



MFL Mutual Fund

Investment Statement 1 April 2010

Important Information

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

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

Choosing an investment

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

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In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an

investment. The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

This is an Investment Statement as required by the Securities Act 1978. It has been prepared as at 1 April 2010 and applies to investors who join MFL Mutual Fund in an individual capacity rather than in a capacity as trustee of a registered superannuation scheme.

MFL Mutual Fund Limited is the issuer and trustee, and ING (NZ) Limited is the promoter, administration manager and investment manager, of the MFL Mutual Fund ("MFL" or "the Fund"). An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of ING (NZ) Holdings Limited, ING (NZ) Limited, ANZ National Bank Limited, Australia and New Zealand Banking Group Limited, MFL Mutual Fund Limited, any member of their respective groups of companies, or any other person guarantees (either partially or fully) MFL Mutual Fund or ING (NZ) Limited (as the case may be) or the capital value or performance of any products issued or managed by them, including the Fund. Units in the Fund do not represent deposits or liabilities of ANZ National Bank Limited.

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

Investing for the future

Often, there are so many other financial commitments in our lives, we put off planning for the future until it is too late. However, it is likely New Zealand Superannuation will provide only a modest level of income, so for most New Zealanders, our personal savings will help us enjoy the retirement we deserve.

Property

Successful investing is not necessarily about timing the market correctly, rather it's about investing over the medium to long term in a diversified range of assets. As property is one of the major asset classes, a well-diversified investment portfolio should include an allocation to property investment assets.

In any investment, it's also important that, over time, the value of the investment keeps pace with inflation, thus maintaining the real 'buying power' of your money. Historically, over the medium and long term, property investment values have outperformed inflation.

Introducing MFL

Established in 1969, MFL is one of New Zealand's largest personal superannuation funds,¹ with a particular focus on property investment assets. MFL invests in this asset class via listed securities.

MFL is managed by experienced investment manager ING (NZ) Limited ("INGNZ") and currently comprises one retail fund – the MFL Property Fund (the "Property Fund").

¹ FundSource Retail Managed Funds Trends & Market Composition Report, December 2009 Comparison excludes KiwiSaver Schemes.

Key benefits of MFL

Convenience

MFL offers a convenient way to invest. INGNZ helps free you from the time, effort and administration usually associated with investing on your own.

Performance

INGNZ's team of experienced professionals manages your investment with a view to helping you earn competitive returns over the medium to long term.

Investment flexibility

Building wealth takes many years. During that time, it is likely your investment goals and financial commitments will change. MFL gives you the flexibility to:

- Make investments at any time.
- Invest on a regular basis or with a single investment.
- Suspend/resume regular investments.

From age 60 you may also:

- Make withdrawals at any time.
- Switch to SIL Mutual Fund or ING Unit Trusts.

Peace of mind

MFL's Trustee ensures investments are managed in accordance with the Trust Deed. Furthermore, as MFL is a registered superannuation scheme, it must be operated in accordance with the Superannuation Schemes Act 1989, which is administered by the Government Actuary's office.

Financial independence

A MFL investment provides you with the opportunity to save for a financially secure retirement. MFL also gives your retirement planning some certainty, removing the temptation to draw from your retirement 'nest-egg' for short-term requirements.

Regular investing

Investing regularly enables you to use the investment strategy known as 'dollar-cost averaging'. Dollar-cost averaging means buying fewer units in an investment when the unit price is high and more when the unit price is low.

For dollar-cost averaging to work effectively, investors should invest in a regular investment programme over a period of time, regardless of how investment markets are performing.

Transfers from UK pension schemes

MFL is able to accept transfers from UK pension schemes, therefore if you have savings in a UK pension scheme you may be able to transfer these savings to the Fund and receive access to your savings earlier than if they stayed in your UK pension scheme. If you think you will benefit from such a transfer, please speak to your financial adviser for more information (including any taxation implications) in relation to this transfer.

Personal service

The INGNZ Client Services team complements the service you receive from your financial adviser.

INGNZ Client Services

Tel: 03 367 2400 or 0800 108 685

Fax: 03 367 2401 or 0800 767 846

Email: service@ingnz.com

In addition, you will receive an Annual Report and an Annual Statement for your investment as at 31 August.

Understanding risk

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

All investments have some degree of risk associated with them and risk can take many forms (see page 9 for a more detailed explanation of risks involved with investing in the Fund). There is typically a direct relationship between risk and return.

Generally, the greater the risk, the greater the potential return and the lower the risk, the lower the potential return over the long term. In addition, the higher the degree of risk an investment carries, the more its price may fluctuate.

In choosing whether to invest in the Fund you should ensure the Fund reflects your investment objectives, risk profile and investment timeframe. Returns and the value of your investment in the Fund is not guaranteed.

MFL Property Fund

At a glance	
Investment portfolio	Invests predominantly in a range of New Zealand and international property securities, including listed property trusts and property-related shares, complemented by fixed interest securities and cash.
Investment objective	To generate competitive returns that will increase the investment value and keep it ahead of inflation over the medium to long term.
Investment strategy	To invest in property securities, where the underlying property assets are well-located, have long-term leases, provide cashflows and offer good long-term capital growth potential.
Currency	New Zealand dollar. (International listed property trusts, property securities and fixed interest securities are fully hedged to the NZ dollar – subject to implementation constraints. International property related shares are actively hedged against an unhedged benchmark).
Income or growth?	Designed for investment growth – no income is provided.

Who should invest?

The MFL Property Fund is most suited to investors who:

- Seek to build personal wealth over the medium and long term.
- Require an investment that provides access to a range of property assets.
- Are comfortable with variability in the value of their investment.

Investment strategy

Property investment assets form the core of the Property Fund portfolio and may include direct or indirect holdings of:

- New Zealand and international listed property securities.
- New Zealand and international property-related shares, i.e. shares in companies where property is fundamentally linked to their activities.
- New Zealand direct property.

