

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:

What sort of investment is this? pg 5

Who is involved in providing it for me? pg 6

How much do I pay? pg 8

What are the charges? pg 9

What returns will I get? pg 11

What are my risks? pg 15

Can the investment be altered? pg 17

How do I cash in my investment? pg 18

Who do I contact with enquiries about my investment? pg 19

Is there anyone to whom I can complain if I have problems with the investment? pg 20

What other information can I obtain about this investment? pg 21

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 Investment Statement is dated 23 September 2010 and was prepared for the purposes of the Securities Act 1978.

A glossary of defined terms appears in this Investment Statement on page 22.

Information on how to complete the application form is provided under the heading "How to invest" on page 23.



Overview from the Manager

Principals

The principals behind Aspiring Asset Management Limited are Murray Doyle, Stephen Montgomery and John Rattray. Roger Armstrong is engaged as a consultant.

People

Murray Doyle has 25 years experience in financial markets. The majority of that time was in the stockbroking industry when he and several partners formed Doyle Paterson Brown Ltd. When Deutsche Bank ultimately acquired that firm, Murray left and was involved in several start up listed companies. He is currently a director of Michael Hill International Ltd.

Stephen Montgomery has worked in financial markets since 1976. His experience spans stockbroking, fixed interest trading and funds management. Prior to establishing Aspiring Asset Management with colleagues Murray Doyle and John Rattray he spent 13 years as Equity Manager at the Accident Compensation Corporation.

John Rattray began working in the financial markets in 1980 as a floor trader on the N.Z Stock Exchange. He became Head of Equities for the N.Z business of Ord Minnett, and when it was taken over by J P Morgan he become N.Z chairman of that firm. He left in 2001 and successfully managed equity portfolios on behalf of several individuals and entities before becoming a principal of Aspiring Asset Management. He is a member of the Investment Advisory Panel to the Salvation Army and of the NZX Appeals Panel.

Roger Armstrong has been a financial analyst since 1987, applying his skills to the worlds of share broking, funds management and investment banking. In addition, Roger has been a public company director, a member of the New Zealand Markets Disciplinary Tribunal (formerly NZX Discipline), and, prior to his career in financial markets, worked for NZ Treasury.



Aspiring Asset Management Ltd and the Aspiring Fund

Aspiring Asset Management Limited is a boutique fund manager with one fund, the Aspiring Fund. We principally invest in New Zealand and Australian equities although the fund has a broad mandate that allows us to seek other opportunities in times when we believe Australasian equities do not offer the rewards for the risk taken in owning them. The Fund does not seek to benchmark itself against any index return but focuses on absolute returns to the investor.

The principals are significant investors in the Fund thereby aligning the interests of the manager with that of all investors. We are long-term investors in the Fund and welcome like-minded investors who have similar time horizons and risk profiles to ourselves.

The management has in excess of 100 years experience in financial markets and has successfully invested during a number of economic and market cycles. This experience combined with our broad mandate allows us to go against the herd when we think it is warranted. We do not adhere to value or growth strategies as this type of investment bias reduces the flexibility to react to overvaluation in that asset class. If we have one overriding philosophy it is to avoid losses. Long-term out performance cannot be achieved if significant amounts of capital are destroyed in market downturns.

We are comfortable investing in smaller less liquid companies as we have found attractive value in this sector. Research, discussion with management and competitors has in the past produced some excellent investment opportunities. Patience is often required to acquire positions in these companies but we have found it well rewarded in a number of instances.

We have also invested in corporate debt when the price of that debt gave equity like returns without the inherent risks of ordinary equity. Again this underscores our objective to produce above average returns with below average risks.

The Fund became a Portfolio Investment Entity (**PIE**) on 1 October 2007 as this regime offers very real tax advantages, even over direct investment:

- tax free gains on New Zealand shares and most shares listed in the All Ords index in Australia even if actively dealt; and
- the ability to be taxed on behalf of investors at their prescribed rates from 1 October 2010 of 0%, 10.5%, 17.5%, or 28% rather than at 33%.

Thank you for taking the time to read about the Manager and the Fund. If you would like to discuss any aspect of the above in more detail you are most welcome to contact any of the principals, mduoyle@aaml.co.nz, smontgomery@aaml.co.nz, jratray@aaml.co.nz or



What sort of investment is this?

rarmstrong@aaml.co.nz. Or visit our website: www.aaml.co.nz.

An investment made under this Investment Statement represents an investment in units (**Units**) in the Aspiring Fund (the **Fund**).

The Aspiring Fund is a unit trust under the Unit Trusts Act 1960 and is governed by an amended and consolidated Master Trust Deed dated 15 November 2007 as amended by a Deed of Amendment dated 31 March 2009 (the **Master Trust Deed**) and an amended and consolidated Establishment Deed dated 23 September 2010 (the **Establishment Deed**) (together, the **Trust Deed**). The Trust Deed was entered into by The New Zealand Guardian Trust Company Limited (the **Trustee**) as trustee and Aspiring Asset Management Limited (the **Manager**) as manager.

