

SEAFARERS RETIREMENT FUND
REGISTERED PROSPECTUS No. 14

and

SRF KIWISAVER SCHEME
REGISTERED PROSPECTUS No. 5

29 August 2011

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
PART 1 – Seafarers Retirement Fund		1
1	<i>Description of scheme</i>	1
2	<i>Superannuation trustees</i>	1
3	<i>Managers, promoters, auditors and advisers</i>	1
4	<i>Description of scheme and its development</i>	3
5	<i>Summary of financial statements</i>	14
6	<i>Guarantors</i>	16
7	<i>Acquisition of Business or Equity Securities</i>	16
8	<i>Interested persons</i>	16
9	<i>Material contracts</i>	19
10	<i>Pending Proceedings</i>	19
11	<i>Other terms of offer and scheme</i>	19
12	<i>Financial statements and auditor’s reports</i>	19
13	<i>Places of inspection of documents</i>	19
14	<i>Other material matters</i>	20
PART 2 – SRF KiwiSaver Scheme		21
1	<i>Description of scheme</i>	21
2	<i>Superannuation trustees</i>	21
3	<i>Managers, promoters, auditors and advisers</i>	21
4	<i>Description of scheme and its development</i>	22
5	<i>Summary of financial statements</i>	29
6	<i>Guarantors</i>	29
7	<i>Acquisition of Business or Equity Securities</i>	30
8	<i>Interested persons</i>	30
9	<i>Material contracts</i>	31
10	<i>Pending Proceedings</i>	31
11	<i>Other terms of offer and scheme</i>	31
12	<i>Financial statements and auditor’s reports</i>	31
13	<i>Places of inspection of documents</i>	31
14	<i>Other material matters</i>	32
PART 3 – Seafarers Retirement Fund and SRF KiwiSaver Scheme		
1	<i>Superannuation trustees’ statement</i>	35
	<i>Directory</i>	36

The information in this Prospectus is required by the Securities Regulation 2009 (the **Regulations**). The numbering used for the clauses in this Prospectus corresponds with that used in Schedule 6 to the Regulations.

This Prospectus is in three parts: Part 1 includes all matters that relate to the Seafarers Retirement Fund; Part 2 includes all matters that relate to SRF KiwiSaver Scheme; Part 3 includes matters that relate to both the Seafarers Retirement Fund and SRF KiwiSaver Scheme; in all cases the Prospectus excludes any matters which do not apply or are not relevant to the Fund and/or the Scheme.

All enactments referred to in this Prospectus may be viewed at www.legislation.govt.nz.

This prospectus is dated 29 August 2011 and:

- for Seafarers Retirement Fund relates to the offer of interests in a registered superannuation scheme; and
- for SRF KiwiSaver Scheme relates to the offer of interests in a registered KiwiSaver scheme.

A copy of the prospectus has been delivered to the Registrar of Companies at Wellington for registration under section 42 of the Securities Act 1978, with all attachments and endorsements required by that Act.

PART 1

SEAFARERS RETIREMENT FUND

1 Description of scheme

The scheme is called the Seafarers Retirement Fund. The term the **Fund** is generally used throughout this prospectus when referring to the Seafarers Retirement Fund.

The Fund is a defined contribution superannuation scheme registered under the Superannuation Schemes Act 1989. It was established in Wellington in 1972 by The New Zealand Seafarers' Union (formerly the New Zealand Seamen's Union Industrial Union of Workers). On the dissolution of The New Zealand Seafarers' Union the Maritime Union of New Zealand (the **Union**) assumed the obligations of the union under the Fund.

The Fund is designed to assist members and employees of the Maritime Union of New Zealand save for their retirement.

2 Superannuation trustees

Trustees

The names and addresses of the Trustees are set out in the Directory to this Prospectus.

Trustees indemnified

Under the terms of the Trust Deed the Trustees are entitled to be indemnified out of the Fund for all liabilities and expenses they may incur in managing and administering the affairs of the Fund including exercising any powers, authorities and discretions vested in them by the Trust Deed. They may also be indemnified against all actions, proceedings, costs, expenses, claims or demands in regard to any matter or thing done or omitted in any way relating to the Trust Deed.

No Trustee can be indemnified out of the fund in cases of fraud or wilful negligence.

Independence of the Trustees

The Trustees are independent of the administration manager and the investment managers of the Fund. However, the Maritime Union of New Zealand appoints three of the trustees and the Employer's Management Committee also appoints three trustees. The three trustees appointed by the Union are all members of the Union.

