FORSYTH BARR
CASH MANAGEMENT

Forsyth Barr Cash Management

Forsyth Barr Cash Management Trust Investment Statement
Forsyth Barr Cash Management Debt Security Key Terms

September 2009

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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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;
- what types of investments the adviser gives advice about;
- whether the advice is limited to investments offered by 1 or more particular financial institutions;
- 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.

Earn Competitive Returns on your Cash Deposits

Placing your money at call with the investment options offered by Forsyth Barr Cash Management Limited ("Forsyth Barr Cash Management") is a high return alternative to leaving your money in a bank savings account. In addition, your deposits in the Forsyth Barr Cash Management Trust are guaranteed by the Crown under the New Zealand Deposit Guarantee Scheme. See pages 6 to 7 for further detail.

Earn competitive returns while you save or plan your future investments. You can also use this service as a convenient means to settle any equity or fixed interest transactions that you make through Forsyth Barr.

Forsyth Barr Cash Management offers two cash management facilities:

The **Forsyth Barr Cash Management Trust ("the Trust")** is a New Zealand dollar PIE-compliant unit trust which is rated AAm by Standard & Poor's.

The **Forsyth Barr Cash Management Debt Security ("the Fund")** offers at call foreign currency facilities. If you are investing in a foreign currency, or have taken a view on a specific currency, the Fund provides competitive at-call facilities in:

- United States dollars
- Great British pounds
- Australian dollars
- Canadian dollars
- Euros

For non-resident and tax-exempt investors that cannot take advantage of the PIE regime, the Fund also provides an at call New Zealand dollar facility.

Further disclosure details for the Forsyth Barr Cash Management Trust can be found on pages 6 to 7.

Key terms of the Forsyth Barr Cash Management Debt Security can be found on page 8.

Forsyth Barr Cash Management at a glance:

- Forsyth Barr Cash Management Trust has a guarantee under the New Zealand Deposit Guarantee Scheme.
- The Trust has an AAm rating from Standard & Poor's.
- The Trust is PIE compliant providing tax advantages.
- Automatic settlement of transactions with Forsyth Barr if you choose.
- Quarterly statements and an annual income statement.
- Highly competitive cash deposit returns.
- No personal account fees or monthly charges.
- No entry or exit fees.
- Quick and convenient access to your investment through to your designated bank account if your circumstances change.
- The assurance of an independent Trustee.

New Zealand Deposit Guarantee Scheme

Forsyth Barr Cash Management Trust is covered by a Crown guarantee under the New Zealand Deposit Guarantee Scheme (the "Deposit Guarantee Scheme"), providing you with further confidence about your investment. For details about how the Deposit Guarantee Scheme applies, see page 4.

Further information about the Deposit Guarantee Scheme is available free of charge and at all reasonable times on the internet site maintained by, or on behalf of, the Treasury.

The Trustee

We are always concerned that the investments of those who place their trust with us are looked after. The investment options offered by Forsyth Barr Cash Management are no exception. We have an independent Trustee, Perpetual Trust Limited, who has responsibility for monitoring our management and administration and ensuring that we always fulfil our legislated requirements.

Authorised Investments

Transparency of information and investment policies is crucial for investors. At all times the funds invested must remain within the list of authorised investments. These are available for you to view at any time by contacting your Investment Advisor.

'Tane Mahuta' kauri tree at Waipoua Kauri Forest, Waipoua

Standard & Poor's Rating

Standard & Poor's has assigned its AAm rating to the Trust, which indicates the Trust provides a:

> **"very strong capacity to maintain principal stability, and to limit exposure to principal losses due to credit, market or liquidity risks."**

In order to maintain the AAm rating, the Trust must comply with certain Standard & Poor's criteria. The AAm rating criteria is available from the Manager.

A fund principal stability rating ("rating") is and must be construed solely as a statement of opinion and not a statement of fact or recommendation to purchase, sell or hold any financial product(s). A rating is prepared without taking account of any particular person's financial or investment objectives, financial situation or needs. Before acting on this information, any person using a rating should consider its appropriateness, having regard to their own or their clients' objectives, financial situation and needs. You should consider the Investment Statement for any rated financial product before making any decision or recommendation about whether to acquire that product.

Ratings are subject to change without notice.

Standard & Poor's Australia Pty Limited ("Standard & Poor's") has given its written consent to be named in this Investment Statement with the statements about the rating of the Trust in the form and context in which they have been reviewed. Other than giving that consent, Standard & Poor's has not authorised or caused the issue of this Investment Statement. Standard & Poor's only role in relation to the preparation of this Investment Statement has been to review the statements about the rating of the Trust. Standard & Poor's makes no representations or warranties as to the completeness or appropriateness of any other information contained in this Investment Statement.

Standard & Poor's Australia Pty Limited (Standard & Poor's) does not hold an Australian financial services licence under the Corporations Act.

About Forsyth Barr

Forsyth Barr is proud to be a New Zealand firm. With a history spanning over 70 years, Forsyth Barr is one of the best known, most trusted and highly respected names in the New Zealand financial services industry.

We are totally committed to providing the full range of investment services to meet the varied needs and expectations of clients through the different stages of their lives. Managing cash deposits is no exception.

Providing quality research from our highly regarded research team and international affiliates is central to the provision of our advice.

Advice You Can Trust

Forsyth Barr Investment Advisors are experienced investment professionals. You can depend on them to provide you with the highest standards of advice and service. We know that the best results come from the best people. We build lasting relationships with our clients through quality advice and service.