These assets are also complemented by holdings in fixed interest securities and cash.

When investing in property securities, the Manager generally seeks listed property trusts or companies where the underlying property assets are well-located, have long-term leases, provide cashflows and offer good long-term capital growth potential. These assets typically include a mix of retail, industrial and commercial office property investments, both

in New Zealand and internationally. As at the date of this Investment Statement, approximately 25% of the Property Fund is invested in the ING Property Trust, a listed Property Trust on the New Zealand Stock Exchange.

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

The Fund may invest:

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

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

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

About INGNZ

Our aim is to help you achieve your financial goals through the accumulation of, investment in and protection of assets.

INGNZ is the largest fund manager (by funds under management) in the retail sector². In addition, we have been named Morningstar Fund Manager of the Year more times than any other organisation in New Zealand³ as at the date of this Investment Statement.

Investment approach

INGNZ is an investment manager with a solid track record and an experienced team of professionals. We have a clear understanding that when you invest your money with us, you want us to help you build your wealth over a number of years, at an acceptable level of risk.

We have developed and refined a disciplined investment process over many years that enables us to be proactive, informed decision makers. Investment decisions are based on high-quality research and analysis of broad economic conditions and specific investment assets in New Zealand and globally. An active management style is generally employed, although some exposures may be passively managed where we believe it is appropriate.

What sort of investment is this?

MFL Mutual Fund (“the Fund” or “MFL”) is a defined contribution superannuation fund registered under the Superannuation Schemes Act 1989. This means it is a fund into which you and others make investments, with the main purpose of providing for your financial needs in retirement. The amount of your investment, upon withdrawal, depends on the amount you invested, and the returns of the investment over the period of investing.

As a member of this large investment pool, you have the opportunity to invest in a portfolio of selected property investment assets, which are likely to be beyond the financial reach of most individual investors.

The Fund currently comprises one retail fund – the Property Fund.

MFL is controlled and managed according to a set of rules called the Trust Deed, with a Trustee (MFL Mutual Fund Limited) overseeing the management and administration of the Fund.

Investment valuation

Each member’s interest in MFL is represented by ‘units’, which are owned by the member.

The unit price for the Property Fund is determined by adding the market value of the Fund’s investments (generally on each business day) with any income (including accrued income), deducting all liabilities then dividing it by the number of units to obtain a value per unit.

The value of units fluctuates principally according to the changing values of the assets in which the Fund invests. Unit prices are calculated excluding Portfolio Investment Entity (PIE) tax attributable to investors. Refer to the Taxation section on page 7 for further information.

² FundSource Retail Funds Trends & Market Composition Report, December 2009.

³ In 12 out of the last 17 years.

Who is involved in providing it for me?

The Manager and Promoter

ING (NZ) Limited ("INGNZ") is responsible for selecting and managing all assets held by MFL, together with the overall administration and marketing of MFL (see below for further details on INGNZ). INGNZ is a wholly owned subsidiary of ANZ National Bank Limited, which is part of the ANZ Group. INGNZ may appoint specialist asset managers to manage specific assets of the Fund. Such managers may change from time to time without notice to investors.

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

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

Our current contact details are:

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

Directors of the Manager/Promoter

The Directors of the Manager/Promoter (who are also promoters of the Fund) may be contacted care of INGNZ as above. As at the date of this Investment Statement, the Directors of the Manager/Promoter are:

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

The Directors of the Manager/Promoter may change from time to time without notice to investors.

The Trustee

The Trustee is MFL Mutual Fund Limited, which oversees the management and administration of MFL. The Trustee does not guarantee your investment, but ensures it is managed in accordance with the Trust Deed, the Securities Act 1978 and the Superannuation Schemes Act 1989.

Contact details for the Trustee are as follows:

MFL Mutual Fund Limited
Level 27, ASB Bank Centre, 135 Albert Street
PO Box 7149, Wellesley Street, Auckland 1141

How much do I pay?

The unit price for the Fund is determined by adding the market value of the investments on each normal business day with any accrued income, and deducting all liabilities and then dividing the total number of units on issue.

The value of units principally fluctuates according to the changing values of the assets in which the Fund has invested. Unit prices are calculated excluding PIE tax attributable to investors. Refer to the Taxation section on page 7 for further information.

Single investments

Minimum investment	\$1,000 (lump sum) or \$400 per annum by monthly, quarterly, six-monthly or annual payment
Minimum balance	Not applicable
Additional investment	In multiples of \$1,000

Lump Sum Investments

There is a minimum initial investment of \$1,000 per new investment. Additional investments must also be made in multiples of \$1,000. Each single payment will incur an entry fee. Please refer to "What are the charges?" for a description of all fees and charges.

To make an additional investment, please complete a new application form.

Regular investments

A regular investment may be established to be paid monthly, quarterly, six-monthly or annually. The total of the regular investment must be a minimum of \$400 per annum. Regular investors should use the direct debit form at the back of this Investment Statement.

To vary your investment, please contact your financial adviser or ING Client Services staff, who will make the necessary arrangements for you.

Payments

Payments should be made to: 'MFL Mutual Fund Limited'. All initial investments should be mailed with a completed application form to:

ING (NZ) Limited
Level 27, ASB Bank Centre, 135 Albert Street
Freeport 324 (no stamp required)
PO Box 7149, Wellesley Street
Auckland 1141

International cheques will be subject to standard trading bank clearance procedures and timelines.

What are the charges?

Entry fee

The entry fee to the Fund may be up to 5% of all amounts invested and is payable to the financial adviser via the Manager. Where there is no financial adviser, then the fee will be paid to INGNZ.

Exit/switching fees

There are currently no exit or switching fees for the Fund. However, the Trustee may at any time impose such fees.