One of the trustees appointed by the Employer's Management Committee is an employee of an employer participating in the Fund (other than the Union). The Chairman of the Trustees, David Scott, is also appointed by the Employers' Management Committee.

Neither the Union, any member of the executive of the Union, the participating employers or the Employers' Management Committee guarantee the securities (i.e. a member's interest in the Fund) offered by this prospectus.

3 Managers, promoters, auditors and advisers

The administration manager of the Fund is Aon New Zealand (the Administration Manager). Details of the Administration Manager are set out in the Directory to this Prospectus.

The Trustees invest assets of the Fund in units issued by AMP Capital Investment Funds (AIF), Colonial Master Superannuation Scheme (CMSS) and the Client Unit Trust (WUT47 and WUT25). CMSS is a registered superannuation scheme and as such are not investment managers of the Fund. However, the trustee of this scheme uses the services of investment managers to invest the assets of the respective schemes. The details are set out below.

Within AIF are a series of registered unit trusts and as such are not investment managers of the Fund. However, the trustee of each of these unit trusts within AIF uses the services of investment managers to invest the assets of the respective trusts.

WUT47 and WU25 are each a separate and distinct wholesale unit trust established under the master trust known as Client Unit Trust and as such are not investment managers of the Fund. However, the fund manager of WUT47 AND WUT25, AXA Global Investors Limited, of 80 The Terrace, Wellington 6011, sub-delegates the management of the assets of each respective wholesale unit trust to delegated fund managers. The details are set out below.

The manager of Client Unit Trust is Assure New Zealand Limited of 80 The Terrace, Wellington 6011. The trustee of Client Unit Trust is The New Zealand Guardian Trust Company Limited of 48 Shortland Street, Auckland 1010. Assure New Zealand Limited and AXA Global Investors Limited are wholly owned subsidiaries of AXA Asia Pacific Holdings Limited.

AIF

The trustee of the unit trusts within AIF, The New Zealand Guardian Trust Company Limited of 15 Willeston Street, Wellington, uses the services of AMP Investment Management (N.Z.) Limited (AIM), 171 Featherston Street, Wellington, another member of the AMP Group, to manage the investments of AIF.

Neither AMP Limited nor any other member of the AMP Group guarantees the assets of the Fund invested in AIF, or the investment performance or returns under the Fund, or any investor's interest in the Fund or the securities, being membership of the Fund, offered by this prospectus.

WUT47

The fund manager of WUT47, AXA Global Investors Limited, currently sub-delegates the investment of the assets to the fund manager, State Street Global Advisors, The delegated fund manager may change without notice.

Neither Assure New Zealand Limited, AXA Global Investors Limited nor any other member of the Global AXA Group, The New Zealand Guardian Trust Company Limited or the delegated fund manager guarantees the assets of the Fund invested in WUT47, or the investment performance or returns under the Fund, or any investor's interest in the Fund or the securities, being membership of the Fund, offered by this prospectus.

WUT25

The fund manager of WUT25, AXA Global Investors Limited currently sub-delegates the investment of the assets to the fund managers, Pacific Investment Management Company LLC (PIMCO) and BlackRock Financial Management Inc. The delegate managers may change without notice.

Neither Assure New Zealand Limited, AXA Global Investors Limited nor any other member of the Global AXA Group, The New Zealand Guardian Trust Company Limited or the delegated fund managers, guarantees the assets of the Fund invested in WUT25, or the investment performance or returns under the Fund, or any investor's interest in the Fund or the securities, being membership of the Fund, offered by this prospectus.

Reference to the investment managers

For convenience, the investment managers AMP Investment Management (N.Z.) Limited and AXA Global Investors Limited are referred to in this prospectus as AIF, WUT47 and WUT25.

Promoters

The Promoters of the Fund are Maritime Union of New Zealand and the executive members of the Union who are not trustees of the Fund. Full details of the Promoters are set out in the Directory to this Prospectus.

Professional Appointees

The names and addresses of the auditors, solicitors and any other professional advisers involved in the preparation of this Prospectus are set out in the Directory to this Prospectus.

There are no experts named in this Prospectus.

4 Description of scheme and its development

The Fund is governed by a Trust Deed consolidated on several occasions and the latest consolidated Trust Deed of the Fund is dated 22 April 2008.