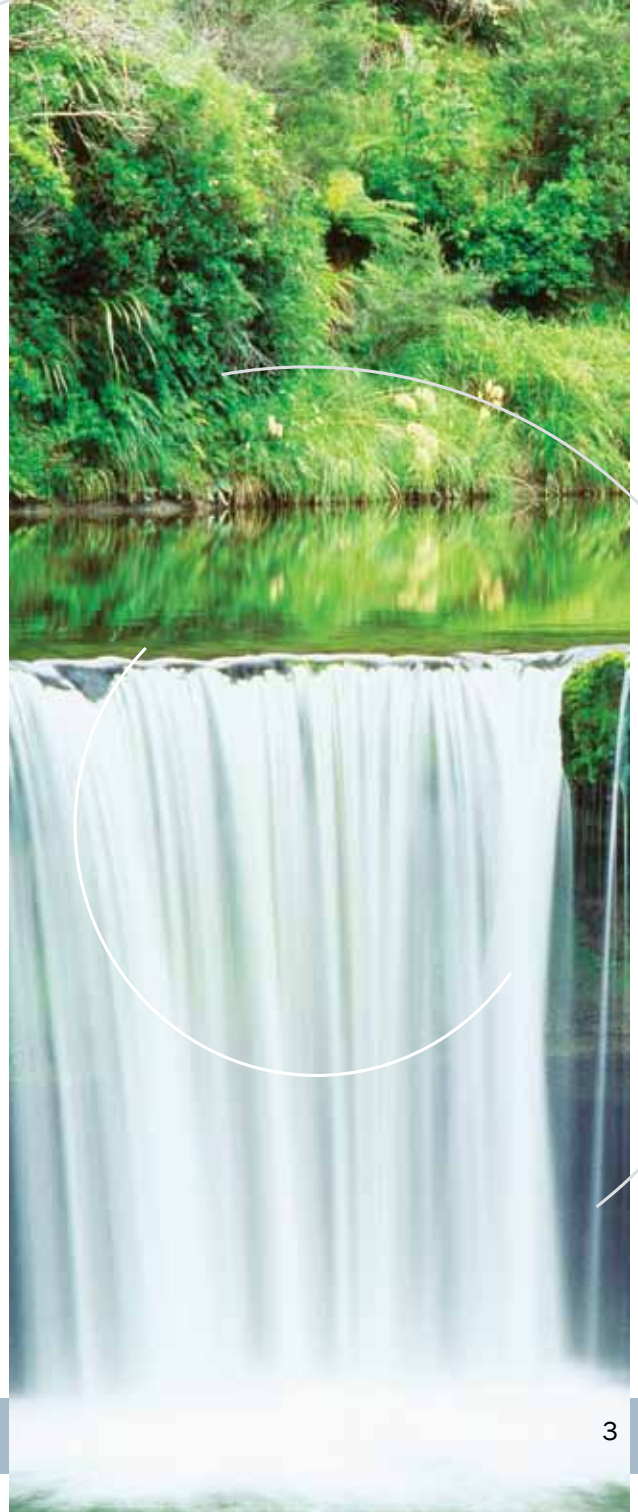
Should you seek specific investment advice, your Investment Advisor can meet with you to discuss your investments, including your cash deposits.

Taking the Next Step

Forsyth Barr Cash Management can help you achieve competitive returns on your cash deposits.

Our Investment Advisors are available to give you professional, personalised and confidential investment advice.

To contact us, phone 0800 Forbar (0800 367 227),
visit us at www.forbar.co.nz or call into one of our offices.



Tererehaupa Falls, Matemateonga Ranges, Taranaki

Forsyth Barr Cash Management Trust

The Forsyth Barr Cash Management Trust ("the Trust") is a New Zealand dollar Portfolio Investment Entity ("PIE"). Investors in the PIE are taxed at their Prescribed Investor Rate ("PIR").

What is a PIR?

Similar to your marginal tax rate, this is the rate at which any income you earn in a PIE is taxed. One important difference: there is a cap at which you are taxed at 30% compared with a top marginal tax rate of 38%.

This means an 8% tax advantage for 38% tax paying investors and a 3% tax advantage for 33% tax paying investors.

Are There Other Tax Benefits Available?

Yes! Investors with taxable income less than $38,000 and combined taxable and PIE income less than $60,000 (in either of the immediate past two income years) can elect a 19.5% tax rate.

This equates to $22,000 of additional income which can be taxed at 19.5% (when invested in a PIE) vs. 33% (on ordinary income).

In addition, joint investors with a 50/50 interest in the account can elect to have their income allocated equally to each investor. This can also present opportunities for investors to maximise their tax advantages by splitting the income between both holders of an account.

Further information on the PIE regime is contained in the taxation information under "What returns will I get" located on page 6.

What does the New Zealand Deposit Guarantee Scheme mean for me as an investor in the Trust?

The Forsyth Barr Cash Management Trust is covered by a Crown guarantee under the New Zealand Deposit Guarantee Scheme. This means that if you are an eligible unit holder, then your investments in the Trust are guaranteed by the Crown. This includes both the principal amount of the deposit and any interest owed (subject to a cap of NZ$1,000,000 per eligible investor).

Detailed information on the Deposit Guarantee Scheme as it applies to the Trust can be found on page 6.

Forsyth Barr Cash Management Debt Security ("the Fund")

Interest income in the Fund is subject to deduction of resident withholding tax ("RWT").

Individuals who supply an IRD number may elect to use a 19.5%, 33% or 38% rate, and companies must use a 30% rate. If no IRD number or an incorrect IRD number is supplied, RWT deduction is at 38%. If an investor presents a valid certificate of exemption, no RWT will be deducted.

As a result of changes included in a July 2009 Tax Bill, RWT rates are expected to change to align with tax rate and threshold changes, meaning individuals who supply an IRD number may elect to use 12.5%, 21%, 30%, 33% or 38% rate and companies must use 30% rate.

In addition, from 1 April 2010, RWT will be deducted at 21% in respect of individuals who have an existing account and who do not elect a rate although it will continue to be deducted at 38% in respect of individuals who open a new account and do not elect a rate. From 1 April 2011, RWT will be deducted at 38% in respect of all individuals who do not elect a rate.

You can contact your Investment Advisor to ask about the current rates applicable.