Management fee

The Manager charges management fees for investment management and other functions at a rate of 1.4% per annum. These fees are calculated on the gross asset value of the Fund on each valuation day and paid monthly in arrears. No Goods and Services Tax (GST) applies to the Manager's fee.

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

Trustee fee

The annual fee for the Trustee is a dollar amount to cover the remuneration, travel and miscellaneous expenses of the Trustee. As a percentage of gross funds under management, the fee is currently approximately 0.02%. There is no GST charged on any Trustee fee in relation to the Fund.

Expenses

The Manager may charge for expenses incurred in relation to the administration of the Fund. Examples of these expenses include audit, registry, postage and legal fees. GST will be added if applicable. In joining the Fund, members accept and authorise these deductions.

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

The Fund may invest in other managed funds in which fees and expenses are charged which may affect returns to the Fund's investors.

Management Expense Ratio

A Management Expense Ratio ("MER") is used to indicate the level of fees and expenses of the Fund (excluding transactional costs). The MER is not a separate fee. The MER does not show the actual ongoing fees and any other expenses of the Fund or any individual investor in the Fund. It shows the rate of fees and other expenses of the Fund as a percentage of the average size of the Fund over the relevant financial year. The MER is shown before tax. Expenses collected from underlying managers are collected on the basis of what they disclose, and reliance is placed on their completeness.

The MER for any financial year or any future period is not guaranteed. For example, if the average size of the Fund reduces, generally the MER will increase.

The MER is calculated in accordance with the following formula:

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

MER

Fund	31 Aug 2009	31 Aug 2008	31 Aug 2007
MFL Property Fund	1.76%	1.72%	1.70%

Notes to the charges

Management and Trustee fees, together with the other expenses of managing and administering the Fund, are paid by the Fund and are reflected in the unit price of your investment.

The fees charged may be changed from time to time by the Trustee.

What returns will I get?

Returns are reflected in the value of the units held in the Fund excluding PIE tax attributable to investors. Returns for tax paying investors will be adjusted for any tax payable or tax rebates received by cancelling or issuing your units in the Fund as described in the Taxation section on page 7.

The Fund is usually valued on each business day. In addition, investment earnings, if any, are reinvested to increase the 'pool' of money working for you.

Key Factors that determine returns

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

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

Other key factors that determine your returns are:

- The amount contributed to the Fund by you or on your behalf; and
- The investment performance of the Fund your contributions are invested in; and
- Fees, charges and expenses payable (as set out in the section “What are the charges?” on page 6); and
- Taxes payable by the Fund or you in respect of your investment, and any benefits payable to you.

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

The unit price for the Fund is available on the internet by going to www.ingnz.com. Alternatively, it may be obtained by calling your financial adviser, or contacting the Manager.

Taxation

The Fund elected to become a PIE from 1 October 2007.

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

In order for the Fund to correctly calculate and pay tax on behalf of its investors, each investor must provide the Manager with their IRD number and applicable PIR at the time of joining the Fund and when those details change. **If you do not notify us of your correct PIR and IRD number, or have not notified us of these details in the past, you will be subject to tax on the income attributed to you by the Fund (“attributed PIE income”) at the default rate of 30%.** We will seek reconfirmation of these details with you annually. If your previously notified rate has not changed, you do not need to reconfirm, as we will continue to tax your attributed PIE income at the rate last notified by you. To assess your correct PIR, please refer to the table below.

The PIRs are as follows:

PIRs	Who is eligible?
0%	A New Zealand tax resident trustee (other than a trustee that notifies a higher rate).
12.5%	<ul style="list-style-type: none"> • An individual who is a New Zealand tax resident and who has in either of the two income years before the current tax year earned: <ul style="list-style-type: none"> a) \$14,000 or less in taxable income (excluding attributed PIE income); and b) \$48,000 or less in total taxable income and attributed PIE income. • A New Zealand tax resident trustee of a testamentary trust who notifies this rate.
21%	<ul style="list-style-type: none"> • An individual who is a New Zealand tax resident and who does not qualify for the 12.5% rate, and who has in either of the two income years before the current tax year earned: <ul style="list-style-type: none"> a) \$48,000 or less in taxable income (excluding attributed PIE income); and b) \$70,000 or less in total taxable income and attributed PIE income.⁴ • A New Zealand tax resident trustee who notifies this rate.
30%	<ul style="list-style-type: none"> • An individual who is a New Zealand tax resident and who does not qualify for the 12.5% or 21% rates. • A non-New Zealand tax resident who notifies this rate. • When an investor does not provide both their PIR and IRD number, then this is the default rate. • A New Zealand tax resident trustee who notifies this rate.

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

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

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

⁴ The PIRs enacted as at the date of this Investment Statement do not fully reflect this position. Later this year remedial legislation is expected to be passed to correct this. This legislation is expected to come into effect retrospectively from 1 April 2010.

Withdrawals

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

Tax-paying Investors

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

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

- i) At the end of the tax year (following 31 March);
- ii) Upon a full withdrawal, transfer and/or switch; or
- iii) If at any time, especially on a partial withdrawal (including standing redemptions), partial transfer or partial switch, the value of the remaining units is, or could potentially become, insufficient to cover the Fund's accrued tax liability on such an investor's attributed PIE income. In these circumstances, the investor will be deemed to have made a full withdrawal and units will be cancelled on account of the accrued liability. The Manager will consider potential market movements when determining whether the remaining units are of sufficient value to cover the tax liability.

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

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

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

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

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

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

Zero-rated Investors

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

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

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

Calculation of taxable income and loss

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

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

Employer contributions

Employer contributions to the Fund are subject to employer's superannuation contribution tax (ESCT) at the standard rate of 33%.

However, you may elect, with your employer's agreement, to have the contribution treated as salary or wages and therefore subject to PAYE, with tax being deducted at your marginal tax rate.