Unitholders' money is pooled in the Fund and invested in Authorised Investments. The assets of the Fund are held in trust in the name of the Trustee or its nominee, and are managed by the Manager, within the investment policy described on page 4.

The minimum initial investment for the Fund, which can be changed at any time by the Manager without notice to Unitholders, is currently \$100,000 with minimum subsequent investments of \$20,000. The Manager may also accept applications for amounts less than the minimum amounts. Units are issued only on a date on which the value of the Fund is calculated which is expected to occur on the last business day of each month. The Manager has an absolute discretion whether or not to accept any application without giving any reason.

A Unitholder wishing to withdraw from the Fund or sell Units in the Fund to the Manager must give written notice of the Unitholder's wish to withdraw (a **Redemption Request**). A Redemption Request must be signed by the authorised signatories specified by an investor in their application form. The Redemption Request, which is irrevocable, will be actioned with effect from the first Valuation Day following the day which is 30 days after the date on which the Redemption Request is received. The Manager may in its sole discretion redeem units on an earlier Valuation Day. The Manager may suspend Redemptions as discussed under the heading "What Returns Will I Get?"

Listing of the Fund is not being sought.

All subscription amounts will be held on trust for subscribers in the NZGT Aspiring Applications bank account until the Units are allotted. Any interest earned on moneys in this bank account will be credited to the Manager to cover the costs of administering this bank account.

Who is involved in providing it for me?

The name of the Fund is the Aspiring Fund.

The Manager of the Fund is Aspiring Asset Management Limited.

The address of the Manager is:

*Aspiring Asset Management Limited
Level 8, Forsyth Barr House
764 Colombo Street
P O Box 13535,
Armagh Street
Christchurch*

The Manager has the powers of investment, administration and management of the Fund under the Trust Deed. Accordingly, the Manager has the power to invest the assets of the Fund in Authorised Investments of the Fund. The Manager has delegated certain administrative functions to an administration manager. The Administration Manager of the Fund is MMc Limited.

The address of MMc Limited is:

*MMc Limited
Level 13, 23 Customs Street
P O Box 106-039
Auckland*

The Trustee of the Fund is The New Zealand Guardian Trust Company Limited.

The address of the Trustee is:

*The New Zealand Guardian Trust Company Limited
Level 7, Vero Centre
48 Shortland Street
P O Box 1001
Auckland*

None of the Manager, the Trustee, the Administration Manager or any other person guarantees the Units, or any return from the Units, offered in the Fund.

Activities

The Fund is a unit trust under the Unit Trusts Act 1960 and was established under the Trust Deed on 19 December 2005.

The Fund invests mostly in New Zealand and Australian listed securities but may invest in any form of real and personal property. This may include foreign shares, investments in unlisted entities, underwriting arrangements, debt securities and property. There will be times where the Manager considers the risk of the New Zealand and Australian or broader equity markets to be high and may use derivatives to reduce this risk. Similarly the Manager may consider the New Zealand dollar to be over-valued or under-valued against other currencies and may enter into foreign exchange contracts to reduce or increase the Fund's exposure to the New Zealand dollar. These are only examples of situations where derivatives and foreign exchange contracts may be used. However, their use is not limited to these instances.

The investment objectives and policy for the Fund are broadly drafted so as to vest the Manager with significant discretion in relation to the investments that can be made by the Fund. It is not possible for the Manager to provide a greater degree of specificity in relation to the Fund's actual investment intentions over the 12 months from the date of this Investment Statement. The Manager will use its broad discretion to attempt to achieve the best returns for investors and consider that the flexibility which the discretion provides gives it the best prospect of doing so. If you are not comfortable with the level of discretion vested in the Manager an investment in the Aspiring Fund will not be appropriate for you.

The Manager may direct the Trustee to deal in any way and take any action required in respect of the Investments of the Fund. The Trustee is not obliged to act on a direction to invest by the Manager if this would be contrary to the provisions of the Trust Deed or any other provision of law or would manifestly not be in the interests of the Unitholders.

The Manager is not obliged to invest any particular percentage of the assets in the Fund in a particular type of Investment.

How much do I pay?

The minimum initial investment for the Fund, which must be paid by a subscriber for Units, is currently \$100,000 with minimum subsequent investments of \$20,000. The Manager may vary such minimum amounts from time to time at its discretion, without prior notice. The Manager may also accept applications for amounts less than the minimum amounts.

Units are issued only on a Valuation Day which is the last Business Day of each month. Units will be issued on the Valuation Day following receipt of application moneys or, if application moneys are received by 2pm on a Valuation Day, Units will be issued on that Valuation Day. Failure to make an application before 2pm on a Valuation Day will result in the application being processed on the next Valuation Day.

The Manager has an absolute discretion whether or not to accept any application without giving any reason.

The amount to be invested must be paid to the "NZGT Aspiring Applications Account" and sent to the Administration Manager c/- MMc Limited, PO Box 106-039, Auckland. Any interest earned on application moneys held in this bank account pending issue of Units will be credited to the Manager to cover the costs of administering this bank account.

