

**New Zealand Assets Management Limited
New Zealand Assets Management (NZ) Limited**

Disclosure Statement

Prepared on 10th September 2009

About New Zealand Assets Management Limited and New Zealand Assets Management (NZ) Limited

New Zealand Assets Management Limited and New Zealand Assets Management (NZ) Limited, together called “NZAM” is a 100% New Zealand owned group that manages investments for a wide range of investors under a discretionary mandate.

This is a Disclosure Statement for the purposes of Part 4 of the Securities Markets Act 1988. NZAM and the advisers listed in the attached schedule (“Advisers”) make the following disclosures as investment advisers under the Securities Markets Act 1988.

Types of Securities

NZAM and its Advisers may from time to time by exercising the discretion under the mandate provide investment advice to you in relation to New Zealand and offshore shares, other equity-related securities, unit trusts, collective investment vehicles and other managed funds, participatory securities, debt instruments, foreign exchange contracts, futures contracts, contracts for difference, options and other fixed interest securities. Further details, and in some cases restrictions, can be found in your Contract for Investment Management Services, which is not changed by this Disclosure Statement.

Qualifications and Experience

The qualifications and experience of each of NZAM’s Advisers, and any relevant interests or relationships of the Advisers, are set out in the attached schedule to this Disclosure Statement.

Professional Indemnity Insurance

NZAM maintains professional indemnity insurance cover in respect of the investment management service provided by its Advisers.

Complaints Resolution

In the event that you wish to make a complaint about our service, you should make the complaint known in writing to the Director responsible for compliance at the address on the bottom of this document. We will let you know that your complaint has been received and the Director will make all necessary efforts to respond to your complaint within 10 working days.

Adverse Matters

NZAM, the principal officers of NZAM and the Advisers have not been convicted of any crime against the Securities Markets Act 1988 or the Securities Act 1978 or any offence involving dishonesty, nor been a director or principal officer of a body corporate at the time the body corporate committed any such crime or offence, nor been adjudicated bankrupt, nor prohibited by law or a court from taking part in the management of a company or business,

nor been the subject of an adverse finding by a court in any proceeding against it in its professional capacity, nor been expelled from (or prohibited from being a member of) a professional body. NZAM has not been placed in statutory management or receivership.

Interests, Relationships, Fees and Commissions Disclosure

NZAM in respect of the management of your investments will charge you fees based on the amount of funds managed by NZAM at the rate set out in your Contract for Investment Management Services. Your fee scale is currently as follows:

Establishment Fees

1% to 3,000,000/0.5% for 3,000,001 - \$10,000,000/negotiable thereafter + GST 12.50%

Ongoing Fees

1.125% to 1,000,000/1% thereafter + GST 12.50% per annum

In addition NZAM through its subsidiary NZAM Administration Limited is paid a fee by your Custodian, Public Trust, based on the funds held on your behalf by Public Trust for the provision of administration services relating to your investments. This fee scale is as follows:

0.25% to 1,000,000/0.125% thereafter per annum

NZAM is a party to a joint venture with Perinvest Management Limited which is the investment manager for the Perinvest Asia Fund and the Perinvest China Fund. NZAM receives both a share of the investment management fee and a share of the performance fee in the case of Perinvest China Fund. The balance of the fees charged in these Funds are earned by Perinvest. The fees earned by NZAM are as follows:

Perinvest Asia Fund - 1.60% for NZAM Clients (1.00% is rebated to portfolio clients)
0.60% for all other investors in the Fund

Perinvest China Fund- 1.25% for NZAM Clients (1.00% is rebated to portfolio clients)
0.25% for all other investors
5.00% of any gains as a performance fee.

Advisers are paid a fixed salary by NZAM and may qualify to share in the company's profits on a discretionary basis. Some Advisers are Directors of NZAM. Some Advisers family interests are shareholders in NZAM and receive dividends out of NZAM's profits.

Procedures for dealing with client funds

It is noted that NZAM does not receive client money or property, all of which is held on behalf of clients by a custodian.

NZAM's subsidiary NZAM Administration Limited does receive clients funds on behalf of the Custodian, Public Trust. These funds are deposited either by cheque or by direct payment from the client into bank accounts held by Masterportfolio Nominees Limited as custodial trustee. Masterportfolio Nominees Limited is a subsidiary of Public Trust. Bank accounts are held at the BNZ by Masterportfolio Nominees Limited in New Zealand Dollars, Australian Dollars, Euro, Great Britain Pounds and United States Dollars.

Any client funds held by Master Portfolio Nominees Limited are not available for use by either NZAM or NZAM Administration as they are held on trust for the client.

