units in any one Trust, the Manager may treat it as five separate requests for redemption of one-fifth of the units, one on each of the five successive business days starting on the business day they received the original request.

If over five consecutive business days, investors request the redemption of more than 10% of the units in any one Trust, the Manager may, with the consent of the Trustee, suspend withdrawals of units over that 10% for a period of no greater than 30 days. The Manager is the person legally liable to pay the returns.

Taxation

The Trusts elected to become PIEs from 1 October 2007.

As PIEs, the Trusts attribute all taxable income (or losses) between its investors, based on the number of units held by each investor. The Manager then calculates tax payable on such income attributed to each investor at their notified Prescribed Investor Rate (PIR). Tax is then paid and losses dealt with as described under the "Tax-paying Investors" heading.

In order for the Trusts to correctly calculate and pay tax on behalf of its investors, each investor must provide the Manager with their IRD number and applicable PIR at the time of joining the Trusts and when those details change. **If you do not notify us of your correct PIR and IRD number, or have not notified us of these details in the past, you will be subject to tax on the income attributed to you by the Trusts ("attributed PIE income") at the default rate of 30%.** We will seek reconfirmation of these details with you annually.

If your previously notified rate has not changed, you do not need to reconfirm, as we will continue to tax your attributed PIE income at the rate last notified by you. To assess your correct PIR, please refer to the table on this page.

The PIRs are as follows:

PIRs	Who is eligible?
0%	A New Zealand tax resident company (including a unit trust), charity, proxy for PIE investors, and New Zealand tax resident trustee of a trust (other than a trustee that notifies a higher rate).
12.5%	<ul style="list-style-type: none"> An individual who is a New Zealand tax resident who has in either of the two income years before the current tax year earned: <ol style="list-style-type: none"> \$14,000 or less in taxable income (excluding attributed PIE income); and \$48,000 or less in total taxable income and attributed PIE income. A New Zealand tax resident trustee of a testamentary trust (excluding a trustee of a unit trust or charity) who notifies this rate.

PIRs	Who is eligible?
21%	<ul style="list-style-type: none"> An individual who is a New Zealand tax resident who does not qualify for the 12.5% rate, and who has in either of the two income years before the current tax year earned: <ol style="list-style-type: none"> \$48,000 or less in taxable income (excluding attributed PIE income); and \$70,000 or less in total taxable income and attributed PIE income.¹ A New Zealand tax resident trustee of a trust (excluding a trustee of a unit trust or charity) who notifies this rate.
30%	<ul style="list-style-type: none"> An individual who is a New Zealand tax resident and who does not qualify for the 12.5% or 21% rates. A non-New Zealand tax resident who notifies this rate. When an investor does not provide both their PIR and IRD number, then this is the default rate. A New Zealand tax resident trustee of a trust (excluding a trustee of a unit trust or charity) who notifies this rate.

¹The PIRs enacted as at the date of this Investment Statement do not fully reflect this position. Later this year remedial legislation is expected to be passed to correct this. This legislation is expected to come into effect retrospectively from 1 April 2010.

References in this taxation section to an "income year" mean the period commencing 1 April of a given year and ending on 31 March of the following year, however an "income year" can start and end on alternative dates if Inland Revenue consents. A "tax year" always commences on 1 April of a given year and ends on 31 March of the following year.

Please note that Inland Revenue may notify us to disregard your notified PIR and instead apply a different PIR.

We will provide you with an annual tax certificate, which will include your attributed PIE income and the amount of tax paid at your notified PIR. This information will assist you in determining if a PIR of less than 30% can be selected in future.

Withdrawals

All withdrawals will be made by way of redemption of units. You will not be taxed on amounts received when you redeem your units from the Trusts and distributions (if any). Refer to the 'Tax-paying Investors' section which sets out when PIE tax is payable.

Tax-paying Investors

If you notify us of a PIR greater than 0% or default to a PIR greater than 0% then you are referred to as a "tax-paying investor".