What About Tax for Non-residents?

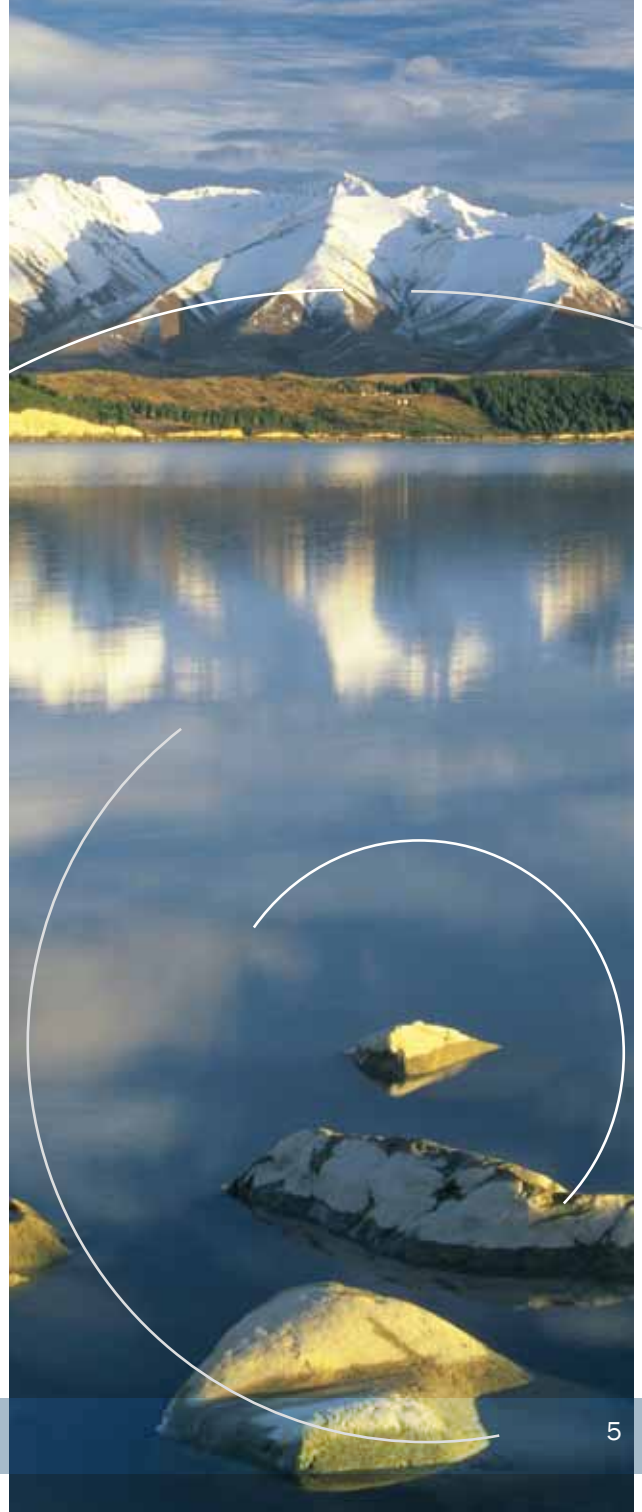
Non-resident investors have withholding tax ("NRWT") of either 10% or 15% deducted depending on their country of residence.

Does the Fund have Approved Issuer Levy Status?

Yes. NRWT will be reduced to zero and a 2% approved issuer levy ("AIL") deducted upon provision of appropriate documentation.

Tell Me About the New Zealand Dollar Deposits in the Fund

Non-resident investors and individuals holding an approved exemption certificate cannot take advantage of the PIE regime available in the Trust. In these situations, investors may wish to place New Zealand dollar deposits in the Fund as opposed to the Trust. Your Investment Advisor can discuss this further with you.



Ben Ohau Range and Lake Pukaki, Mackenzie Basin

Investment Statement for the Forsyth Barr Cash Management Trust

The information on pages 6 to 7 refers to the Forsyth Barr Cash Management Trust.

What sort of investment is this?

The Forsyth Barr Cash Management Trust ("the Trust") provides you with competitive at call investment returns. The Trust has a conservative investment approach. Returns are delivered by using the Manager's extensive experience in fixed interest markets to capitalise on duration and yield curve opportunities, along with utilising attractive credit margins. At all times the Trust's investments must remain within the list of authorised investments for the Trust.

Standard & Poor's has assigned its AAm rating to the Trust, which indicates the Trust provides "very strong capacity to maintain principal stability, and to limit exposure to principal losses due to credit, market or liquidity risks."

In order to maintain the AAm rating, the Trust must comply with certain Standard & Poor's criteria. The AAm rating criteria is available from the Manager.

A fund principal stability rating ("rating") is and must be construed solely as a statement of opinion and not a statement of fact or recommendation to purchase, sell or hold any financial product(s).

A rating is prepared without taking account of any particular person's financial or investment objectives, financial situation or needs. Before acting on this information, any person using a rating should consider its appropriateness, having regard to their own or their clients' objectives, financial situation and needs. You should consider the Investment Statement for any rated financial product before making any decision or recommendation about whether to acquire that product.

Ratings are subject to change without notice.

Standard & Poor's Australia Pty Limited ("Standard & Poor's") has given its written consent to be named in this Investment Statement with the statements about the rating of the Trust in the form and context in which they have been reviewed. Other than giving that consent, Standard & Poor's has not authorised or caused the issue of this Investment Statement. Standard & Poor's only role in relation to the preparation of this Investment Statement has been to review the statements about the rating of the Trust. Standard & Poor's makes no representations or warranties as to the completeness or appropriateness of any other information contained in this Investment Statement.

Standard & Poor's Australia Pty (Standard & Poor's) does not hold an Australian financial services licence under the Corporations Act.

Your investment is a unit in the Trust. Each unit represents an undivided beneficial interest in the net assets of the Trust. There is no maximum number or amount of units in the Trust. Units are offered at $1.00 each.