The number of Units that a Unitholder will receive will be determined by dividing the Unitholder's investment amount, after deduction of the Entry Fee, by the Unit Price on the Valuation Day on which the Units are issued. At the date of this investment statement, the Manager does not intend to charge an Entry Fee.

What are the charges?

TRUSTEE FEE

There are three components to the fee structure – management, governance and transaction fees. The current fees are summarised immediately below. To help ensure clarity, you should also refer to the additional information on the Performance Fee, the Trustee Fee, other charges, the fees' effect on net income and transfer fees.

Management Fees

Core Management Fee	A management fee of 1% of the Gross Asset Value, paid monthly in arrears.
---------------------	---

Performance Fee	A performance fee equal to 10% of the gain in the value of the Units beyond a benchmark return. GST is currently levied at 12.5% (15% from 1 October 2010) on 10% of the core Management Fee and Performance Fee payable to the Manager.
-----------------	---

Governance Fees

Trustee Fee	A fee of up to 0.06% per annum of the Gross Asset Value paid quarterly in arrears, with a minimum of \$20,000 in any year (plus any special fees). GST is currently levied at 12.5% (15% from 1 October 2010) on 75% of the Trustee's fee.
-------------	---

Administration Fee	A fee of up to 0.09% per annum of the Gross Asset Value, with a minimum of \$25,000 in any year. GST is currently levied at 12.5% (15% from 1 October 2010) on 10% of the Administration Manager's fee.
--------------------	--

Transaction Fee

Entry and Exit fees	No Entry Fee or Exit Fee are currently payable.
---------------------	---

Other Charges

Reimbursement of Trustee and manager expenses	These expenses cannot be ascertained until they are incurred and will vary from time to time.
---	---

FEES IN MORE DETAIL

The Performance Fee

The Performance Fee incentivises the Manager to maximise returns for Unitholders while working within suitable risk parameters. Importantly, it is structured so that if the Fund's return is beneath the trigger point for the Fee then the Manager is not entitled to a Performance Fee until that deficit is recouped in full.

The Performance Fee is equal to 10 percent of the Fund's performance beyond what is known as the "hurdle rate". The hurdle rate is the NZX 90 Day Bank Bill Index adjusted for tax at the New Zealand corporate tax rate. The Performance Fee is calculated and payable monthly.

In technical terms, the Performance Fee is currently payable to the Manager when there is a positive difference between;

- the Net Asset Value of the Fund at the end of the month, adjusted by adding back any accrual for Performance Fees and distributions during the relevant period, and;
- the previous highest Net Asset Value determined after adjusting for the time-weighted issues and redemptions over the same period and for the movement in the hurdle rate over the same period.

The Manager may change the method of calculating the Performance Fee by giving three months' prior notice to Unitholders, subject to no Unitholder being charged directly or indirectly any more than 10 percent of the performance above and beyond the hurdle rate.

Please note that the formula for the Performance Fee is set out in the Establishment Deed. If you have any further questions about the calculation of this fee, please do not hesitate to contact the Manager.

Trustee Fee

The Trustee, with the agreement of the Manager, is entitled at any time to alter its fees to a maximum of 0.10% per annum of the Gross Asset Value of the Fund by giving three months' notice to all Unitholders.

In addition, the Trustee is entitled to charge special fees for activity outside the Trustee's regular services. While there is no limit to the amount of special fees, the Manager has agreed to limit the amount of the fees and expenses paid by the Fund as discussed under the heading Management Expense Ratio below.

Other Charges

The Manager and Trustee are entitled to be reimbursed from the Fund for all expenses (including anticipated expenses) and costs or liabilities incurred by them acting as Manager and Trustee respectively. Generally the amount of these expenses cannot be ascertained until they are incurred, and will vary from time to time. These reimbursable costs may include, but are not limited to:

- Costs and expenses of the Trustee, Manager, auditors, solicitors, valuers and other advisors including those related to any amendments to the Trust Deed and any offer documents
- GST and other taxes
- Costs involved in buying, selling, registering other dealings with, and custody of, assets
- Costs involved in holding meetings for investors
- Bank charges

The Fees' effect on Fund net income

Fees and charges and expenses referred to in this Investment Statement are taken into account when the Unit Price and/or the Fund's net income is calculated and are subject to GST.

Transfer Fees

Although at the date of this investment statement the Registrar does not intend to do so, it has the right to charge a fee to process transfers of Units, pending approval by the Manager.

Management Expense Ratio

The Manager has elected to limit the total amount of Manager fees, Trustee fees and Other Charges (excluding Performance fees and costs involved in buying, selling, and registering the assets of the Fund) to the Fund to 1.30 % per annum (including GST) of the average monthly Gross Asset Value of the Fund in each financial year. If the rates of GST change in relation to the expenses or any other change outside of the control of the Manager occurs then the Manager reserves the right to increase this limit and in this event will give Unitholders three month's notice prior to making such an increase.

What returns will I get?

THE NATURE OF THE RETURNS

The returns to subscribers from an investment in Units in the Fund will be derived from the change in the value of the Units in the Fund (reflecting changes in the value of the underlying assets).