The Trusts' tax liability on PIE income attributed to its tax-paying investors will be recovered by cancelling units equal to the value of the tax liability. The tax liability will be recovered at the following times:

- At the end of the tax year (following 31 March);
- Upon a full withdrawal, transfer and/or switch; or
- If at any time, especially on a partial withdrawal (including standing redemptions), partial transfer or partial switch, the value of the remaining units is, or could potentially become, insufficient to cover the Trust's accrued tax

liability on such an investor's attributed PIE income. In these circumstances, the investor will be deemed to have made a full withdrawal and units will be cancelled on account of the accrued liability. The Manager will consider potential market movements when determining whether the remaining units are of sufficient value to cover the tax liability.

Where PIE tax losses or excess tax credits arise and the Trusts receive a refund of tax, the refund will be attributed to tax-paying investors by issuing additional units.

If the correct PIR has been notified (and the investor is not a trustee that has notified a PIR that is lower than 30%), the tax paid on attributed PIE income of tax-paying investors will be a final tax and no obligation to file a tax return (in respect of this investment) will arise as a consequence. Nor will it impact on family assistance eligibility, student loan repayment obligations or child support payment obligations.

Trustees that notify a PIR that is lower than 30% must return the PIE income and pay any applicable tax themselves (with a credit for tax paid by the Trusts in respect of attributed PIE income). Such trustees may therefore have a tax liability in respect of the attributed PIE income, regardless of whether the Trusts make any distributions to them. Trustees that choose a PIR of 12.5% or 21% cannot include losses attributed to them in the trust's tax return. However, as noted above, such losses are attributed to such trustees by issuing additional units.

Tax-paying investors must advise the Manager if their PIR changes from a lower rate to a higher rate or if they cease to be a New Zealand tax resident. Failure to advise, or notifying a lower rate than that applicable, will mean the investor is personally liable to pay any resulting tax shortfall, including penalties and interest, and may be required to file a tax return.

Where the actual rate applicable is lower than that advised by an investor and tax has already been paid by the Trusts, a refund will not be available.

If an investor notifies the Manager during a tax year that their PIR has changed (for example because they cease to be a New Zealand tax resident part way through the tax year), the investor will, be treated as having the latest notified PIR for the whole of the tax year unless tax has already been paid or recovered.

Zero-rated Investors

Investors with a notified PIR of 0% are referred to as "zero-rated investors". Zero-rated investors must return the PIE income (or loss) and pay tax themselves. These investors will have a tax liability in respect of the PIE income attributed to them, regardless of whether the Trusts make any distributions to them.

The Trusts will not cancel any units or otherwise adjust the interests of its zero-rated investors for PIE tax, as the Trusts do not pay tax on the income attributed to such investors.

Zero-rated investors will be entitled to claim their share of excess credits or PIE tax losses directly depending on their circumstances.

Joint Investors

For joint investors, income is attributed to one investor only based on their selection. Any joint investor can be selected if their PIRs are the same, but if they are different, they must select the investor with the highest PIR (unless otherwise allowed by Inland Revenue). If no notice of election is received, income will be attributed to the first named person at the default rate of 30%.

Calculation of taxable income and loss

The Manager will calculate the taxable income and deductions of the Trusts in accordance with the provisions of the Income Tax Act 2007. In general:

- Dividends derived from holdings of New Zealand resident companies or Australian resident companies that maintain a franking account and that are listed on an Australian Stock Exchange approved index will be taxable. Gains (or losses) made from realising these investments will not be taxable (or deductible). The PIE regime is designed to 'pass through' these benefits, where the Trusts invest in other PIEs.
- Foreign equities (including units in offshore funds but excluding the Australian listed equities described above) held by the Trusts will generally be taxed under the Fair Dividend Rate ("FDR") method. Under this method, the Trusts are deemed to derive taxable income equal to 5% of the average daily opening market value of its offshore equity investments for the relevant tax year. Dividends are not taxed separately. Gains (or losses) on such foreign equities will not be taxable (or deductible).
- Certain foreign equities are prohibited from applying the FDR method. Such investments will generally be taxed under the comparative value method, i.e. change in market value plus distributions and profits from disposal for each income year.
- Debt securities are taxed under the financial arrangements rules using the International Financial Reporting Standards ("IFRS") taxpayer method (which reflects the approach adopted for IFRS financial reporting purposes).