Who is involved in providing it for me?

The name of the Trust is the Forsyth Barr Cash Management Trust. The Trust is a unit trust under the Unit Trusts Act 1960. It was established in Dunedin by a Trust Deed dated 6 August 2007.

Manager

The Manager of the Trust is
Forsyth Barr Cash Management Limited.

The Manager's address is:
Forsyth Barr Cash Management Limited
Forsyth Barr House
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054

Administration Manager

The Manager has appointed Forsyth Barr Limited as the Administration Manager of the Trust.

The Administration Manager's address is:
Forsyth Barr Limited
Forsyth Barr House
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054

Trustee

The Trustee of the Trust is Perpetual Trust Limited.

The Trustee's address is:

Perpetual Trust Limited
233 Cambridge Terrace
PO Box 112, Christchurch Mail Centre
Christchurch 8140

How much do I pay?

You can invest lump sums or make regular contributions. You can also settle your equity and fixed interest transactions with Forsyth Barr directly through your Forsyth Barr Cash Management account.

Units in the Trust are issued at a price of $1.00 and are intended to be maintained at that price. The minimum investment is $3,000 and your account must maintain a minimum amount of $3,000.

After your initial investment you are not required to make further deposits.

Payment may be made by cheque, authorised deduction or transfer from your Forsyth Barr account and by direct credit. All cheques should be made payable to Perpetual Trust Limited for Forsyth Barr Cash Management.

If you would like to make regular contributions to your Cash Management account, please speak with your Investment Advisor and they will be able to assist you with this.

Send your cheque to:
Freepost 175
Forsyth Barr Cash Management Trust
Forsyth Barr Limited
Private Bag 1999
Dunedin 9054

Or to your nearest Forsyth Barr branch, details of which are provided in the back of this Investment Statement.

We may accept your verbal instructions to invest in the Forsyth Barr Cash Management Trust provided the monies are received and have been cleared.

If you are a new client to Forsyth Barr, you will need to complete a Client Services Agreement and provide the verification documents. Your Investment Advisor will be able to assist you with completing this Agreement and answer any questions that you may have.

The Manager may decline any application subject to the requirements of the Trust Deed.

Any units issued are void if the funds received to pay for those units are not cleared.

What are the charges?

The Trust currently incurs charges for management and various associated costs as set out below, which are deducted from the assets of the Trust.

Entry and exit fees

Nil.

The Manager has the power under the Trust Deed to charge an entry fee of up to 5% of the issue price and an exit fee of up to 5% of the withdrawal amount. At the date of this Investment Statement, the Manager has no intention to charge these fees.

Management fee

The Manager is entitled to a variable management fee which is determined by the Manager on a daily basis. This fee accrues daily and is paid on the last business day of each month. The Manager may provide a fee rebate to investors based on the amount invested in the Trust from time to time. You can ascertain the amount of the Manager's most recent fee and the application of any fee rebate at any time by contacting the Manager. The Manager may be required to account for GST at the standard rate of 12.5% in relation to up to 10% of the management fees charged (if applicable).

The Manager shall pay the Administration Manager a fee for undertaking some management functions of the Trust. The Manager shall pay the Administration Manager's fee out of its own fee.

Trustee fee

The Trustee fee payable is on the total assets of the Trust and is variable as follows:

$0 to $15m:	0.05% per annum plus GST
$15m to $50m:	0.025% per annum plus GST
Over $50m:	0.015% per annum plus GST

The Trustee's fee accrues daily and is invoiced on the last business day of each quarter. The Trustee is currently required to account for GST at the standard rate of 12.5% in relation to 75% of the Trustee Fees charged.

Reimbursement to the Manager and Trustee

The Trust Deed allows for the reimbursement to the Manager and Trustee of all expenses, costs or liabilities incurred by them in the course of acting as Trustee or Manager. The Trustee and the Manager may seek reimbursement of any GST payable in relation to these expenses.

Any costs reasonably incurred in verifying your status as an eligible investor for the purposes of the New Zealand Deposit Guarantee Scheme may be recovered from you in the unlikely event that the New Zealand Deposit Guarantee Scheme is called upon. Refer to 'New Zealand Deposit Guarantee Scheme' for further information.

Other expenses

All costs relating to the acquisition or disposition of investments are charged directly to the Trust.

Alteration of charges

The Manager may waive or reduce its fee either generally or in relation to a particular investor or category of investor or transaction.

With the agreement of the Manager, the Trustee may vary the method of calculation or the amount of the Trustee fee. However, the total fee payable by the Trust (exclusive of GST) cannot exceed 0.1% per annum of the value of the Trust's assets.

There are no other limits on the amounts of fees and expenses payable to the Manager and the Trustee.

What returns will I get?

You will begin earning income the day we receive your investment provided we are advised before 1pm on the day you lodge the funds. Investments made after 1pm begin to earn income the next business day.

Income is allocated on a daily basis and compounded on the last day of every month. Your return takes the form of additional units being allocated to your account. You will receive your return when you make a withdrawal from the Trust. There are no specified dates or frequencies of payment of your returns – it is up to you to decide when you wish to make a withdrawal from the Trust.

What you earn on your investment will vary from time to time reflecting movements in wholesale interest rates. This would occur due to changes in the economic or inflation outlook for New Zealand or the world. The Manager assesses the management fee after taking into account all relevant factors including those above. The Manager may provide a rebate on its management fee to investors based on the amount invested in the Trust from time to time. If you would like to know the current return applicable to your investment, please speak with your Investment Advisor.

Withdrawals can be made at any time in accordance with the procedure referred to on page 7.

The person legally responsible to pay your return is Forsyth Barr Cash Management Limited. No particular return has been promised, and no person guarantees the payment of returns in respect of the Trust.