Alternatively, your employer may elect to pay ESCT as described below:

- 12.5%: if your gross salary, wages and employer superannuation contributions were less than or equal to \$16,800 in the previous tax year.
- 21%: if your gross salary, wages and employer superannuation contributions were between \$16,801 and \$57,600 in the previous tax year.
- 33%: if your gross salary, wages and employer superannuation contributions were equal to or more than \$57,601 in the previous tax year.

These thresholds do not take into account the value of benefits subject to fringe benefit tax (e.g. a company car).

If you were not employed by your current employer for all of the previous tax year, then the dollar amount on which each of the above rates is based will be your employer's estimate of your total gross salary or wages and the employer superannuation contributions during the current tax year.

The deduction and payment of this tax is the responsibility of your employer.

Fund withdrawal tax (FWT)

Where withdrawals are made from the Fund consisting of contributions made by your employer (or from undetermined sources), the Trustee may be required to pay FWT of 5% of the amount withdrawn and will deduct that amount from the benefit paid. If the Trustee does not deduct this amount from the benefit paid and the Trustee is required to pay FWT, the Trustee has a statutory right to recover this amount from you.

FWT will generally not be payable:

- Where the withdrawal consists of contributions identified as your own;
- If you transfer from one superannuation fund to another;
- If a withdrawal is made to alleviate "significant financial hardship" or purchase an annuity or pension of 10 years or more or to purchase or pay certain insured benefits;
- Where a withdrawal is required to settle a dissolution of marriage or separation of spouses under the Property (Relationships) Act 1976 or any succeeding legislation;
- If employment ceases due to injury, disablement or death;
- If the withdrawal results from cessation of employment where you have been employed for at least two years and meet other specified criteria or upon partial retirement;

- If your taxable income and employer contributions paid on your behalf is less than \$60,000 per annum in each of the four years prior to the year of withdrawal;
- For employer contributions made prior to 1 April 2000 and thereafter, which have not increased as a percentage of your salary; or
- Where employer contributions have increased under an agreement made prior to 1 April 2000.

The FWT legislation is detailed and may have different consequences than those described above. You should seek independent professional tax advice before withdrawing.

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

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

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

Payment of returns

Details on accessing your investment are included under "How do I cash in my investment?" on page 11.

What are my risks?

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

Before investing it is important to consider if the Fund is best suited to your financial circumstances and investment objectives.

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

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

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

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

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

Investment risks

Specific investment risks include:

i) Market risk

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

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

ii) Currency risk

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

Funds have different levels of currency exposure depending on the asset classes they are invested in and the relevant hedging⁵ benchmark. The hedging benchmark can range from being unhedged through to fully hedged depending on the asset class (before or after tax). For some funds and asset classes the hedging is managed passively at the benchmark level, for others we may alter currency hedging levels from time to time.

iii) Concentration risk

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

iv) Liquidity risk

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

v) Derivatives

Financial instruments known as 'derivatives' may be used for the purposes of managing risks (particularly market and currency risk) and for investment purposes. A derivative is a contract with a return that is dependent on or derived from

one or more underlying assets or reference items. The most common underlying assets or reference items include shares, bonds, currencies, cash, interest rates, events, entities and market indexes.

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

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

Other risks

- i) Operational or systems failure may affect the Fund or financial markets.
- ii) The Trustee may, subject to Trust Deed provisions, borrow. This may exaggerate the effect of any increase or decrease in the value of the Fund's assets and increase the risk of insolvency.

Tax risks

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

Refer to the "Taxation" section on pages 7 to 9 of this Investment Statement for details of the risk of a deemed full withdrawal from the Fund where the value of an investor's remaining units in the Fund is not regarded as being sufficient to fund the Fund's tax liability in respect of that investor.

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

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

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

An investor advising a lower PIR than that applicable, or not advising a change to a higher rate, is obliged to pay the tax shortfall, plus any interest and penalties, and may be required to file a tax return. If an investor advises a higher rate than

⁵ Hedging is an investment technique designed to offset some of the risks or a potential loss on an investment by introducing another investment or market position which is expected to perform in a different way.

applicable, the excess tax paid cannot be claimed back as PIE tax is a final tax in those circumstances.

Personal liability

There are no circumstances in which you will be obliged to pay any further money, apart from the amounts disclosed in the section headed "How much do I pay?" on page 5, any tax liability attributed to you and any tax liability you incur personally as a result of failing to advise your correct PIR and IRD number. In particular, you will not be liable to pay money to any person as a result of the insolvency of the Manager or the Fund.

Termination

In the event of the Fund being wound up, after the payment of all creditors, costs and liabilities of the Fund, the Trustee will distribute the remaining moneys (if any) to investors in proportion to the units they hold in the Fund (subject to any adjustments for tax) or transfer your investment to another registered superannuation scheme. Investors in the Fund will rank equally (among themselves) if it is wound up.

Can the investment be altered?

At the time of application, you will be asked whether you wish to make a single investment into the Fund, regular investments, or a combination of both. You may subsequently increase the amount of your regular investment at any time. You may also reduce or suspend your investment (at no charge) by notifying the Manager. The minimum annual investment is \$400.

If you have provided for a single investment in your application, you may make any further investments by contacting your financial adviser, completing a new application form and paying the requisite fees. Refer to "What are the charges?" on page 6 for the requisite fees.

Transfers to other funds

Investors who have reached the age of 60 years are able to transfer between the Fund and any of the funds in SIL Mutual Fund and/or ING Unit Trusts. Transferring is deemed to be a withdrawal, and adjustments to units on account of tax on PIE income may occur on transferring. Refer to the Taxation section on page 7 for an explanation of taxation and other consequences that may arise on transferring.

Your financial adviser will assist you in the transfer process.

Before transferring, please ensure you receive and read a copy of the latest Investment Statement. We recommend you consult your financial adviser before transferring.