The comments above in relation to taxation are a general summary only, and are based on New Zealand tax law current as at the date of this Investment Statement. Neither the Manager nor the Trustee accepts any responsibility for the impact of taxation liabilities on investors.

Tax legislation and rates of tax may be subject to change. The impact of taxation may vary depending on your individual circumstances.

You should consult your own independent tax adviser if you are uncertain of your taxation position in relation to the Trusts and the tax consequences of holding and redeeming units in the Trusts.

What are my risks?

Your investment in the Trusts involves risks, including those inherent in any investment. This is not an exhaustive list and there may be additional risks which arise.

Before investing it is important to consider which Trusts are best suited to your financial circumstances and investment objectives.

We recommend you take independent professional advice prior to making an investment in the Trusts.

Your investment in the Trusts is not guaranteed and may result in losses or gains on your initial investment. The value of your investment can go up and down.

All investments have a potential return and carry a corresponding level of risk. The risks of investing in the Trusts include: not achieving the returns you expect; not receiving all or any of your investment back; and the Trusts becoming insolvent.

All risks listed apply both where assets are held directly or where assets are held indirectly through underlying funds.

The principal risks that could affect the level of return from your investment through Trusts are:

Investment risks

Specific investment risks include:

i) Market risk

The value of investments in the Trust may rise or fall as a result of developments in economies and financial markets and regulatory and political conditions. These factors can impact on overall markets as well as individual assets, securities or issuers.

The selection and performance of individual companies or securities in the Trusts and the risk of counterparty default can impact the returns you could receive from your investment.

ii) Currency risk

Currency risk is the risk of exchange rate fluctuations between the New Zealand dollar (the currency which the Trust is valued in) and foreign currencies. As some of the assets of the Trusts are invested offshore, returns in New Zealand can be affected by movements between the New Zealand dollar and other currencies.

Trusts have different levels of currency exposure depending on the asset classes they are invested in and the relevant hedging² benchmark. The hedging benchmark can range from being unhedged through to fully hedged depending on the asset class (before or after tax). For some Trusts and asset classes the hedging is managed passively at the benchmark level, for others we may alter currency hedging levels from time to time.

² Hedging is an investment technique designed to offset some of the risks or a potential loss on an investment by introducing another investment or market position which is expected to perform in a different way.

iii) Concentration risk

A Trust's assets may be concentrated in a particular issuer, investment vehicle or type of investment vehicle, geographical area or industry. Such Trusts are subject to higher credit and default risks than funds having a more diversified portfolio and the value of that Trust may be subject to greater market volatility.

iv) Liquidity risk

There is no guarantee that there will always be a liquid market for investments in securities. The ability of a Trust (or an underlying vehicle through which a Fund makes indirect investments) to buy or sell securities, and the price of those securities, will depend on the liquidity of the securities which in turn may impact the performance of the Trust and its ability to process daily withdrawals. Liquidity risk may be increased where large volumes of withdrawals are received by the Fund or an underlying vehicle.

v) Derivatives

Financial instruments known as 'derivatives' may be used for the purposes of managing risks (particularly market and currency risk) and for investment purposes. A derivative is a contract with a return that is dependent on or derived from one or more underlying assets or reference items. The most common underlying assets or reference items include shares, bonds, currencies, cash, interest rates, events, entities and market indexes.

The risks arising out of the use of derivatives include the potential for:

- (i) large gains or losses including those arising from the derivatives exaggerating the effect of any increase or decrease in the value of the underlying assets or reference items that their return is dependent upon or derived from; and
- (ii) the party with whom the contract is made not meeting its obligations.

Other risks

- i) In certain circumstances, the Manger can suspend or defer withdrawals from a Trust. Refer to page 5 of this Investment Statement for further information.
- ii) Operational or systems failure may affect the Trust or financial markets.
- iii) The Trustee or Manager (as applicable) may, subject to Trust Deed provisions, borrow. This may exaggerate the effect of any increase or decrease in the value of the Trust's assets and increase the risk of insolvency.

Tax risks

There is a risk that changes in tax or other legislation may impact the return of your investment.