Withdrawals from the Trust may be suspended in situations where, as a result of circumstances affecting the ability to liquidate investments, the Manager forms the opinion in good faith that withdrawals are not practical or would be materially prejudicial to the interests of investors. A suspension may last up to 90 days and may be extended with the consent of the Trustee.

New Zealand Deposit Guarantee Scheme

The Trust is covered by the New Zealand Deposit Guarantee Scheme. The Manager and the Trustee have entered into a Deed of Nomination in respect of the Trust under the New Zealand Deposit Guarantee Scheme, which enables eligible investors to benefit from the Crown guarantee in relation to investments of the Trust. An eligible investor is an investor who is eligible to benefit from the Crown guarantee under the New Zealand Deposit Guarantee Scheme.

While the Deed of Nomination is in force, the Manager and the Trustee will arrange for the proceeds of the Crown guarantee ('Proceeds') to be applied for the benefit of eligible investors in relation to units held by eligible investors (up to a maximum unit value of $1,000,000) on such basis as they in their absolute discretion see fit. Without limitation this may involve the Manager and the Trustee:

- placing the Proceeds into a separate unit trust or other trust arrangement for the benefit of eligible investors and cancelling the appropriate number of eligible units;
- automatically redeeming the appropriate number of eligible units to enable the Proceeds to be paid out to the eligible investors or dealt with as each of them may direct;
- taking such other action as they consider necessary or desirable to ensure the Proceeds are only applied for the benefit of eligible investors in relation to eligible units.

No amount received by the Trustee from the Crown in respect of a Crown guarantee may be paid to (or otherwise made available for the benefit of) any person other than an eligible investor, and any eligible investor shall only benefit from any amount received by the Trustee from the Crown in respect of a Crown guarantee to the extent of the eligible units held by that eligible investor.

As at the date of this Investment Statement, the Trust only invests in New Zealand Government securities and deposits guaranteed under the New Zealand Deposit Guarantee Scheme.

Further information about the New Zealand Deposit Guarantee Scheme is available, free of charge and at

all reasonable times, on the Internet site maintained by or on behalf of the Treasury. The most recent audited statement of financial position of the Crown is available, free of charge and at all reasonable times, on the Internet site maintained by or on behalf of the Treasury.

Taxation

The following statements in relation to taxation are of a general nature only and are based on current legislation which may change. The impact of taxation will vary depending upon each person's individual circumstances. It is important that you seek personalised tax advice from your taxation advisor. Neither the Manager, nor Forsyth Barr, the Trustee, nor any of their respective directors, nor any other person takes any responsibility for the taxation liability of investors.

Tax applying to Portfolio Investment Entities

The Forsyth Barr Cash Management Trust is a New Zealand dollar Portfolio Investment Entity (PIE).

Calculation and payment of tax

The Trust calculates and pays tax on behalf of investors at their elected Prescribed Investor Rate as follows:

Prescribed Investor Rates

19.5%: New Zealand resident individual investors can elect a 19.5% Prescribed Investor Rate (if they have provided their IRD number) on the PIE income allocated to them provided both of the following conditions can be met in either of the two immediately preceding income years:

- their taxable income (excluding PIE income) did not exceed $38,000; and
- their combined taxable and PIE income did not exceed $60,000.

30%: this applies for all other individuals and non-residents (and New Zealand resident trusts, (including superannuation schemes but excluding unit trusts) that have elected to be taxed at this rate). This is also the default rate where no election has been made or when an investor has elected 19.5% but not provided an IRD number.

0%: New Zealand resident entities such as companies, unit trusts, other PIEs, charities, superannuation schemes and trusts that have not elected the 30% rate and, nominee and wrap accounts have this rate. These entities must return the PIE income or loss allocated to them by the Trust and pay tax themselves.

Two proposed changes to PIE tax rates are included in Bills before Parliament. Trusts are proposed to be permitted with retrospective effect from 1 April 2009 to elect a Prescribed Investor Rate (PIR) other than 0% or 30% but this will not be a final tax if they do not select 30%. From 1 April 2010, PIRs will change to 0%, 12.5%, 21% or 30% at different thresholds from those currently applying. Refer to *www.ird.govt.nz/toii/pir/workout* at the IRD website for guidance in selecting a Prescribed Investor Rate.

Investors will be required to provide IRD numbers, applicable Prescribed Investor Rates for the Forsyth Barr Cash Management Trust and other details when they first become a client of Forsyth Barr.

Investors will also be required to advise us when their Prescribed Investor Rate changes. The Manager will seek reconfirmation of these rates annually.

The Manager will provide you with an annual tax certificate which will include PIE income allocated to you. This information will assist you to determine if you remain eligible for the 19.5% rate in future.

Tax at your Prescribed Investor Rate will be deducted from income allocated to you or be obtained by cancelling units issued to you. If the correct tax rate has been elected, tax paid on income allocated to 19.5% and 30% investors by the Trust will be a final tax; no obligation to file a tax return (in respect of this investment) will arise as a consequence. There will also be no impact on family assistance eligibility, student loan repayment obligations or child support payment obligations. If you have advised an incorrect Prescribed Investor Rate or failed to advise us when your rate has changed you will be personally liable for any tax shortfall arising (including penalties and interest if applicable) and may be required to file a tax return.

Joint investors with a 50/50 interest may complete the PIR election form and have income allocated equally to each investor. However, if the form is not completed fully and for joint investors with other percentage interests, the person whose name stands first in the Unit register as one of a joint holder will be entitled to be allocated all the PIE income unless the joint holders have different Prescribed Investor Rates in which case PIE income will be allocated to the joint holder with the highest Prescribed Investor Rate. Distributions from the Trust will not be taxable to investors and nor will redemptions. All withdrawals will be processed as redemptions.

The Manager may redeem or void Units that threaten or would prevent the Trust from maintaining PIE tax status.

Tax treatment of investments

Debt securities (which the Trust invests in) are taxed under the financial arrangement rules on an accrual basis (mark to market).