The Trustee, The New Zealand Guardian Trust Company Limited, is legally liable to pay the Unit Price when Units are redeemed and any distributions, to the extent of the available assets of the Fund.

No particular return has been promised, and no person guarantees the payment of returns in respect of the Fund.

KEY FACTORS THAT DETERMINE THE RETURNS

Distributions

Distributions from the Fund are made at the discretion of the Manager and may be from income the Fund has earned and the capital of the Fund. As the Fund is a PIE the Manager does not intend to make distributions, although it may do so at its discretion.

Changes in Unit price

Units are only redeemable on a Valuation Day. The value of the assets of the Fund at any point in time will change with market movements. The Manager is responsible for the management of the assets, including their selection and ongoing management. The ability of the Manager to select quality assets will therefore have an impact on any returns.

The value of Units will change as the value of the assets of the Fund changes and may fall as well as rise, and the performance of the Fund may vary from time to time.

Units in the Fund are issued and redeemed at the Unit Price. The realisable value of a Unitholder's investment at any time is the number of Units held multiplied by the Unit Price, less the Exit Fee. At the date of this investment statement the Manager does not intend to charge an Exit Fee.

The current unit price and historical information is available on the company website www.aaml.co.nz.

Neither the Trustee nor the Manager promises or guarantees any return on an investment in the Fund.

TAXATION

The following statements in relation to taxation are of a general nature only and are based on current tax legislation which may change. The impact of taxation will vary depending upon each Unitholder's individual circumstances. Unitholders are encouraged to seek professional tax advice. The Manager and the Trustee do not take any responsibility for the taxation liabilities of Unitholders.

The Fund became a PIE on 1 October 2007 and pays tax on behalf of Unitholders at their Prescribed Investor Rates (PIR) as set out in the table below.

NZ Resident Individual

If your taxable income was...	And your taxable income plus your PIE income/loss was...	In the two income years before the relevant tax year for...	Your PIR is ...	From 1 Oct 2010 your PIR is...
\$0 - \$14,000	\$0 - \$48,000 \$48,000 - \$70,000	Either year	12.5% 21%	10.5% 17.5%
\$14,001 - \$48,000	\$0 - \$70,000	Either year	21%	17.5%
\$48,001 or more	Any amount	Each year	30%	28%
Any amount	\$70,001 or more	Each year	30%	28%

Other Investors

Entity	PIR	PIR from 1 October 2010
Trustees and superannuation funds	Choice of 30%, 21% or 0%	Choice of 28%, 17.5% or 0%
Testamentary trustee	As above plus 12.5% option	As above plus 10.5% option
Company, incorporated society, PIE or registered charitable trust.	0%	0%
Non-resident	30%	28%
Joint investment, partnership or unincorporated society (investment should be split and each holder should provide their correct PIR and IRD number)	0%, 12.5%, 21% or 30%	0%, 10.5%, 17.5% or 28%

Where a refund of tax is provided to the Fund to compensate for PIE tax losses or excess tax credits this will be allocated by the Fund to eligible Unitholders (principally those for whom PIE tax is final) by way of adjustments to their Units. If they have elected 0% then the amount shown in the annual tax certificate is aggregated into the tax return of the Unitholder.

Upon a Unitholder's full or partial withdrawal from the Fund, any tax liability on income allocated to a non-zero rated Unitholder will be satisfied by deduction or cancellation of Units. The Manager is required to pay tax the month after any full withdrawal and in April each year it will pay tax on all other income allocated to Unitholders, including the amount deducted on partial withdrawals (where the Unitholder does not fully withdraw prior to April). At the date of this Investment Statement, the Manager intends to deduct the tax liability on income

allocated to all Unitholders by cancelling Units (but reserves the right to deduct the tax liability from distributions should the need arise). As the Manager intends to cancel units to meet tax obligations of Unitholders on withdrawals, the value of units cancelled will exceed the value of the net proceeds a Unitholder will receive on withdrawal.

If a Unitholder transfers Units prior to April in any year the transferor will bear the cost of PIE tax on income allocated to those Units from the beginning of the income year to the date of transfer.

There is presently no impact on family assistance eligibility, student loan repayment obligations or child support payment obligations as a result of deriving PIE income where PIE tax is final, however the Government has signaled it is reviewing these concessions.

Investors must advise if their prescribed investor rate changes. Failure to advise or providing an incorrect rate will mean the investor is personally liable to pay any resulting tax shortfall and must file a tax return. If an investor fails to provide a prescribed investor rate, then the Manager will apply the highest prescribed investor rate to that investor.

Redemption gains and distributions (if any) from the Fund are not taxable to the investor. All withdrawals can only be made by way of redemption of Units. The Fund does not offer manager buyback.

Gains or losses made by the Fund on New Zealand resident companies or Australian resident listed companies on an ASX approved index with franking accounts are not taxable or deductible.