Trustee powers

The Trustee may at any time:

- Alter minimum levels and increase or impose fees relating to contributions;
- Alter the terms of the Trust Deed, subject to the Superannuation Schemes Act 1989 which, in certain circumstances, requires the consent of every member and beneficiary;
- Review and alter the investment strategy of the Fund.

How do I cash in my investment?

Making withdrawals

To assist you in reaching your goal of financial security in retirement, withdrawals are generally not permitted before you reach the age of 60. From age 60, withdrawals are available on written request. Withdrawals will be processed following the Fund's next valuation. You may have your withdrawal credited directly to your bank account or mailed to you by cheque.

Refer to the Taxation section on page 7 for an explanation of tax consequences that may arise on withdrawal.

The Fund may redeem or void certain units exceeding the permitted threshold so as to ensure PIE status can be maintained. See "Tax risks" on page 10.

Early withdrawal

Investors in the Fund who are under the age of 60 may normally withdraw only in the following circumstances:

- In the case of permanent physical or mental incapacity; or
- In the case of permanent emigration from New Zealand.

Payment on death

In the case of your death, your investment will form part of your estate and will be dealt with by your legal or personal representative/s.

You have the right to make provision in your Will for your MFL investment to be transferred – free of charge – to a person/persons named in your Will.

Transfer

You may transfer your benefit to another registered superannuation scheme that does not permit its members to withdraw at dates earlier than are permitted under the Fund. A transfer is deemed to be a withdrawal and adjustments to units on account of tax on PIE income may occur on a transfer. Refer to the Taxation section on page 7 for an explanation of taxation consequences that may arise on a transfer.

Assignment of investment

You may assign your benefit to another person if you comply with the Trustee's requirements relating to assignments. In the Trustee's opinion, there is no established secondary market for investments in the Fund.

Termination of MFL Mutual Fund

The Trustee may terminate the Fund at any time, in which case members' interests will be distributed in accordance with the Trust Deed.

Who do I contact with inquiries about my investment?

INGNZ will be able to assist with any inquiries.

INGNZ Client Services
Level 7, MFL House, 749 Colombo Street
Freeport 29 (no stamp required)
PO Box 186, Christchurch Mail Centre
Christchurch 8140

Tel: 03 367 2400 or 0800 108 685
Fax: 03 367 2401 or 0800 767 846
Email: service@ingnz.com
Website: www.ingnz.com

Any advice regarding an investment in the Fund should be sought from a financial adviser.

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

Should a problem arise, please contact INGNZ Client Services in the first instance and we will do our best to resolve your issue. Current contact details are below:

ING (NZ) Limited, Client Services
Level 7, MFL House, 749 Colombo Street
PO Box 186, Christchurch Mail Centre
Christchurch 8140

Tel: 0800 108 685
Fax: 0800 767 846
Email: service@ingnz.com

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

You may contact the Trustee at:

MFL Mutual Fund Limited
Level 27, ASB Bank Centre, 135 Albert Street
Freeport 324 (no stamp required)
PO Box 7149, Wellesley Street, Auckland 1141

Tel: 09 356 4000 or 0800 737 575
Fax: 09 356 4005 or 0800 425 737

The Insurance and Savings Ombudsman can be contacted at:

The Insurance and Savings Ombudsman
99–105 Customhouse Quay
PO Box 10-845, The Terrace
Wellington 6143
Tel: 04 499 7612

The Government Actuary can be contacted at:

The Government Actuary
Ministry of Economic Development
Level 6, 33 Bowen Street
PO Box 10-867, The Terrace
Wellington 6143
Tel: 04 913 3651

What other information can I obtain about this investment?

Further information about the Fund is contained or referred to in the Prospectus and Financial Statements of the Fund. Copies of the Prospectus and Financial Statements may be obtained at no charge by writing to or telephoning INGNZ Client Services.

The Prospectus (and any applicable extension certificate), Trust Deed, Financial Statements and other documents are also filed at the Companies Office of the Ministry of Economic Development, and are available for public inspection on the Companies Office website www.companies.govt.nz under "Search Other Registers".

You may also request a copy of these documents on payment of the relevant fee by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726. The offer of securities to which this Investment Statement relates has not been approved by the Registrar of Companies.

Members will automatically receive an Annual Statement of their investment detailing transactions made throughout the financial year and the value of their investment as at 31 August. An Annual Report will also be mailed to members after the financial accounts have been independently audited.

Other information available on request

You may request a copy of the most recent Investment Statement, free of charge, by writing to or telephoning INGNZ Client Services.

How to invest

To ensure correct interpretation of your details, please:

- Complete all details in black, ballpoint pen.
- Use CAPITAL LETTERS and print well within the boxes.
- Where you are given a choice of options, simply tick the appropriate box.
- If an item is not applicable, please leave the designated area unmarked.
- If you make a mistake, simply draw a line through the mistake and initial the change. Do not use correction fluid. Write the correct details above the designated boxes.
- If there are not enough boxes, please use any available space in the margins, or simply abbreviate.

Application form

Please complete the application form contained in this Investment Statement.

An application may be made in the name of one person only.

Applications made by anyone other than the investor named on the application form must be accompanied by a completed Appointment of Official Representative form/or Power of Attorney (as applicable).

If signed under Power of Attorney, the Attorney must certify that he/she has not received notice of revocation of the Power.

Cheques

Make your cheque payable to 'MFL Mutual Fund Limited' and cross it 'account payee only'.

Regular investments

To have your regular investment paid automatically through your bank account, please complete the direct debit form contained in this Investment Statement and return it to INGNZ, together with your application form and the cheque for your initial investment.

Return form/s and cheques

Mail your application form and cheque to:

INGNZ Client Services
Level 27, ASB Bank Centre, 135 Albert Street
Freepost 324 (no stamp required)
PO Box 7149, Wellesley Street
Auckland 1141

You will receive a Transaction Statement within seven working days. Please keep this in a safe place as it is an official record of your investment.