Tax legislation and rates of tax may be subject to change. The impact of taxation may vary depending on the investor's individual circumstances. Investors are encouraged to seek professional tax advice.

What are my risks?

None of Forsyth Barr Cash Management Limited, Perpetual Trust Limited, their respective directors or any other party guarantees repayment of the investment or returns on investment in the Trust, although refer to 'New Zealand Deposit Guarantee Scheme' in this regard. That said, the Trust's activities are strictly monitored to protect the interests of investors. The principal risks applying to the Trust that could affect returns are:

- A failure, for example, by a major bank in which the Trust invests;
- Not being able to withdraw from the Trust as withdrawals from the Trust can be suspended in certain situations as set out under the heading "What returns will I get?";
- Future changes to legislation or applicable regulations (including taxation) which could affect the operation of the Trust or your level or nature of returns from the Trust;
- Technological or other failure impacting on the Trust or financial markets in which they invest;
- The over or under payment of tax by the Trust because a Unit holder provided an incorrect Prescribed Investor Rate or failed to advise a change in rate. Investors are personally liable for such tax shortfalls and any penalties or interest and may be required to file a tax return; and
- The possibility of losing PIE tax status and reverting to being taxed at 30% rather than at investors Prescribed Investor Rates. The Manager may redeem or void Units that threaten or would prevent the Trust from maintaining PIE tax status.

If one or more of these events occurred you may not get any returns as described in "What returns will I get?" and may get less back than the amount you invested. You would not, in any circumstances, have to pay more than the original money to invest.

In the event of insolvency

We are always concerned that the investments of those who place their trust with us are looked after. Forsyth Barr Cash Management Trust is no exception. We have an independent Trustee, Perpetual Trust Limited, who has responsibility for monitoring our management and administration and ensuring that we always fulfil our legislated requirements.

In the unlikely event of the insolvency of the Trust, you will not be liable to make any further contributions. In this situation, the assets would be realised, and after allowing for all liabilities of the Trust (including expenses on winding up and any fees owed to the Trustee or Manager) the remaining funds would be distributed to investors and any equal ranking creditors.

Winding up or liquidation of the Trust

In the event that a decision is made to wind up or liquidate the Trust, you would be notified prior to the final closing date, after which no further contributions would be accepted.

The assets of the Trust would be realised, and after allowing for all liabilities of the Trust (including expenses or winding up and any fees owed to the Trustee or Manager) the remaining funds would be distributed to investors and any equal ranking creditors.

Personal liability

You will have tax paid at your Prescribed Investor Rate by deduction from distributions or by cancellation of units. If you have advised an incorrect Prescribed Investor Rate or failed to advise us when your rate has changed you will be personally liable for any tax shortfall arising (including penalties and interest if applicable) and may be required to file a tax return.

Can the investment be altered?

The Manager may:

- Subject to restrictions on authorised investments at any time the Trustee is a Nominated Beneficiary, with the agreement of the Trustee, vary the authorised investments or any investment guidelines for the Trust, alter the dates for distribution of income, vary the Trustee's fee;
- Vary its fee depending on the daily return on the Trust;
- Alter the minimum investment, transfer, withdrawal and account balance requirements; and
- Cease or suspend the issue of units.

The Trustee and the Manager may alter the Trust Deed in the following situations:

- If in the Trustee's opinion it is necessary to correct an error or where the amendment is of a formal or technical nature;
- If in the Manager's opinion it is necessary or desirable in the interests of the Trust or investors generally and in the Trustee's opinion the amendment is not prejudicial to the interest of investors generally;
- The amendment is authorised by an extraordinary resolution of investors; and
- The Manager gives investors one month's written notice of the amendment.

You may:

- Make one-off lump sum contributions;
- Alter a regular contribution amount;
- Suspend regular contributions; and
- Make a partial or full withdrawal.

How do I cash in my investment?

You may withdraw part or all of your investment at any time (subject to the suspension of withdrawals as set out under the heading "What returns will I get?" on page 6) by contacting your Investment Advisor and arranging for them to transfer amounts to your designated personal bank account or to your Forsyth Barr client account. If we receive your instructions by 1pm, the transaction will take place that day; otherwise your request will be actioned the next business day.

To meet our regulatory requirements, should you wish to transfer monies to a third party, we will require original signed documentation to support such a request.

Withdrawals are subject to maintaining a minimum balance of $3,000 unless you are withdrawing your total investment.

You may sell your investments to another person (although in the Manager's experience there is no established market for such sales) subject to maintaining the minimum balance of $3,000 and the purchaser completing a Client Services Agreement and providing the required verification documents.

Who receives your benefit should you die?

In the event of an investor's death, the balance of their Forsyth Barr Cash Management Trust account will be paid to that person's personal representative, upon receipt of appropriate documentation so that it can be distributed in accordance with their Will, except, of course, where that account is held by two people as joint tenants, in which case it will be paid to the survivor.

Who do I contact with enquiries about my investment?

We pride ourselves on maintaining strong and trusted relationships with our investors and in providing detailed information as required that is transparent and understandable.

If there is anything about your Cash Management account that you do not understand, or if you have any enquiries please contact your Investment Advisor They are there to provide you with professional investment advice and the highest quality service.

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

In the first instance please contact your Investment Advisor at:

The Manager
Forsyth Barr House
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054
Phone 0800 Forbar (0800 367 227)
Or alternatively you can email us at: *mail@forbar.co.nz*

If you are unhappy with the outcome, address complaints to:

The Compliance Manager
Forsyth Barr
PO Box 97, Auckland 1140
Phone (09) 303 2473

Or the Trustee as follows:

The Corporate Services Manager
Perpetual Trust Limited
233 Cambridge Terrace
PO Box 112, Christchurch Mail Centre
Christchurch 8140

There is no Ombudsman to whom complaints can be addressed.

What other information can I obtain about this investment?