The Trust Deed was amended in April 2008 to provide for the inclusion of a KiwiSaver scheme, called the SRF KiwiSaver Scheme, within the trust. The SRF KiwiSaver Scheme is a separate scheme from the Fund. The Trust Deed was further amended on 23 April 2009.

The Fund is a defined contribution employer-subsidised superannuation scheme. It is designed to help members and employees of the Union save for their retirement. It provides for a member of the Fund to make regular contributions as a deduction from his or her salary or wages. With the exception of non-subsidised members, each member's employer also contributes to the Fund on behalf of the members it employs.

The terms and conditions of the Fund are set out in a Trust Deed. These are summarised below.

Admission of other employers

An employer who employs members of the Union may request the Trustees to extend the benefits of the Fund to its eligible employees. Where the Trustees agree to extend the benefits in respect of such employees, the employer shall enter into a deed of adoption with the Trustees under which it will agree to comply with and observe the provisions of the Trust Deed.

Where the benefits of the Fund are extended to the employer of non-subsidised members the deed of adoption shall not include any obligation for the employer to contribute to the Fund in respect of its employees. It will also allow the Trustees to cancel such employer's participation in the Fund if, in the Trustees' opinion, such participation is not likely to be economic.

Eligibility to join

The Trust Deed provides that all employees and members of the Union shall join the Fund.

Contributions

A member will contribute to the Fund a percentage of his or her "gross earnings" which includes overtime or any other special allowances or payments. Under the terms of the Trust Deed the percentage of earnings is agreed between each member and his or her employer. In practice, it is negotiated from time to time between the Union and the employers participating in the Fund.

There are three contribution categories. They are ordinary rate members, reduced rate members and non-subsidised members. Members who are not reduced rate members or non-subsidised members will be ordinary rate members. At the date of this prospectus employees of Kiwi Rail (formerly Toll Holdings and previously Tranz Rail Limited) who join the Fund on or after 6 October 1998 will be reduced rate members. However, new members of other employers or new employers participating in the Fund in future could also be reduced rate members of the Fund. Non-subsidised members are those in respect of whom their employer does not make any contributions to the Fund. A reduced rate member cannot contribute less than 1% of earnings and an ordinary member or non-subsidised member cannot contribute less than 4% of earnings. However, each member can agree in writing with his or her employer to make contributions to the Fund at a greater rate than 1% or 4% of earnings, as is applicable.

Where a member is also contributing to a KiwiSaver scheme:

- (a) the member may elect to reduce his or her contributions to the Fund by the amount they are contributing to the KiwiSaver scheme; and
- (b) the employer's contributions to the Fund on the member behalf will be reduced by the amount it is contributing to the KiwiSaver scheme in respect of the member subject to the employer's contributions to the Fund and the KiwiSaver scheme being in aggregate not less than the amount the employer would otherwise have contributed to the Fund.

A member may make voluntary lump sum contributions to the Fund of not less than \$100 per payment.

Each employer shall contribute on behalf of each member 2 times the amount of each ordinary and reduced rate member's contribution (excluding for this purpose, any member's lump sum contributions). An employer will not make any contributions in respect of a non-subsidised member.

Each participating employer pays employer superannuation contribution tax (ESCT) to the Inland Revenue Department on its contributions to the Fund. The standard rate of ESCT is 33% but individual participating employers may, at their discretion, decide to adopt lower rates of ESCT, i.e. 10.5%, 17.5% or 30% depending on member's personal rates of income tax. However, from 1 April 2012 all employers will be required to adopt these lower rates of ESCT. ESCT reduces the amount each employer contributes to the Fund in respect of the members.

Accounts

Two accounts are set up for each member. They are:

- a Member's Account, into which the member's contributions (including any voluntary lump sum contributions) and any amounts transferred into the Fund and apportioned to this account are paid; and
- an Employer's Account, into which the employer's contributions on behalf of each member and any amounts transferred into the Fund and apportioned to this account are paid. An Employer's Account will not be maintained in respect of each non-subsidised member.

The Trustees may, at their discretion, deduct from the Employer's Account of such members an equitable share of the expenses of the Fund. However, with the exception of the partial withdrawal fee (see page 18) it is the current practice of the Trustees to pay the administration fees and other expenses of the Fund from the Reserve Account (see below). The benefit payment fee and any partial withdrawal fee are deducted from the Employer's Account of an ordinary or reduced rate member in respect of whom the benefit or withdrawal is being paid. Alternatively, if the Trustees consider it equitable and prudent, the partial withdrawal fee can be deducted from the Member's Account.