Refer to the "Taxation" section on pages 5 to 6 of this Investment Statement for details of the risk of a deemed full withdrawal from a Trust where the value of an investor's remaining units in that Trust is not regarded as being sufficient to fund the Trust's tax liability in respect of that investor.

If PIE status is lost for any of the Trusts, that Trust will be taxed as a widely held unit trust at 30%, rather than at investors' notified PIRs. The Trust also will not benefit from the PIE exemption for any gains made on the disposal of New Zealand or certain Australian shares.

PIEs have restrictions on the percentage of units any one investor and associated parties of that investor holding interests of 5% or more can hold. Generally, no investor, together with such associates, can hold more than 20% of a Trust (although this restriction does not apply to investors who are other PIEs or fall within a narrow class of other specified entities).

The Trusts may redeem or void certain units exceeding the permitted threshold so as to ensure PIE status can be maintained. If an investor's units are voided, they will receive a refund of their subscription moneys, but any additional compensation is at the discretion of the Manager.

An investor advising a lower PIR than that applicable, or not advising a change to a higher rate, is obliged to pay the tax shortfall, plus any interest and penalties, and may be required to file a tax return. If an investor advises a higher rate than applicable, the excess tax paid cannot be claimed back as PIE tax is a final tax in those circumstances.

Refer to the "Taxation" section on pages 5 to 6 of this Investment Statement for details of the manner in which joint investors are attributed income to one investor only, which may impact on that investor's ability to retain a PIR of less than 30%.

Personal liability

There are no circumstances in which you will be obliged to pay any further money, apart from the amounts disclosed in the section headed "How much do I pay" on page 3, any tax liability attributed to you and any tax liability you incur personally as a result of failing to advise your correct PIR and IRD number. In particular, you will not be liable to pay money to any person as a result of the insolvency of the Manager or a Trust.

By investing in the Trusts, you are agreeing to indemnify the Trustee and the Manager for any shortfall if your investment is insufficient to meet your attributed tax liability arising from tax payable on your behalf as described in the Taxation section on page 5.

Termination

In the event of a Trust being wound up, any unutilised formation losses may need to be written off. After the payment of all creditors, costs and liabilities of the Trust, the Trustee will distribute the remaining moneys (if any) to investors in proportion to the units they hold in that Trust (subject to any adjustments for tax). Investors in a Trust will rank equally (among themselves) in the Trust being wound up.

Can the investment be altered?

Switching

You may move all or part of your investment from one Trust to another Trust or Trusts. Full switches are treated as withdrawals, and adjustments to units on account of tax on attributed PIE income may occur on switching.

Refer to the 'Taxation' section on page 5 for an explanation of taxation and other consequences that may arise on switches. The minimum amount for any switch is \$500. If you continue to hold units in a Trust, you must maintain a balance of at least \$500 in any one Trust and \$1,000 across the Trusts.

You can switch by completing the Switch Request Form at the back of this Investment Statement.

Regular savings plan

If you want to increase, decrease or suspend your direct debit for a regular savings plan, simply contact National Bank Managed Funds on 0800 656 888 or a National Bank branch to amend the direct debit schedule. For a regular savings plan, the current minimum contributions are set out under the heading "How much do I pay?".

The Manager can increase the minimum lump sum investment amounts and the minimum monthly contributions for regular savings plans. These changes require the approval of the Trustee.

The Trustee and the Manager may amend:

- The Trust Deed or conditions of establishment of any Trust:
 - if, in the Trustee's opinion, the amendment is made to correct an obvious error or is formal or technical in nature; or
 - if, in the Trustee's opinion, the amendment is necessary or desirable for the more convenient, economical or advantageous working management or administration of the Trusts, or for safeguarding or enhancing the interests of the Trusts or the investors (and it is not or not likely to become prejudicial to the interests of investors generally); or
 - if it is authorised by an extraordinary resolution of investors; or
 - if it is required by any amendment to or replacement of the Unit Trusts Act 1960.
- The investment guidelines of the Trust by agreement;
- The investment policy of the Trust by amending the conditions of establishment for the Trust;
- The authorised investments for the Trust if it is in the interests of investors and, after notifying investors, more than 10% of investors do not notify the Manager within 30 days that they intend to call a meeting.