Investor identification

Under the Financial Transactions Reporting Act 1996 and under INGNZ's own compliance requirements, verification of identity is required in certain circumstances as outlined below.

The required identification for all investor categories must be received, complete, before any moneys can be banked and invested into an INGNZ-managed fund.

If, at a later date, you wish to add to your existing investment, or start another investment in a different INGNZ-managed fund, and your residency status has changed since making the original investment, you must provide identification documentation based on the new residency status that now applies to you.

The following identification requirements are effective, as at the date of this Investment Statement

Please note, in each of the following investor categories, "certified" means that the document must be certified as a true copy of the original with an original signature by an INGNZ-contracted financial adviser, lawyer, teacher, minister of religion, police officer, kaumatua, registered medical professional, justice of the peace or applicant's employer. The name, position and telephone number of the certifier must also be clearly noted.

Personal investors

New Zealand resident

No further identification documentation is required if your first investment payment is by way of:

- A personal cheque that is in your name and is drawn on a New Zealand bank account; or
- A direct debit authority that is in your name, is from your New Zealand bank account, and is accompanied by a certified photocopy of a bank-encoded deposit slip for the account. If the bank-encoded deposit slip is an original, no certification is required.

For all other methods of payment, please provide the following identification requirements:

1. A certified photocopy of one of the following forms of photographic identification:
 - Appropriate pages of passport
 - Driver licence
 - NZ firearms licence.

Or, if no form of photographic identification is available, please provide certified photocopies of two forms of non-photographic identification, e.g.

- Marriage certificate
- Birth certificate
- Credit or ATM card issued by a New Zealand bank, provided the signature is verified.

2. Evidence of your investor's physical residential address, e.g. a copy of a utility bill not more than six months old.

Investing for another person under Power of Attorney

For all methods of payment, please provide the following identification requirements:

1. Acceptable forms of identification for the person in whose name the investment is being made as specified under "Personal investors".
2. A certified photocopy of one of the following forms of photographic identification, for the attorney:
 - Appropriate pages of passport
 - Driver licence
 - NZ firearms licence.
3. A certified photocopy of the Power of Attorney.
4. A certificate of non-revocation of Power of Attorney.

Investing on behalf of a minor

No further identification documentation is required for the minor, if the first investment payment is by way of a personal cheque that is in the name of the minor and is drawn on a New Zealand bank account.

For all other methods of payment, please provide the following identification requirement:

- A certified photocopy of one of the following forms of photographic identification:
 - Appropriate pages of passport
 - Driver licence
 - NZ firearms licence
 - Birth certificate.

If the first investment payment is from anyone else other than the minor, i.e. third party – including parents, grandparents etc. then as well as identifying the minor in the manner specified above, the third party must also be identified.

No further identification documentation is required, for the third party, if the payment is by way of:

- A personal cheque in the third party's name and is drawn on a New Zealand bank account; or
- A direct debit authority in the third party's name, from a New Zealand bank account, and is accompanied by a certified photocopy of a bank-encoded deposit slip for the account. If the bank-encoded deposit slip is an original, no certification is required.

For all other methods of payment, please provide the identification requirements for the third party, as specified for personal investors above.

Terms and conditions for investing on behalf of a minor

A minor is anyone under the age of 18 years.

The 'Owner' of the investment is the person whose name and personal details appear on the application form.

The 'Authorised Signatory' is the person who signed the application form on behalf of the Owner.

Any future transactions in respect of this investment (e.g. withdrawals, transfers, switches, etc) must be signed by either the Authorised Signatory or the Owner. We cannot act on instructions from a parent or guardian who is NOT the Authorised Signatory.

The Owner may authorise any transaction in respect of the investment without the consent of the Authorised Signatory.

An Authorised Signatory should appoint a person in his/her will as a replacement Authorised Signatory. **A legal guardian of a minor who is not appointed as an Authorised Signatory (or as a replacement Authorised Signatory under a deceased Authorised Signatory's will) may not assume the role of Authorised Signatory.** Only the appointed Authorised Signatory has the power to sign for the benefit of the minor, i.e. the investment cannot be withdrawn for the appointed Authorised Signatory's benefit, or for the benefit of the deceased authorised signatory.

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

Third party payments

No further identification documentation is required if the source of funds is by way of a personal cheque that is in the name of the third party and is drawn on a New Zealand bank account.

For payments from regulated Australian and UK fund managers or pension transfer administrators, no identification of the third party will be required.

For all other methods of payment, identification of the third party may be required. Please contact us to discuss these requirements further.



Adviser's stamp:

Adviser's name:

Application Form

Please mail this Application Form, together with your cheque and any other relevant documentation to ING (NZ) Limited, Freepost 324, PO Box 7149, Wellesley Street, Auckland 1141 or fax to 0800 425 737.

Applications for investment in MFL shall only be accepted from people physically present in New Zealand

Investment Statement 1 April 2010

Investor details

Do you already have an investment with INGNZ? Yes No (please tick one) Investor number

Name TITLE SURNAME/FIRST NAME(S)
 Date of birth / / IRD number

Are you a New Zealand resident for tax purposes? Yes No (please tick one)

If 'No' please state your country of residence

Prescribed Investor Rate (PIR) (please tick one) 0% 12.5% 21% 30%

Please note: If any of the taxpayer details differ from what we currently have on record, they will be updated based on the new information provided, before processing the transaction.

Refer to page 7 to determine your applicable rate: if an elected tax rate is not selected 30% will apply.

Occupation

Postal address NUMBER / STREET / SUBURB / CITY
 Postcode

Residential address (if different to postal address) NUMBER / STREET / SUBURB / CITY
 Postcode

Email

Telephone
 Other phone
 Mobile
 Facsimile

Investment details

MFL Property Fund Single investment (minimum \$1,000) \$, . Regular investment (minimum \$400 per annum) \$, .