For all non-subsidised members an equitable share of the expenses of the Fund is deducted from the Member's Account of such members. In addition, the benefit payment fee and any partial withdrawal fee will also be deducted from the Member's Account.

From time to time the Trustees shall, at their absolute discretion, determine a rate of interest* having regard to the earnings in respect of the investment of the Fund's assets. The rate of interest shall be applied by the Trustees as at 31 March each year to the Members' and Employers' Accounts. However, in the event of a member's retirement, death or leaving the service of Union and/or ceasing to be a member of the Union, interest will be credited as the time the benefit falls due. (**Note - the interest rates determined by the Trustees may be positive or negative.*)

The Trustees also maintain a Reserve Account in the Fund. Money allocated to this account arises from:

- amounts not used to pay benefits when a member leaves the Fund, e.g. the portion of the Employer's Account that has not vested in the member;
- unclaimed benefits;
- investment income earned on the money comprising the account.

The Trust Deed provides that the Reserve Account can be used to:

- pay employer contributions;
- pay members' contributions on an equitable basis;
- increase the retirement benefits of all members on an equitable basis;
- provide benefits other than retirement benefits for all members on an equitable basis;
- pay hardship benefits;
- pay the expenses of the Fund;
- make other payments as the Trustees may consider appropriate;
- pay unclaimed benefits.

Transfers to the Fund

The Trustees may accept transfers of money into the Fund from another superannuation or similar scheme on behalf of a member. Money received directly from another scheme will be apportioned between the Member's Account and the Employer's Account as agreed between the parties. However, money paid into the Fund by the member will be added to the Member's Account.

Benefits and Cessation of Membership

Benefits are paid from the Fund on a member's:

- retirement
- ill-health that results in the member leaving the Union
- resignation
- partial withdrawal
- death
- otherwise ceasing to be employed by a participating employer or be a member of the Union e.g. redundancy.

A member's membership of Fund shall terminate on the earlier of:

- a member leaving the service of his or her employer or ceasing to be a member of the Union for any reason and receiving his or her benefit;
- a member's benefit being forfeited to the Fund because the member has become bankrupt or one of the member's creditors has taken proceedings for the attachment of the member's benefits;
- the winding-up of the Fund.

On a member's retirement from the seafaring industry on or after attaining age 65 (Normal Retirement Date*), a benefit of the aggregate of the Member's Account and the Employer's Account is paid. The benefit is generally paid as a lump sum although the member can request to have all or part of the benefit applied to purchase an annuity from a life insurance company.

*Note: the Normal Retirement Date in respect of a member who joined the Fund prior to 1 January 1996 is the member's 60th birthday.

A member is not entitled to a retirement benefit until he or she actually ceases to be an employee of an employer or a member of the Union. This means that a member who remains working on or after his or her Normal Retirement Date will not receive a retirement benefit until he or she actually leaves the seafaring industry.

A member will also be entitled to a benefit of the aggregate of the Member's Account and the Employer's Account where the member:

- ceases to be a member of the Union with the Union's consent because of ill-health or physical disability or for any other reason which in the opinion of the Trustees is not attributable in any manner to the actions or conduct of the member; or
- in the opinion of the Trustees ceases to be an employee or member of the Union because of redundancy.

A member leaving his or her employer and/or the Union prior to retirement (other than in the event of death) is entitled to a lump sum resignation benefit (“leaving service benefit”) of the Member’s Account plus a percentage of the Employer’s Account for each complete year of continuous membership in the Fund. The percentage is determined as follows:

Complete Years of Continuous Membership*	Percentage of Employer’s Account	Complete Years of Continuous Membership*	Percentage of Employer’s Account
less than 3	nil	12	60%
3	15%	13	65%
4	20%	14	70%
5	25%	15	75%
6	30%	16	80%
7	35%	17	85%
8	40%	18	90%
9	45%	19	95%
10	50%	20 or more	100%
11	55%		

*Any period of non-subsidised membership shall be taken into account when calculating the years of continuous membership.

A member entitled to a leaving service benefit may elect to transfer all or part of his or her benefit to another superannuation scheme. Where a member takes up further employment within the seafaring industry and elects to transfer the leaving service benefit to the scheme of his or her new employer, the Trustees may at their discretion increase the benefit to be transferred up to a maximum of 100% of the Member’s Account and the Employer’s Account.