Foreign equities and funds (other than the Australian listed equities described above) are taxed under the Fair Dividend Rate method. Under this method the taxable income is 5% of the average market value of such offshore shares. Dividends are not taxed separately. Equity losses are not deductible but foreign tax credits may be available for offset against tax payable.

Foreign equities offering guaranteed or fixed rate returns or that are redeemable and non-participating, or 80% or more invested in New Zealand dollar denominated debt securities or hedged to NZD or determined by Inland Revenue to be debt in economic terms, are taxed under the comparative value method, i.e. annual change in market value plus distributions and any realisation gains.

Debt securities held directly are taxed under the financial arrangement rules under the IFRS taxpayer method which reflects financial reporting.

PIEs have restrictions on the amount of units any one investor and associated parties holding interests of 5% or more can hold. The Manager reserves the right to redeem or void certain Units exceeding the permitted threshold so as to ensure its PIE status can be maintained.

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 Fund and the tax consequences of holding and redeeming of Units in the Fund.

SUSPENSION AND DEFERRAL OF REDEMPTIONS

If by reason of:

- the suspension of trading on any securities exchange; or
- financial, political or economic conditions applying in respect of any financial market; or
- the nature of any Investment; or
- a Redemption Request is received or a series of Redemption Requests have been received within a period of 3 months that in aggregate relate to more than 5% (or such other percentage as the Manager specifies from time to time by not less than 30 days prior notice to Unitholders) of the number of Units on issue; or
- the occurrence or existence of any other circumstance or event relating to the Fund or generally;

the Manager shall form the opinion that it is not practicable, or would be materially prejudicial to the interests of any Unitholders, for the Manager to give effect to Redemption Requests, then the Manager may suspend the operation of all Redemption Requests. The Manager may determine that such Units may be progressively repurchased or redeemed by instalments with effect from one or more Valuation Days falling in a period determined by the Manager or in total at the expiration of a period determined by the Manager and in any such case the Unit Price is to be calculated at the Valuation Day or Days on which Units are repurchased or redeemed.

If a Redemption Request is received or a series of Redemption Requests have been received within a period of 3 months that in aggregate relate to more than 20% of the Number of Units on Issue, the Manager may suspend the right of the Unitholders to make Redemption Requests on the following conditions:

- the Manager must notify the Trustee of its intention to suspend the right of Unitholders to make Redemption Requests; and
- the Manager must immediately call a meeting of Unitholders to consider the winding up of the Fund or such other action as the Unitholders deem appropriate.

In the above circumstances, there is no express limit on the period of deferral or suspension.

What are my risks?

The value of the investment in Units will fluctuate and you may not receive the returns described under the heading “What returns will I get?” on page 11. It is reasonably foreseeable that you may not recover in full the initial amount of money you pay for your Units. Some examples of the risks that may produce these results and that are involved in an investment in the Fund are set out below:

- **Market conditions:** Markets are affected by a host of factors, including economic and regulatory conditions, market sentiment, political events, and environmental and technology issues.
- **Investment risk:** The risk of a result of negative returns on the Fund’s investments, or that returns for the Fund are insufficient to meet the applicable expenses.
- **Investment specific risk:** An investment in a company may be affected by unexpected changes in that company’s operations or its business environment.
- **Interest rates:** Changes in interest rates can have a negative impact directly or indirectly on investors’ returns.
- **Currency:** The Fund may invest in investments denominated in other currencies or may use foreign exchange contracts to exchange New Zealand dollars for other currencies. This will expose the Fund to movements in foreign currencies, which can have an adverse effect on the New Zealand dollar value of the investments or foreign exchange contracts, or the income from those investments or foreign exchange contracts.
- **Liquidity:** The Fund may hold a proportion of its assets in cash. However if securities are required to be sold to fund redemptions of Units in excess of the value of the cash held, the lack of a liquid secondary market may mean securities are sold at a discount. This may reduce the Net Asset Value of the Fund and therefore the Unit Price.
- **Suspension and deferral of redemptions:** In certain circumstances described under “Suspension and Deferral of Redemptions” on page 14, the Manager can suspend and defer redemption of Units. If this occurred a Unitholder would not be able to exit the Fund at the time requested by the Unitholder and the Unit Price may have fallen by the time redemptions resume.
- **Regulatory risk:** The risk of future changes to legislation or applicable regulations which could affect the operation of the Fund or Unitholders’ distributions or the level or nature of returns from the Fund.
- **Administrative:** The risk of technological or other failure impacting on the Fund or financial markets in which the Fund invests or inadequate or failed internal processes and systems of the Manager which could expose the Fund to potential financial damage.
- **Tax Rate risk:** The risk of the Manager either over or under paying tax within the Fund on behalf of a Unitholder as a result of the Unitholder providing the Manager with the wrong PIR or not advising the Manager to change that rate when it needed to be changed. A unitholder is personally liable for any shortfall of tax in such a situation and relevant penalties and interest (if any) and may be required to file a tax return. In the event of an overpayment the amount cannot be recovered by a Unitholder for whom it is a final tax.