Current value and regular reports

You can get an estimate of the current value of your investment at any time by contacting your Investment Advisor.

You will receive statements on a quarterly basis, together with an annual tax summary, reporting on your investments in the Trust. You will also receive an annual report including financial statements for the Trust. Should you wish to receive this in an electronic format, please email *annualreportcmt@forbar.co.nz* with your name and account number.

Registers
Registers of investors of the Trust are maintained by the Manager. These are open for inspection by investors of the Trust during normal business hours at the office of the Manager. You may request a copy of the register or your entry in it.

Prospectus, Trust Deed and Financial Statements
Further detailed information about the Manager and the Trust can be found in the Prospectus, Trust Deed and Financial Statements. They can be obtained free of charge (other than the Trust Deed which is available for $20) from your Investment Advisor on request or from:

Forsyth Barr Limited
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054
Phone 0800 Forbar (0800 367 227)

Or alternatively you can email us at: *mail@forbar.co.nz*

Copies may also be viewed (on payment of any prescribed fee) on the Manager's file at the Companies Office website at www.companies.govt.nz or by telephoning the Companies Office Contact Centre on 0508 266 726 or 0508 COMPANIES.

Request information
By calling the Manager on 0800 Forbar (0800 367 227) as an investor or a prospective investor, you can obtain the following information in respect of the Trust (free of charge unless otherwise stated):

- An estimate of the current value of your account (if you are already an investor);
- A copy of the Trust Deed and its amendments;
- A copy of the most recent registered Prospectus (and associated documents relating to it including any certificate extending the Prospectus).
- A copy of the most recent and audited financial statements including the Auditor's reports on those statements, and any other associated documents, and
- A copy of the most recent Investment Statement.

Forsyth Barr Cash Management Debt Security

The information on page 8 provides key terms for the Forsyth Barr Cash Management Debt Security. This information is not an Investment Statement for the purposes of the Securities Act 1978, as under the Act an Investment Statement is not required for a call debt security. We have sought to ensure transparency for our investors and we detail key information for you. If there is anything that you do not understand, or if you have any further enquiries please contact your Investment Advisor. They are there to provide you with professional investment advice and the highest quality service.

What sort of investment is this?

The Forsyth Barr Cash Management Debt Security ("the Fund") provides you with competitive at call investment returns in United States dollars, Great British pounds, Australian dollars, Canadian dollars and Euros. For non resident and tax exempt individuals that cannot take advantage of the PIE regime offered in the Forsyth Barr Cash Management Trust, the Fund also offers a New Zealand dollar facility inside this Fund. Other currencies may be accepted from time to time and you should speak with your Investment Advisor for the latest currencies available.

The Fund has a conservative investment approach. Returns are delivered by using the Manager's extensive experience in fixed interest markets to capitalise on duration and yield curve opportunities, along with utilising attractive credit margins. At all times the Fund's Investments must remain within the list of authorised investments for the Fund that we have agreed with the Trustee.

Your investment in the Fund is an investment in debt securities as defined by the Securities Act 1978. The debt securities are secured first ranking call deposits offered by Forsyth Barr Cash Management Limited (subject to prior charges (if any)). All deposits are secured by a charge over the assets of Forsyth Barr Cash Management Limited.

The terms set out in this document apply equally to all currencies.

Who is involved in providing it for me?

Manager
The offer is made by Forsyth Barr Cash Management Limited.

The Manager's address is:

Forsyth Barr Cash Management Limited
Forsyth Barr House
Cnr The Octagon and Stuart Street
Dunedin 9054

Trustee
The Trustee of the Trust is Perpetual Trust Limited.

The Trustee's address is:
Perpetual Trust Limited

233 Cambridge Terrace

PO Box 112, Christchurch Mail Centre

Christchurch 8140

How much do I pay?

New Zealand dollars
You can invest lump sums or make regular contributions. You can also settle your equity and fixed interest transactions with Forsyth Barr directly through your Forsyth Barr Cash Management account.

Unless we agree otherwise, the minimum amount that may be initially deposited is NZ$3,000 and the minimum amount that may be held on deposit at any time is NZ$3,000.

After your initial investment you are not required to make further deposits.

You can invest funds in foreign currencies in the Forsyth Barr Cash Management Debt Security by providing us with a bank draft drawn in the desired currency.

If you would like to make regular contributions to your Cash Management account, please speak with your Investment Advisor and they will be able to assist you with this.

New Zealand dollar conversion service
Application monies received in New Zealand dollars must be converted into the foreign currency or currencies prior to investing. If you have New Zealand dollars, you can select the foreign currency or currencies and amounts in which you wish to invest and we can facilitate this for you. Your Investment Advisor can assist you with this.

Payment may also be made by authorised deduction or transfer from your Forsyth Barr account and by direct credit.

How to make payments
All cheques should be made by payable to Perpetual Trust Limited for Forsyth Barr Cash Management.

Send your cheque to:
Freepost 175
Forsyth Barr Cash Management
Forsyth Barr Limited
Private Bag 1999
Dunedin 9054

Or to your nearest Forsyth Barr branch, details of which are provided in the back of this Investment Statement.

We may accept your verbal instructions to invest in the Forsyth Barr Cash Management Debt Security provided the monies are received and have been cleared.

If you are a new client to Forsyth Barr, you will need to complete a Client Services Agreement and provide the verification documents. Your Investment Advisor will be able to assist you with completing this Agreement and answer any questions that you may have.

The Manager may decline any application subject to the requirements of the Trust Deed. If we decline your application or deposit, we will refund your monies (without interest) as soon as practicable.

What are the charges?

We have minimised the fees to ensure that your Cash Management account is working actively for you. Accordingly you pay no personal account fees or monthly charges. There are also no entry or exit fees.

What returns will I get?

What you earn on your investment will vary from time to time reflecting movements in wholesale interest rates. This would occur due to changes in the economic or inflation outlook for New Zealand or the world. If you would like to know the current return applicable to your investment, please speak with your Investment Advisor.