The fees payable to the Trustee and the Manager can be altered as described under the heading 'What are the charges?'

Law Changes

The Thoroughbred Unit Trusts have been developed to comply with the Unit Trusts Act 1960 and other relevant legislation. This Investment Statement contains a general summary only of the Thoroughbred Unit Trusts, and is based on law current as at the date of this Investment Statement. Legislation may be amended from time to time by the Government, and any such amendment may impact on the Thoroughbred Unit Trusts.

How do I cash in my investment?

Withdrawal

You can withdraw part or all of your investment at any time. The minimum amount you can withdraw is \$500 unless you are withdrawing the entire balance. If you are not withdrawing the whole balance, you must keep at least \$500 in any given Trust and \$1,000 across the Trusts.

Withdrawals are subject to conditions as set out in the section 'Withholding of returns' under 'What returns will I get?'. All withdrawals received for the Trusts will be processed on the next business day.

This means the funds will usually be available from your bank account within the next two business days.

How to make a withdrawal

You can make a withdrawal either in writing or by using the Telephone Transaction Service. Refer to the 'Taxation' section on page 5 for an explanation of the tax consequences that may arise on withdrawal.

If the value of your units in any given Trust is less than \$500 (or, if you invest through a regular savings plan, your holding has not reached \$500 in any given trust and you are not making regular payments), the Manager can give you 30 days' notice that the Manager intends to redeem all your units. If at the end of those 30 days, the value of your units in any given Trust is still less than \$500, the Manager may redeem your units.

The Trusts may redeem or void certain units exceeding the permitted threshold so as to ensure PIE status can be maintained. See "Tax risks" on page 7.

Selling your investment to another person

You may sell your units in a Trust to another person in accordance with the Trust Deed for the Trusts. In the Manager's opinion, there is no established market available to sell units in the Trusts.

Value of your investment

To calculate the value of your investment, multiply the number of units you own by the most recent unit price. However, if you are a taxpaying investor, the withdrawal value of your investment could be less than this figure as a consequence of the Trusts' obligation to account for tax on income attributed to you. It may also be more than this figure as a consequence of tax rebates that may be attributed to you as additional units. Refer to the 'Taxation' section on page 5 for further details.

Who do I contact with inquiries about my investment?

For unit price information or inquiries about the Trusts or to make a withdrawal via the use of the Telephone Transaction Service, you can contact National Bank Managed Funds on:

Telephone: 0800 656 888
Fax: 0800 425 737
Email: nbnzmanagedfunds@ingnz.com

Please send written inquiries to:

The Manager
National Bank Managed Funds
FreePost 206138, PO Box 7149, Wellesley Street
Auckland 1141

If you use the Telephone Transaction Service you agree:

- To indemnify The National Bank, the Manager and the Trustee against all actions arising from telephone instructions; and
- That you have no claim against The National Bank, the Manager, the Trustee, or the Trusts in relation to telephone instructions made without your knowledge or authority or under any other circumstances; and
- That in the case of joint ownership you authorise the Manager to act on instructions given by any of you (i.e. severally).

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

You can call National Bank Managed Funds on 0800 656 888 or write to:

The Manager

National Bank Managed Funds
FreePost 206138, PO Box 7149, Wellesley Street
Auckland 1141

You may also make complaints about your investment to the Trustee or the Insurance and Savings Ombudsman:

In the unlikely event that we are unable to help you, you may also contact the Trustee or the Insurance and Savings Ombudsman.

The Trustee

You may contact the Trustee at:

Public Trust
Level 10
141 Willis Street, PO Box 5067, Lambton Quay
Wellington 6145

Telephone: (04) 474 3770

The Insurance and Savings Ombudsman

The Insurance and Savings Ombudsman can be contacted at:

88–105 Customhouse Quay
PO Box 10845, The Terrace
Wellington 6143
Telephone: 04 499 7612

What other information can I obtain about this investment?

A copy of the financial statement of the Trusts, together with a summary of amendments made to the Trust Deeds during the financial year, will be sent to investors annually.