- **Income Allocation Risk of Joint Investors:** For joint Unitholders income will be allocated to the highest PIR (if they are different) or the first named in the register (if they are the same). Consequently, one of the Unitholders will have the income of the other allocated to them which may affect that Unitholder's ability to use that Unitholder's PIR. IRD recommend investors do not invest jointly to avoid this consequence.
- **PIE Risks:** The following risks are associated with the Fund's status as a PIE:
 - Loss of PIE status:** The risk of the Fund losing its status as a PIE and reverting to the tax status of a widely held unit trust taxed at 30% (28% from 1 April 2011) on income rather than at Unitholders' PIRs.
 - Maintaining PIE status:** The Manager may redeem units so as to ensure PIE status can be maintained.
 - Trust electing 30%:** A qualifying trust that elects a PIR of 30% (28% from 1 October 2010) is unable to pay tax on the PIE income distributed to beneficiaries at rates lower than 30% (or 28% from 1 October 2010) if the PIRs of the beneficiaries are less than this and the beneficiaries will not be entitled to any refund of tax paid by the trust in this way.
 - Losses attributed to trusts:** If a trust elects a PIR of 12.5% (10.5% from 1 October 2010) or 21% (17.5% from 1 October 2010) losses attributed to the trust by the Fund are not included in the trust's tax return.

Unitholders should be aware of these risks when investing and that not all risks can be foreseen.

Neither the Trustee nor Manager guarantees the performance of the Fund, any particular rate of return, or the return of your application moneys. Past performance is no guarantee of future performance.

INSOLVENCY OF THE FUND

Money invested in the Fund is held by the Trustee separately from the Manager's and the Trustee's assets, and would be unaffected by any insolvency of the Manager or the Trustee. If the Manager becomes insolvent, is put into liquidation or has a receiver appointed, the Trustee is able to remove the Manager and appoint a replacement manager.

Unitholders will not be liable to pay money to any person as a result of the insolvency of the Fund. The creditors of the Fund (including the Administration Manager, Manager and the Trustee) will rank ahead of the claims of Unitholders. After payment of all creditors, the assets of the Fund will be realised and distributed to Unitholders in proportion to the number of Units held. All Unitholders will rank equally amongst each other.

PERSONAL LIABILITY

An indemnity will be provided by Unitholders to the Trustee and the Manager for tax paid on PIE income allocated to them where PIE tax cannot be funded by the redemption of their Units or by a deduction from a payment made to them by the Fund

Unitholders will also have a personal liability for any tax shortfall and related penalties and interest if they advise the wrong PIR or fail to advise the Manager when their PIR increases and may be required to file a tax return. Unitholders who elect a PIR of 0% or for whom PIE tax is not a final tax will have a personal tax liability on income allocated to them by the Fund.

Can the investment be altered?

Changes to investment policy

The Manager and the Trustee may change the investment policy from time to time provided that the Manager provides Unitholders at least one month's notice before implementing any change in policy and does not implement such change until all Redemption Requests received within that one month notice period have been actioned.

Changes to fees and charges

Three months notice to all Unitholders of the Fund is required for any change to the Trustee's fees, or the total Management Expense Ratio. The Fund will be required to pay any such increased fees or expenses.

Changes to the Trust Deed

The Trustee and the Manager may at any time make any amendment to the Trust Deed if:

- it is of a formal or technical nature or is made to correct a manifest error;
- it is necessary or desirable for the more convenient, economical or advantageous working, management or administration of the Fund or for safeguarding or enhancing the interests of the Fund and is not or not likely to become materially prejudicial to the Unitholders;
- it is necessary to make any provision of the Trust Deed consistent with any change in the law affecting unit trusts; or
- it is authorised by an Extraordinary Resolution of Unitholders.

An Extraordinary Resolution can only be passed by a 75% majority of Unitholders voting at a meeting. In addition, the Trustee and the Manager can amend the definition of "Authorised Investments" if, after notifying the relevant Unitholders of the proposed amendment, less than 10% of Unitholders give notice that they disapprove of the proposed amendment.

If Unitholders holding 10% or more of the total Units on issue in the Fund disapprove of the proposed amendment and require a meeting, no amendment shall be made and the Manager shall forthwith convene a meeting of Unitholders to consider the amendment, which will only be made if it is authorised by an Extraordinary Resolution.

Other changes

The Manager may change the minimum investment amount, the minimum amount or value of Units that must be held, or may be transferred or redeemed, by a Unitholder.

Termination of the Fund

The Fund will terminate on the day that is 80 years less two days from the date of the Trust Deed. The Fund may be terminated earlier. See the "How do I cash in my investment?" section below for further details.

How do I cash in my investment?

Investors can invest for any period although Units are only redeemable on a Valuation Day.

A Unitholder wishing to withdraw from the Fund must give written notice of the Unitholder's wish to withdraw (a **Redemption Request**).

The Redemption Request must refer to the amount of net proceeds a Unitholder requires on withdrawal (if a partial withdrawal). The Manager will advise the Unitholder the number of units required to be cancelled to meet that request. As the Manager intends to cancel units to meet tax obligations of Unitholders at the same time as the withdrawal, the total value of units cancelled to meet the withdrawal and the tax will exceed the value of the net withdrawal amount a Unitholder receives.