You begin earning interest on your investment once the foreign currency deposit has been cleared and the monies have been accepted. If application monies are received by foreign currency cheque, it will be processed and cleared in accordance with the relevant foreign currency banking system. The time this takes varies from currency to currency and also reflects individual banking systems. Your Investment Advisor will be able to confirm with you when the process has been completed.

Once the application monies are cleared, interest is allocated on a daily basis and compounded on the last day of every month. You will receive your return when you make a withdrawal from the Fund. There are no specified dates or frequencies of payment of your returns, it is up to you to decide when you wish to make a withdrawal from the Fund.

Withdrawals can be made at any time in accordance with the procedure referred to on page 8.

How do I cash in my investment?

You may withdraw part or all of your investment once the monies invested have been cleared through the relevant banking system (subject to the provisions in the Deed around suspension of withdrawals) by contacting your Investment Advisor and arranging for them to transfer amounts to your designated personal bank account or to your Forsyth Barr client account. If we receive your instructions by 1pm, the transaction will take place that day; otherwise your request will be actioned the next business day.

To meet our regulatory requirements, should you wish to transfer monies to a third party, we will require original signed documentation to support such a request.

Withdrawals are subject to maintaining a minimum balance of $3,000 unless you are withdrawing your total investment.

You may sell your investments to another person (although in the Manager's experience there is no established market for such sales), subject to maintaining the minimum balance of $3,000 and the purchaser completing a Client Services Agreement and providing the required verification documents.

New Zealand dollar conversion service
If you wish to withdraw foreign currency funds and have them converted to New Zealand dollars, or another currency, you should notify your Investment Advisor when requesting a withdrawal. It may take up to three business days to provide this additional service.

What other information can I obtain?

Current value and regular reports
You can get an estimate of the current value of your investment at any time by contacting your Investment Advisor.

You will receive statements on a quarterly basis, together with an annual tax summary, reporting on your investments in the Fund.

Prospectus and Trust Deed
Further detailed information about the Manager and the Fund can be found in the Prospectus and Trust Deed. They can be obtained free of charge (other than the Trust Deed which is available for $20) from your Investment Advisor on request or from:

Forsyth Barr Limited
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054
Phone 0800 Forbar (0800 367 227)

Or alternatively you can email us at: *mail@forbar.co.nz*

Copies may also be viewed (on payment of any prescribed fee) on the Manager's file at the Companies Office website at www.companies.govt.nz or by telephoning the Companies Office Contact Centre on 0508 266 726 or 0508 COMPANIES.

Privacy

Please be assured that Forsyth Barr Cash Management Limited and the Trustee will respect your privacy and treat all personal information with due care in accordance with the provisions of the Privacy Act 1993.

Changes to personal details

Should your personal details change, for example, your Prescribed Investor Rate, other tax rate, bank account details, address or name, you must advise us in writing and provide appropriate supporting documentation.

How can you invest in Forsyth Barr Cash Management?

Please complete a Client Services Agreement and attach the verification documents.

If you are opening more than one Forsyth Barr Cash Management account, a separate Client Services Agreement is required for each account.

All cheques should be made payable to 'Perpetual Trust Limited for Forsyth Barr Cash Management'.

Send your application form(s), bank deposit slip and cheque to:
Freepost 175
Forsyth Barr Cash Management
Forsyth Barr Limited
Private Bag 1999
Dunedin 9054

Or to your nearest Forsyth Barr branch, details of which are provided on the right hand side of this page.

Directory

Issuer

Forsyth Barr Cash Management Limited
Forsyth Barr House
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054

Manager

Forsyth Barr Cash Management Limited
Forsyth Barr House
Cnr The Octagon and Stuart Street
Private Bag 1999
Dunedin 9054

Board of Directors of Forsyth Barr Cash Management Limited

Sir Eion Edgar KNZM
Neil Paviour-Smith
Shane Edmond

The Directors can be contacted at Forsyth Barr Limited at the address stated above.

Trustee

Perpetual Trust Limited
233 Cambridge Terrace
PO Box 112
Christchurch Mail Centre
Christchurch 8140

Accounting/ Taxation Advisors

Deloitte
Otago House
481 Moray Place
Dunedin 9054

Solicitors

Kensington Swan
Level 9
89 The Terrace
PO Box 10246
Wellington 6143

Contact Us — Forsyth Barr Limited

We pride ourselves on maintaining strong and trusted relationships with our clients and on providing detailed information that is transparent and understandable. If there is anything about your investment that you do not understand, or if you have any queries, you are most welcome to contact us.

Whangarei
PO Box 1168, Whangarei 0140.

North Shore
PO Box 331128, Takapuna, North Shore City 0740.

Auckland
PO Box 97, Shortland Street, Auckland 1140.

Hamilton
PO Box 152, Waikato Mail Centre, Hamilton 3240.

Cambridge
PO Box 1135, Cambridge 3450.

Tauranga
PO Box 13547, Tauranga 3141.

Napier
PO Box 1179, Napier 4140.

New Plymouth
PO Box 8206, New Plymouth 4342.

Palmerston North
PO Box 912, Palmerston North 4440.

Lower Hutt
PO Box 30243, Lower Hutt 5040.

Wellington
PO Box 5266, Lambton Quay, Wellington 6145.

Nelson
PO Box 1779, Nelson 7040.

Christchurch
PO Box 13542, Armagh, Christchurch 8141.

Ashburton
PO Box 184, Ashburton 7740.

Timaru
PO Box 502, Timaru 7940.

Dunedin
Private Bag 1999, Dunedin 9054.

Invercargill
PO Box 28, Invercargill 9840.

Disclosure statements for Forsyth Barr Limited and any of its Investment Advisors are available on request and free of charge.

0800 Forbar (0800 367 227) • www.forbar.co.nz

NZX FIRM

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