Other information about units in the Trusts, and, where applicable, the Manager, can be found in The National Bank

Investment brochure, registered prospectus and financial statements for the Trusts. Copies of the registered prospectus and latest financial statements for the Trusts are available free of charge on request to The National Bank or the Manager.

The prospectuses, financial statements and other documents of, or relating to, the Trusts, and, where applicable, the Manager, are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection on the Companies Office website www.companies.govt.nz, or email info@companies.govt.nz. You may request a copy of these documents on payment of the relevant fee by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726. The offer of securities to which this Investment Statement relates has not been approved by the Registrar of Companies.

You may request, free of charge, any of the documents referred to above and also:

- A copy of the Trust Deed and conditions of establishment for the Trusts;
- A copy of the most recent prospectus and Investment Statement for the Trusts;
- A copy of any documents registered under the Securities Act 1978 for the purpose of extending the life of the registered prospectus for the Trusts.

Any such request should be made by calling National Bank Managed Funds on 0800 656 888.

Terms and conditions for investing on behalf of a minor

A minor is anyone under the age of 18 years.

- The 'Owner' of the investment is the person whose name and personal details appear on the application form.
- The 'Authorised Signatory' is the person who signed the application form on behalf of the Owner.
- Any future transactions in respect of this investment (e.g. withdrawals, transfers, switches, etc) must be signed by either the Authorised Signatory or the Owner. We cannot act on instructions from a parent or guardian who is NOT the Authorised Signatory.
- The Owner may authorise any transaction in respect of the investment without the consent of the Authorised Signatory.
- An Authorised Signatory should appoint a person in his/her will as a replacement Authorised Signatory. A legal guardian of a minor who is not appointed as an Authorised Signatory (or as a replacement Authorised Signatory under a deceased Authorised Signatory's will) may not assume the role of Authorised Signatory. The appointed Authorised Signatory only has the power to sign for the benefit of the minor, i.e. the investment cannot be withdrawn for the appointed Authorised Signatory's benefit, or for the benefit of the deceased authorised signatory.

Please note: If anyone other than the minor has signed the application form, i.e. a parent or guardian, please complete the section on the application form "Minor/Authorised Signatory Information". We have asked for next of kin details to limit the risk of not being able to locate the investor should you die intestate (i.e. without a valid will).



Thoroughbred Unit Trusts Application Form

INVESTMENT STATEMENT 1 APRIL 2010

1. Investor Details

Applications for investment in the Thoroughbred Unit Trust will only be accepted from people physically present in New Zealand at the time of application.

Are you a current investor in a National Bank or INGNZ managed fund?

(please tick)

Yes No

Investor Number

Investors (Please enter the Principal Account Holder first)

Title Surname

First names

Date of Birth / / IRD Number National Bank Customer Number (Bank Use Only)

Title Surname

First names

Date of Birth / / IRD Number National Bank Customer Number (Bank Use Only)

Title Surname

First names

Date of Birth / / IRD Number National Bank Customer Number (Bank Use Only)

Company or Trust name

Company or Trust IRD Number

Please state your preferred contact details

Postal address

Street number Street name or PO Box

Suburb

City Post Code

Email

Telephone Mobile

Facsimile

6. Investor Identification

The Financial Transaction Reporting Act 1996 requires fund managers to verify the identity of all new investors.

- Existing National Bank customers may be asked for identification
- If you are not an existing National Bank customer please bring originals of:
 - one form of signed photographic identification; **or**
 - two forms of signed non-photographic identification; **and**
 - a means of confirming your present address.