The Redemption Request, which is irrevocable, will be actioned with effect from the first Valuation Day following the day which is 30 days after the date on which the Redemption Request is received. The Manager may in its sole discretion redeem Units on an earlier Valuation Day.

Provided that a Redemption Request complies with the terms of the Trust Deed, but subject to the Manager's right to defer redemption in certain circumstances (refer to "Suspension and Deferral of Redemptions" under the heading "What Returns Will I Get?"), the Manager must action the Redemption Request and pay to the Unitholder the aggregate Unit Price of the Units (less the Exit Fee) within 7 Business Days of the Valuation Day on which the Units are redeemed. At the date of this investment statement the Manager does not intend to charge the Exit Fee on redemptions.

The Manager is obliged to action a Redemption Request by either, at the Manager's option, purchasing the relevant Units or requesting the Trustee to redeem the relevant Units. The Manager is not obliged to offer to repurchase Units and as at the date of this Investment Statement does not intend to offer repurchase. All withdrawals will be by way of redemption.

Where the Manager has purchased Units, it is entitled at any time to request the Trustee to redeem such Units.

The minimum number or value of Units that may be redeemed may be fixed by the Manager. At the date of this Investment Statement, the minimum value of Units which can be redeemed is \$20,000. As at the date of this Investment Statement the Manager does not intend to impose any minimum number or value of Units that can be redeemed.

Unitholders can transfer their investment

Unitholders can transfer all or part of their Units to another party free of any charge. The Manager may specify from time to time the minimum number or value of Units which may be transferred and may decline to transfer a parcel of Units which is less than this minimum number or value. At the date of this Investment Statement, the minimum value of Units which a Unitholder can transfer is \$100,000. The Manager may also decline to register a transfer if it would or could result in the Fund losing its status as a PIE.

To transfer Units, Unitholders must use a form approved by the Manager. The transferee may be required to provide identification under the Financial Transactions Reporting Act 1996.

A transfer is complete as soon as the new investor is recorded on the register of Unitholders. In the Manager's opinion, there is no established secondary market for the trade of Units in the Fund.

Termination

The Fund will terminate on the day that is 80 years less two days from the date of the Trust Deed. The Trust may be terminated earlier by Unitholders passing an Ordinary Resolution or the date determined by the Manager as notified to the Trustee and Unitholders by not less than thirty days notice.

Who do I contact with enquiries about my investment?

Enquiries about the Units can be made by writing to:

The Principals
Aspiring Asset Management Limited
Level 8, Forsyth Barr House
764 Colombo Street
PO Box 13535
Armagh Street
Christchurch
Telephone (03) 377 6383

For Unit price enquiries, phone the Administration Manager on (09) 309 8926 Monday to Friday between 8.30 a.m. and 5.00 p.m. (excluding public holidays).

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

If you are not satisfied with the service you have received from us you should contact us. We have an internal complaints process and undertake to investigate your concerns promptly and fairly. You may contact us to make a complaint by telephone, by email or in writing.

Complaints about the securities can be made to:

The Principals
Aspiring Asset Management Limited
Level 8, Forsyth Barr House
764 Colombo Street
PO Box 13535
Armagh Street
Christchurch
Telephone (03) 377 6383

or alternatively, you may contact the Trustee:

The New Zealand Guardian Trust Company Limited
Level 7, Vero Centre
48 Shortland Street
Auckland

Telephone (09) 377 7300

Attention: Relationship Manager, Corporate Trusts

The Manager is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 and is a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited ('FSCL') and approved by the Ministry of Consumer Affairs. We have 40 days to respond to your complaint. If you are not satisfied by our response, you may refer the matter to FSCL by emailing info@fscl.org.nz or calling FSCL on 0800 347257. Full details of how to access the FSCL scheme can be obtained on their website www.fscl.org.nz. There is no cost to you to use the services of FSCL.

There is no ombudsman to whom complaints about the Units can be made.

What other information can I obtain about this investment?

All of the currently available material information relating to the Fund and an investment in Units is contained in the registered prospectus containing the offer to which this Investment Statement relates, and in the Trust Deed.

Other information about the Units, the Fund and the Manager is contained in the financial statements for the Fund. Further information about the Fund and an investment in Units is available by writing to the Manager at PO Box 13535, Armagh Street, Christchurch.

The registered prospectus, the financial statements and other documents relating to the Fund are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection (including at www.companies.govt.nz).

Following the issue of Units the Manager will within one month send you a confirmation of your investment setting out the details of your investment in the Trust.

An investor may make a written request for the Unit Price at the last Valuation Day. This must be provided within seven days.

A statement setting out any distributions paid to the investor and the Net Asset Value of the Fund will be sent to Unitholders within two months after the end of each financial year.

An audited copy of the financial statements for the Fund shall be forwarded to each Unitholder within five months of the year end.

Unitholders have the right to inspect and obtain a copy of that part of the Unit Register that relates to the Units of that Unitholder.