At the discretion of the Trustees a member may be entitled to receive a benefit while remaining a contributing member of the Fund. The Trustees establish the conditions under which a member may withdraw a part of his or her resignation benefit (“partial withdrawal benefit”) from the Fund while remaining a member and continuing to pay contributions. The Trustees may review the conditions from time to time. Details of the current conditions can be obtained from the Secretary of the Fund (see page 23 for contact details).

If a member has received a partial withdrawal benefit from the Fund and subsequently becomes entitled to a leaving service benefit before completing 20 years continuous membership, the member’s entitlement to a share of the Employer’s Account will be adjusted to reflect the proportion, if any, of the Employer’s Account that was included in the partial withdrawal benefit.

The formula to calculate the adjustment is:

$$[(EA + EPWB) \times VS] - EPWB$$

where

EA is the Employer’s Account

EPWB is the member’s partial withdrawal benefit, and

VS is the percentage of the Employer’s Account determined in accordance with the table on the previous page.

In the event of the death of a member while a member of the Fund there is a lump sum benefit of the aggregate of the Member’s Account; and the Employer’s Account.

Note - Most members who joined the Fund prior to 1 April 2006 are also provided with insurance cover in the event of their death.

The Trustees at their discretion pay the death benefit to:

- one or more of the member’s dependants;
- the member’s legal personal representative (i.e. the executor or administrator of the member’s estate).

The Trustees may pay the death benefit in such shares and proportions as they at their discretion determine, i.e. they may pay part of the benefit to one or more dependants of the member and the balance to the legal personal representative.

A member entitled to receive a benefit from the Fund may request the Trustees in such form as the Trustees may prescribe, to defer the paying the whole or a part of the member’s benefit.

During the period of deferment the Trustees will continue to apply the rate of interest determined in respect the Fund.

Final payment of a member's deferred benefit will be paid on the earlier of the member's request for payment or on the member's 70th birthday.

The beneficiary of a death benefit payable from the Fund is not entitled to request the Trustees to defer the payment of such benefit.

The Trustees may defer the payment of the whole or part of any benefit if it would be impracticable or unduly interfere with the orderly administration of the Fund, (e.g. while they wait for a death certificate or possibly a copy of a will if a deceased member has no dependants). The Trustees may, provided the Trustees have the consent of the member or dependant, also defer payment of benefits to members or their dependants where it would be in the best interests of that member or dependant.

The Trustees may augment any deferred benefit between the date it fell due and the date final payment is made. However, the augmentation shall not exceed the rate of interest that would have applied had it been paid on the date it originally fell due for payment.

Group Insurance

No Group Insurance is provided in respect of any member joining the Fund on or after 1 April 2006.

Unclaimed benefits

The Trustees shall exercise reasonable diligence in tracing members and beneficiaries entitled to benefits. However, if they are unsuccessful, any benefits which have not been claimed within seven years of becoming due for payment shall be paid into the reserve account. If a claim is made later than seven years, the Trustees shall pay the benefit claimed out of the Fund.

Assignment of benefits

No member may assign his or her benefits in the Fund nor use them as security for a loan.

Bankruptcy and incapacity to manage own affairs

If a member becomes bankrupt or in the event of proceedings being taken by any creditor for the attachment of any benefits, then such benefits shall be forfeited to the Fund. The Trustees shall, at their discretion, apply the forfeited benefits towards the support of the member and/or any dependants of the members.

Any benefits shall only be forfeited to the Fund to the maximum extent permitted by law. As a result, members should not rely on their benefits being protected in the event of bankruptcy.

If in the opinion of the Trustees a member becomes incapable of managing his or her own affairs, the Trustees may administer any benefits on that member's behalf. At their discretion the Trustees shall apply any such benefits towards the support of the member and/or any dependants of the member.

Investment Provisions

The Trustees may invest the assets of the Fund in accordance with the provisions of the Trustee Act 1956. The Trustees are obliged by the Trustee Act to invest the assets prudently. The Trustees and their appointed investment managers are required in exercising the power of investment, to exercise the care, diligence and skill required of that person in terms of the Trustee Act.

The Trustees can appoint and remove any investment manager, from time to time, on terms to be agreed between the Trustees and such manager.