7. Applicant(s) Signature(s)

I/We hereby apply for units in the Thoroughbred Unit Trusts upon the terms of the current Investment Statement. I/We have received, read and understood a copy of the current Investment Statement to which this application relates and agree to the terms and conditions of the Trust Deed and the Conditions and Establishment of the Trust, Prospectus and the Investment Statement and that they will be binding on me/us. ING NZ Limited ('INGNZ') is the Issuer/Manager of the Thoroughbred Unit Trusts. The National Bank of New Zealand (part of ANZ National Bank Limited) is the distributor of the Trusts. The principal and returns of the Thoroughbred Unit Trusts are not guaranteed or secured in any way by INGNZ, ANZ National Bank Limited or any other member of the ANZ group of companies, Public Trust, or any other person. Units in the Thoroughbred Unit Trusts do not represent deposits or other liabilities of ANZ National Bank Limited. Units are subject to investment risk, including possible delays in repayment and loss of income and principal invested. I/We acknowledge that INGNZ does not accept any responsibility or liability whatsoever for any damage, costs, expenses, losses or liabilities incurred by any person as a result of INGNZ acting on any instructions from any authorised signatory. I/We agree to indemnify in all respects and hold harmless ING NZ against all damage, costs, expenses, losses or liabilities which may arise by reason of INGNZ accepting or acting on instructions from an authorised signatory. I/We hereby acknowledge that I/we have read and understood the above disclosures. I/We understand that the balance of my investment in the Thoroughbred Unit Trusts will fluctuate (move up and down) over time according to movements in the investment markets. I/We acknowledge the I/we have not received any investment advice from ANZ National Bank Limited in respect of investment in the Thoroughbred Unit Trusts.

I/We authorise INGNZ and any other INGNZ related company to provide information regarding the Scheme via email or facsimile and to act on instructions regarding the Scheme via email or facsimile. The email and/or facsimile number that INGNZ may provide information to and act on instructions from are as detailed in this form (or as otherwise notified to INGNZ by me/us in writing from time to time).

I/We acknowledge that INGNZ does not accept any responsibility or liability whatsoever for any damage, costs, expenses, losses or liabilities incurred by any person as a result of ING NZ acting on any instructions from an authorised email address or facsimile number. I/We agree to indemnify in all respects and hold harmless INGNZ against all damage, costs, expenses, losses or liabilities which may arise by reason of INGNZ accepting or acting on instructions from an authorised signatory or, an authorised email address or facsimile number.

I/We certify that:

1. the trust/partnership has been duly established and is validly existing under the laws of New Zealand;
2. all the trustees/partners of the trust/partnership, have signed this application form;
3. the trust/partnership has not been terminated and no event requiring the vesting of the trust's/partnership's assets has occurred; and
4. the trustees/partners have the authority to execute this application form and the investment to be made in accordance with this application will not cause any limitation on the powers of the trustees/partners to be exceeded and is in the best interests of the trust/partnership.

8. Instruction Authorisation

Email/facsimile – I/We authorise ING (NZ) Limited ('INGNZ') or any other INGNZ related company to provide information regarding my/our investments via email or facsimile and to act on instructions regarding my/our investments received via email, facsimile or via the secure login on ING NZ's website. The email address and/or facsimile number that ING NZ may provide information to and act on instructions from are as detailed in this application form (or as otherwise notified to ING NZ in writing by me/us from time to time).

Liability limitation and indemnity – I/We acknowledge that ING NZ does not accept any responsibility or liability whatsoever for any damage, costs, expenses, losses or liabilities incurred by any person as a result of ING NZ acting on any instructions from an authorised email address or facsimile number. I/We agree to indemnify in all respects and hold harmless ING NZ against all damage, cost, expenses, losses or liabilities which may arise by reason of ING NZ accepting or acting on instruction from an authorised signatory or, an authorised email address or facsimile number.

Authorised signatories – I/We certify that all person(s) who have signed this application form are authorised to sign on behalf of the investor(s)/entity. I/We authorise that the Manager may, unless otherwise notified in writing either:

- Only act on any instructions from all signatories, or
- Act on any instructions from any number of signatories

Please choose the appropriate box set out above when this application form is being signed by more than one person.

Signature <input type="text"/>	Date <input type="text"/> / <input type="text"/> / <input type="text"/>	Print name <input type="text"/>
Signature <input type="text"/>	Date <input type="text"/> / <input type="text"/> / <input type="text"/>	Print name <input type="text"/>
Signature <input type="text"/>	Date <input type="text"/> / <input type="text"/> / <input type="text"/>	Print name <input type="text"/>

9. Payment

Take your Application Form along with a cheque made payable to ING (NZ) Limited to your local National Bank branch.