Unitholders also have the right to inspect a copy of the Trust Deed and the Establishment Deed for the Fund at the office of the Administration Manager, which is located at Level 13, Citigroup Centre, 23 Customs Street East, Auckland. Unitholders may also request from the Administration Manager, free of charge, a copy of this Investment Statement, the registered prospectus and the Trust Deed.

Privacy

The Manager collects and holds personal information about applicants for Units for the purposes of administering the investment. Unitholders may request access to any personal information the Manager holds about them, by writing to the Manager at PO Box 13535, Armagh Street, Christchurch. You may also request correction of any personal information the Manager holds about you. Depending on the nature of your request, the Manager may impose a charge for providing you with or correcting any personal information. Failure to provide the requested information could cause your application for Units to be declined.

Glossary

The following capitalised terms used in this Investment Statement have the following meanings. Some of these terms are summaries of definitions in the Trust Deed. For complete definitions, reference should be made to the Trust Deed.

Administration Manager	MMc Limited.
Authorised Investments	the category of investments which may be held by the Fund, includes any interest of any nature in any real or personal property of any nature whatsoever and includes derivatives or other treasury products and any right or option to acquire or take up any interest.
Business Day	any day on which banks are open in Auckland for business.
Entry Fee	The fee payable on issue of Units. At the date of this investment statement, the Manager does not intend to charge an Entry Fee on investments.
Exit Fee	The fee payable on redemption of units. At the date of this investment statement the Manager does not intend to charge an Exit Fee on redemptions.
Extraordinary Resolution	a resolution passed by Unitholders by a majority of 75% or more.
Fund	the Aspiring Fund.
Gross Asset Value	the aggregate of the market value of the Investments, any income accrued or payable in respect of the Fund but not included in such market value and, if the Manager so determines, any deferred tax assets of the Fund, and the benefit of adjustments made to Unitholders' interests on account of PIE Tax.
Investment	each investment or other asset held by the Fund.
Manager	Aspiring Asset Management Limited.
Net Asset Value	the Gross Asset Value less all liabilities of the Fund determined on an accruals basis and such other provisions as the Manager or the Trustee thinks necessary or desirable for accrued or contingent liabilities or losses, including a provision for the costs of realisation of any Investments and redemption or repurchase of Units.
Ordinary Resolution	a resolution of Unitholders passed by a majority of more than 50%.
PIE	means a Portfolio Investment Entity.
PIE Tax	means tax payable by a fund, the Trustee, or the Manager (whether deferred or current) which is determined by reference to Prescribed Investor Rates of Unitholders or is otherwise determined by the Trustee or the Manager.
PIR	Prescribed Investor Rate

Registrar	MMc Limited.
Trust Deed	together the amended and consolidated Master Trust Deed dated 15 November 2007 as amended by a Deed of Amendment dated 31 March 2009 and an amended and consolidated Establishment Deed dated 23 September 2010.
Trustee	The New Zealand Guardian Trust Company Limited.
Unit	a unit in the Fund.
Unitholder	the registered holder of a Unit.
Unit Price	the price at which Units are issued or redeemed, being the Net Asset Value divided by the number of Units on issue.
Unit Register	the register of Unitholders.
Valuation Day	the last Business Day of each month.

How to invest

The instructions for completing the application form are set out below:

Investor Details

Provide your full name(s) and address. Supply your IRD number (this is a legal requirement).

Investment Details

Enter the amount you wish to invest in the Fund. The minimum initial investment amount is \$100,000.

Distribution Details

Please complete the Nominated Bank Account section.

Verification of identity

The Financial Transactions Reporting Act 1996 requires verification of the identity of all new investors.

Trusts

If there are three or fewer trustees, identification is required for each trustee. Where there are more than three trustees, the principal facility holder must be noted on the application form.

Sign the application form

The following persons must sign the application form:

Investor type	Who signs
An individual	Individual to sign
Joint investors	Each individual to sign
A company including a company acting as trustee for a superannuation fund or trust	Two directors or a director and a company secretary must sign unless the company is a sole director and sole secretary company. In that case only the sole director/secretary must sign. Each person must state their capacity and print their name next to their signature.
Individual Trustees of a superannuation fund or trust	Each Individual Trustee to sign.
A partnership	Partners to sign
Adult on behalf of a child under the age of 18	Adult to sign
A deceased estate	Executors to sign
A club, charity, church or an unincorporated body.	Office bearers to sign

Cheques

Investment can only be made by a cheque drawn by the investor on a New Zealand registered bank. Make your cheque payable to “**NZGT Aspiring Applications Account**” crossed “Not Transferable”.

Return the completed application form and cheque to:

**MMc Limited,
Level 13
Citigroup Centre
23 Customs Street East
P O Box 106-039
Auckland.**

Payment can be made directly to the “NZGT Aspiring Applications Account” only by pre-arrangement with the Manager. No application will be processed until an original application form has been received.

The Manager has an absolute discretion whether to accept or refuse any application without giving any reason. Your Confirmation of investment will normally be posted within a week of the issue date.