Payment: Please make your cheque payable to 'MFL Mutual Fund Limited' and cross it 'Account Payee Only'.

Regular investments: Please attach your cheque for the first regular investment.

Regular investment

I wish to invest \$, . Frequency: (Please tick one) Monthly Quarterly Half-Yearly Yearly

REGULAR AMOUNT commencing / /

Choose a frequency and complete the direct debit form included in this Investment Statement. For quarterly, half-yearly or yearly contributions, you may pay either by cheque or by completing the direct debit form.

Please detach and return to ING Client Services with your cheque.



Investor identification

Under the Financial Transactions Reporting Act 1996 and under INGNZ's own compliance requirements, we are obliged to verify the identity of all new investors. You may be asked to provide identification depending on how you make your first investment payment. Please indicate below the situation that describes your investment.

First payment is from a New Zealand resident by way of:

- Personal New Zealand dollar cheque in your name. → You do not need to provide any further identification.
- Direct debit in your name from a New Zealand bank account and a bank encoded deposit slip (original or certified copy) for that account will be provided. → You do not need to provide any further identification.
- Any other means. → Please provide identification as explained on page 13.

First payment is from a third party*:

- For all methods of payment. → Please provide identification as explained on page 14.

* Please confirm the relationship between you and the third party, e.g. solicitor, fund manager, mother, father, etc.

Depending on the method of payment identification of the third party may be required.

Personal information rights

Information collected in this form and any further information which the I/we may provide at any time may be disclosed to INGNZ, the Trustee and any other entity that provides services in relation to the Scheme, and may be used for the purposes of administering this product. In addition, this information may be used by INGNZ and its related companies for the purposes of introducing other products, services or marketing materials to me/us.

I/we acknowledge that ANZ Group may use the personal information collected about me/us for the purposes of meeting any ANZ Group policy requirements, including screening against anti-money laundering and anti-terrorism lists.

I acknowledge that where I have invested through a financial adviser, this information will be made available to the financial adviser whose name appears below and, in some instances, any other financial adviser or office support staff associated with the advisory practice. My financial adviser may also have electronic access to the investment information. Access is subject to strict security arrangement to maintain the appropriate levels of confidentiality. I acknowledge that I can access this information and can correct this information if necessary.

- Initial this box if you do not consent to receiving information on other products or services.

Email/facsimile

I authorise INGNZ or any other INGNZ related company to provide information regarding my investments via email or facsimile and to act on instructions regarding my investments received via email or facsimile. The email address(es) and/or facsimile number(s) that INGNZ may provide information to and act on instructions from are as detailed on this Application Form (or as otherwise notified to INGNZ in writing from time to time).

Limited liability and indemnity

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

Declaration

I have read the attached Investment Statement, in which this application form was contained, setting out a summary of my rights, obligations and benefits as contained in the MFL Mutual Fund Trust Deed.

I agree to be bound by the MFL Mutual Fund Trust Deed and hereby apply to become a Member of the said Fund.

I have read and understand the conditions relating to accessing my investment as outlined on pages 2, 11 and 12 of the Investment Statement.

If signed under Power of Attorney, the attorney hereby certifies that he/she has not received notice of revocation of that power.

Signature

Date

Adviser use only

Adviser Name

- (Please tick box.) I have verified the residential address provided on this Application Form and confirm it is the residential address of the Member. (The residential address can be verified by checking the electoral role, telephone book, sighting a copy of a recent utility bill or correspondence sent to the Member's residential address).

Brokerage

% (Actual fee/brokerage applicable for this investment)

Signature of Adviser

Office use only

Adviser company

Investor number

Commencement date

Scheme number

Batch number

Investor identity verified and required identification documents are applicable

Standard

Enhanced

Regular investment only

Pay frequency

Payment Method: Bank

Cheque

Investment per annum \$



Adviser's stamp:

Adviser's name:

Application Form

Please mail this Application Form, together with your cheque and any other relevant documentation to ING (NZ) Limited, Freepost 324, PO Box 7149, Wellesley Street, Auckland 1141 or fax to 0800 425 737.

Applications for investment in MFL shall only be accepted from people physically present in New Zealand Investment Statement 1 April 2010

Investor details

Do you already have an investment with INGNZ? Yes No (please tick one) Investor number

Name
 Date of birth / /
 IRD number

Are you a New Zealand resident for tax purposes? Yes No (please tick one)

If 'No' please state your country of residence

Prescribed Investor Rate (PIR) (please tick one) 0% 12.5% 21% 30%

Please note: *If any of the taxpayer details differ from what we currently have on record, they will be updated based on the new information provided, before processing the transaction.*

Refer to page 7 to determine your applicable rate: if an elected tax rate is not selected 30% will apply.

Occupation

Postal address
 Postcode

Residential address (if different to postal address)
 Postcode

Email

Telephone
 Mobile

Other phone
 Facsimile

Investment details

MFL Property Fund Single investment (minimum \$1,000) Regular investment (minimum \$400 per annum)
 \$, . \$, .

Payment: Please make your cheque payable to 'MFL Mutual Fund Limited' and cross it 'Account Payee Only'.

Regular investments: Please attach your cheque for the first regular investment.

Regular investment

I wish to invest \$, . Frequency: (Please tick one) Monthly Quarterly Half-Yearly Yearly

REGULAR AMOUNT
 commencing / /

Choose a frequency and complete the direct debit form included in this Investment Statement.
 For quarterly, half-yearly or yearly contributions, you may pay either by cheque or by completing the direct debit form.

Please detach and return to ING Client Services with your cheque.



Investor identification

Under the Financial Transactions Reporting Act 1996 and under INGNZ's own compliance requirements, we are obliged to verify the identity of all new investors. You may be asked to provide identification depending on how you make your first investment payment. Please indicate below the situation that describes your investment.