Director Responsible for Compliance

Simon Tompkins
Business Tel + 64 9 358 1517
Fax + 64 9 358 4532
Level 4, General Buildings,
29-33 Shortland Street
Auckland

PO Box 2673
Auckland

Schedule of Advisers

Simon Tompkins

Qualifications and Experience

Simon joined NZAM in 1997 as a Principal. Prior to this Simon had extensive experience in Merchant Banking where he was a senior executive of Investment Bankers, Fay Richwhite & Co for 12 years. Prior to joining Fay Richwhite & Co Simon was Managing Director of a listed finance company. He has 26 years of experience in the financial markets and graduated in law and commerce from Canterbury University in 1980. He is a member of the New Zealand Institute of Chartered Accountants and maintains the continuing education requirement of the Institute.

Relevant Interests

Simon is a Director of New Zealand Assets Management Limited and New Zealand Assets Management (NZ) Limited and his' family interests is a shareholder in New Zealand Assets Management Limited and therefore he has a financial interest in the business.

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Level 4, General Buildings
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Greg Jones

Qualifications and Experience

Greg established NZAM in 1991. Prior to this Greg was a portfolio manager with stockbrokers, Frank Renouf & Co based in Wellington. He has 20 years of investment management experience and is a Member of The New Zealand Society of Investment Analysts. He graduated with a Post Graduate Diploma in Business Finance from Auckland University in 1998. Greg heads NZAM's research team.

Relevant Interests

Greg is a Director of New Zealand Assets Management Limited and New Zealand Assets Management (NZ) Limited and his' family interests is a shareholder in New Zealand Assets Management Limited and therefore he has a financial interest in the business.

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Alan McChesney

Qualifications and Experience

Alan joined NZAM in 1995 as a Principal. Prior to this he was with Investment Bank, Fay Richwhite & Co Ltd. Alan also has extensive experience in owning and managing various private family companies. He graduated from Auckland University with a Post Graduate Diploma in Business in 1995. Alan has 15 years of investment management experience.

Relevant Interests

Alan is a Director of New Zealand Assets Management Limited and New Zealand Assets Management (NZ) Limited and his' family interests is a shareholder in New Zealand Assets Management Limited and therefore he has a financial interest in the business.

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Richard Riddell

Qualifications and Experience

Richard has 24 years experience in the banking and investment management industries. Prior to joining NZAM as a Principal in 1999, he was a Vice President of Bankers Trust NZ Ltd and prior to that, General Manager of Coronet Asset Management Limited and a Director of fund management for Southpac Investment Management Ltd. He graduated with a Bachelor of Agricultural Commerce from Lincoln University in 1980.

Relevant Interests

Richard is a Director of New Zealand Assets Management Limited and New Zealand Assets Management (NZ) Limited and his' family interests is a shareholder in New Zealand Assets Management Limited and therefore he has a financial interest in the business.

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Eric Mahoney

Qualifications and Experience

Eric joined NZAM in October 2007. He was previously 18 years with Citibank NZ with the last 11 years as Managing Director of Citibank Global Asset Management Limited in New Zealand. He was an advisor to the Asian Development Bank for three years after leaving Citibank and then consulted to a family development company until joining NZAM. Eric graduated with a Diploma of Business Administration from Victoria University in 1977. He has completed a number of advanced investment management internal Citibank courses in both UK and US.

Relevant Interests

Eric does not have a financial interest in the business, although he is a Director of New Zealand Assets Management (NZ) Limited.

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Mike Cruickshank

Qualifications and Experience

Prior to joining NZAM in 2008 Mike was working for a family office with a particular interest in global equity markets. He has previously worked for Credit Suisse and Royal Bank of Scotland in the UK and Strategic Asset Management in New Zealand. Mike graduated with honours from the University of Waikato where he completed a Bachelor of Management Studies majoring in finance.

Relevant Interests

Mike does not have a financial interest in the business, although he is a Director of New Zealand Assets Management (NZ) Limited.

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Graeme Kershaw

Qualifications and Experience

Graeme has 24 years in the investment management industry following 10 years in chartered accountancy. Prior to joining NZAM this year he was Head of Institutional Business Development at BT Funds Management, and prior to that was a Director of Southpac Investment Management for ten years. He graduated with a Bachelor of Commerce and Administration from Victoria University in 1973. He is an associate member of the New Zealand Institute of Chartered Accountants.

Relevant Interests

Graeme does not have a financial interest in the business, although he is a Director of New Zealand Assets Management (NZ) Limited.

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Dyrol Lowe

Qualifications and Experience

Dyrol joined NZAM in 2001 after completing his Bachelor of Commerce at the University of Auckland in 2000. Dyrol's prior experience has been in the medical field. He is responsible for marketing NZAM's services and managing existing client relationships.

Relevant Interests

Dyrol does not have a financial interest in the business, although he is a Director of New Zealand Assets Management (NZ) Limited.

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