- Joint applications must be signed by all applicants.
- If signed under Power of Attorney, the attorney hereby certifies that he/she has not received notice of revocation of that Power.

Please mail this Application Form, together with your cheque and any other relevant documentation to:
National Bank Managed Funds, FreePost 206138, P O Box 7149, Wellesley Street, Auckland 1141.

Branch use only	
Customer Identification: Existing Bank customer identified (ensure customer number completed on previous page) <input type="checkbox"/>	or Customer new to Bank (check and attach copy of original identification and address confirmations) <input type="checkbox"/>
Intermediaries: Verified copies of identification attached for new clients <input type="checkbox"/>	<input type="text"/> Adviser Name
Intermediary/Branch stamp <input style="width: 150px; height: 80px;" type="text"/>	Intermediary Code/Branch Number <input type="text"/> Name of Intermediary/Branch <input type="text"/> Banking Consultant/IN Number and Name <input type="text"/> Banking Consultant Staff Number <input type="text"/> Personal/Rural/Commercial (please circle)
Unit Trusts Applications Account 06 0580 002019700 Registry Fax 0800 425 737	



Thoroughbred Unit Trusts Direct Debit Authority

Customer to complete

Name of account to be debited

Customer Number (RM)

Bank account from which payments are to be made

BANK	BRANCH	ACCOUNT NUMBER	SUFFIX
------	--------	----------------	--------

Please attach an encoded deposit slip to ensure your number is loaded correctly.

Full postal address of branch of bank holding account

Please print clearly.

To: The Manager

I/We authorise you until further notice in writing to debit my/our account with all amounts which the Thoroughbred Unit Trusts (hereinafter referred to as the Initiator), the registered initiator of the above Authorisation Code, may initiate by Direct Debit. I/We acknowledge and accept that the Bank accepts this authority only upon the conditions listed on the reverse of this form.

AMOUNT

FREQUENCY

START DATE

Information to appear on my/our bank statement (to be completed by Initiator)

PAYER PARTICULARS

PAYER CODE

PAYER REFERENCE

Name of account

Authorised signature(s)

**Authority to Accept
Direct Debits**

(Not to operate as an assignment
or an agreement)

Authorisation Code

0 6 1 3 5 6 1

Send to: National Bank Managed Funds, FreePost 206138, P O Box 7149, Wellesley Street, Auckland 1141.

Approved

1356	
03	2003

For Bank use only

Date received

Recorded by

Checked by

Bank Stamp

Conditions of this Authority to Accept Direct Debits

1. The Initiator:

- (a) Has agreed to give written notice of the net amount of each Direct Debit no later than the day the Direct Debit is initiated.

This notice will be provided either:-

- (i) in writing; or
- (ii) by electronic mail where the Customer has provided prior written consent to the Initiator.

The advance notice will include the following message:-

"Unless advice to the contrary is received from you by the initiation date, the amount of \$..... will be directly debited to your Bank account on (initiating date)."

- (b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

2. The Customer may:

- (a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
- (b) Stop payment of any Direct Debit to be initiated under this Authority by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.

3. The Customer acknowledges that:

- (a) This Authority will remain in full force and effect in respect of all Direct Debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this Authority until actual notice of such event is received by the Bank.
- (b) In any event this Authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
- (c) Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this Authority. Any other disputes lies between me/us and the Initiator.
- (d) Where the Bank has used reasonable care and skill in acting in accordance with this Authority, the Bank accepts no responsibility or liability in respect of:
- the accuracy of information about Direct Debits on Bank statements; and
 - any variations between notices given by the Initiator and the amounts of Direct Debits.
- (e) The Bank is not responsible for, or under any liability in respect of the Initiator's failure to give notice in accordance with 1(a) nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.

4. The Bank may:

- (a) In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other Authority, cheque or draft properly executed by me/us and given to or drawn on the Bank.
- (b) At any time terminate this Authority as to future payments by notice in writing to me/us.
- (c) Charge its current fees for this service in force from time-to-time.



The National Bank
The Thoroughbred Among Banks

THE NATIONAL BANK OF NEW ZEALAND, PART OF ANZ NATIONAL BANK LIMITED.