First payment is from a New Zealand resident by way of:

- Personal New Zealand dollar cheque in your name. → You do not need to provide any further identification.
- Direct debit in your name from a New Zealand bank account and a bank encoded deposit slip (original or certified copy) for that account will be provided. → You do not need to provide any further identification.
- Any other means. → Please provide identification as explained on page 13.

First payment is from a third party*:

- For all methods of payment. → Please provide identification as explained on page 14.

* Please confirm the relationship between you and the third party, e.g. solicitor, fund manager, mother, father, etc.

Depending on the method of payment identification of the third party may be required.

Personal information rights

Information collected in this form and any further information which the I/we may provide at any time may be disclosed to INGNZ, the Trustee and any other entity that provides services in relation to the Scheme, and may be used for the purposes of administering this product. In addition, this information may be used by INGNZ and its related companies for the purposes of introducing other products, services or marketing materials to me/us.

I/we acknowledge that ANZ Group may use the personal information collected about me/us for the purposes of meeting any ANZ Group policy requirements, including screening against anti-money laundering and anti-terrorism lists.

I acknowledge that where I have invested through a financial adviser, this information will be made available to the financial adviser whose name appears below and, in some instances, any other financial adviser or office support staff associated with the advisory practice. My financial adviser may also have electronic access to the investment information. Access is subject to strict security arrangement to maintain the appropriate levels of confidentiality. I acknowledge that I can access this information and can correct this information if necessary.

- Initial this box if you do not consent to receiving information on other products or services.

Email/facsimile

I authorise INGNZ or any other INGNZ related company to provide information regarding my investments via email or facsimile and to act on instructions regarding my investments received via email or facsimile. The email address(es) and/or facsimile number(s) that INGNZ may provide information to and act on instructions from are as detailed on this Application Form (or as otherwise notified to INGNZ in writing from time to time).

Limited liability and indemnity

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

Declaration

I have read the attached Investment Statement, in which this application form was contained, setting out a summary of my rights, obligations and benefits as contained in the MFL Mutual Fund Trust Deed.

I agree to be bound by the MFL Mutual Fund Trust Deed and hereby apply to become a Member of the said Fund.

I have read and understand the conditions relating to accessing my investment as outlined on pages 2, 11 and 12 of the Investment Statement.

If signed under Power of Attorney, the attorney hereby certifies that he/she has not received notice of revocation of that power.

Signature

Date

Adviser use only

Adviser Name

- (Please tick box.) I have verified the residential address provided on this Application Form and confirm it is the residential address of the Member. (The residential address can be verified by checking the electoral role, telephone book, sighting a copy of a recent utility bill or correspondence sent to the Member's residential address).

Brokerage

% (Actual fee/brokerage applicable for this investment)

Signature of Adviser

Office use only

Adviser company

Investor number

Commencement date

Scheme number

Batch number

Investor identity verified and required identification documents are applicable

Standard

Enhanced

Regular investment only

Pay frequency

Payment Method: Bank

Cheque

Investment per annum \$

Conditions of this authority to accept Direct Debits

1. The Initiator:

- (a) Undertakes to give notice to the Acceptor of the commencement date, frequency and amount at least 10 calendar days before the first Direct Debit is drawn (but no more than two calendar months). This notice will be provided either:
- (i) in writing; or
 - (ii) by electronic mail where the Customer has provided prior written consent to the Initiator.

Where the Direct Debit system is used for the collection of payments which are regular as to frequency, but variable as to amounts, the Initiator undertakes to provide the Acceptor with a schedule detailing each payment amount and each payment date.

In the event of any subsequent change to the frequency or amount of the Direct Debits, the Initiator has agreed to give advance notice of at least 30 days before changes come into effect. This notice must be provided either:

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

or

- (a) Will not initiate a Direct Debit on my/our account unless authorisation is received from me/us in accordance with the terms and conditions agreed between me/us and the Initiator of each amount to be debited from my/our account.
- (b) Has agreed to send notice of the net amount of each Direct Debit and the due date of debiting after receiving authorisation from me/us under clause (a) but no later than the date the Direct Debit will be initiated. This notice must be provided either:
- (i) in writing; or
 - (ii) by electronic mail where the Customer has provided prior written consent to the Initiator.

The notice will include the following message: "The amount \$.....was direct debited to your bank account on (initiating date)."

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

2. The Customer may:

- (a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
- (b) Stop payment of any Direct Debit to be initiated under this Authority by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.
- (c) Where a variation to the amount agreed between the Initiator and the Customer from time to time to be direct debited has been made without notice being given in terms of clause 1(a) above, request the Bank to reverse or alter any such Direct Debit initiated by the Initiator by debiting the amount of the reversal or alteration of a Direct Debit back to the Initiator through the Initiator's Bank PROVIDED such request is made not more than 120 days from the date when the Direct Debit was debited to my/our account.

3. The Customer acknowledges that:

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

4. The Bank may:

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

Directory

Manager and Promoter

ING (NZ) Limited

See page 5 for a list of the Directors of the Manager/Promoter.

Auckland

Level 27, ASB Bank Centre

135 Albert Street

PO Box 7149, Wellesley Street

Auckland 1141

Tel: 09 356 4000 or 0800 737 575

Fax: 09 356 4005 or 0800 425 737

Email: service@ingnz.com

Website: www.ingnz.com

Christchurch

Level 7, MFL House

749 Colombo Street

PO Box 186

Christchurch Mail Centre

Christchurch 8140

Tel: 03 367 2400 or 0800 108 685

Fax: 03 367 2401

Email: service@ingnz.com

Website: www.ingnz.com

Trustee

MFL Mutual Fund Limited

Level 27, ASB Bank Centre

135 Albert Street

PO Box 7149, Wellesley Street

Auckland 1141

Auditor

KPMG

Solicitor

Bell Gully