The contributions by and on behalf of all new members together with the majority of the existing members of the Fund are invested in the Market Investment Fund. Details of the Market Investment Fund are set out on 11 and 12.

On 1 April 2009 the Trustees re-opened the Conservative Fund so that members can elect to switch from the Market Investment Fund to the Conservative Fund (see page 13). However, any member who elects to make a switch to the Conservative Fund cannot subsequently switch back to the Market Investment Fund. All switches will be implemented on 20th of the month after the request to switch is received.

Note – Between 1 April 2000 and 1 April 2009 the Conservative Fund was closed to new members as well as any existing members invested in the Market Investment Fund.

The Trustees must treat each investment fund as a separate and distinct fund within the Fund, with its separate assets and liabilities governed by the Trust Deed. All investments made are held exclusively for the benefit of members who have invested in or, where eligible, have elected to invest in each fund. Similarly the liabilities of each fund are exclusive to that fund.

Appointment and replacement of Trustees

There are six trustees of the Fund. Three of the Trustees are appointed by the management committee of the Union and known as the member trustees and three are appointed by the Employers' Management Committee, known as the employers' trustees.

A trustee will cease to hold office if he or she:

- resigns from office by notice in writing to the Union and the Employers' Management Committee;
- becomes bankrupt;
- becomes of unsound mind;
- is removed from office by the Employers' Management Committee in the case of an employers' trustee;
- ceases to be a member or is removed from office by the management committee of the Union in the case of a member trustee;
- is removed by operation of law.

Employers' Management Committee

The employers participating in the Fund shall appoint a management committee of three persons. Unless the employers otherwise agree, generally only one person from any one participating employer will be appointed to the committee. The committee is appointed for one year although any member can stand for re-appointment.

The role of the management committee is to provide a link between the Trustees and the participating employers and to monitor the performance of the employers' trustees. Employers are levied to fund the outgoings of the committee as well as payments to the employers' trustees.

Trustees' powers and responsibilities

The Trustees have the absolute discretion to enter into and execute all agreements and do everything necessary for the purpose of securing the benefits mentioned in the Trust Deed and for effecting and carrying out the trusts, powers, authorities and discretions conferred on them under the deed. In particular they have the power to delegate their functions, including investment management, and to seek professional advice.

Fees and Expenses

The Trustees may be remunerated out of the Fund for their services at a rate approved by the Employers' Management Committee and the Union. Details of the current remuneration (if any) being paid to the Trustees is set out on page 18.

The Trustees are also entitled to be reimbursed for all costs incurred by them in carrying out the powers, authorities and discretions vested in them by the Trust Deed including initiating, conducting or settling any court proceedings. However, they are not entitled to any reimbursement or indemnity if legal proceedings are found to result from their wilful neglect or default.

Amendments to the Trust Deed

The Trustees may, with the written consent of the Union and the Employers' Management Committee, amend the Fund's Trust Deed subject to the provisions of the Superannuation Schemes Act 1989 (these provisions require that changes which would adversely affect the benefits arising from membership up to the date of change can only be made if the affected members give their consent).

Winding up the Fund

The Fund can be wound up if:

- the Union ceases to exist;
- the Union decides that continuing the Fund is no longer practicable or advisable or the Fund has failed to achieve its objects; or
- the Trustees resolve to wind up the Fund.

Should either of the first two events above occur, the Trustees may at their discretion, decide to continue the Fund as a closed plan for the benefit of the existing members. In such circumstances no further contributions will be paid by the members or the participating employers. Each member will be entitled to a benefit equal to the Member's Account and the Employer's Account at the wind-up date, adjusted to the extent considered by the Trustees to be in the best interests of the beneficiaries and to allow the Fund to continue as a closed plan.

The Trustees could continue the Fund as a closed plan for as long as they consider it in the best interests of the beneficiaries and may also subsequently resolve to wind up the Fund. If the Fund was continued the Trustees may amend the Trust Deed in order to assist with the administration of the Fund. Any such amendment would not require the consent of the Union or the Employers' Management Committee.

Any costs and expenses associated with winding up the Fund would be paid first. Next, all benefits due but not paid prior to the winding up date would be paid. Afterwards, the sum of each Member's Account and Employer's Account would be paid as a lump sum to the members. If the value of the assets of the Fund were less than the total of the balances of all Members' Accounts and Employers' Accounts, the amount paid to Members would be reduced on a pro-rata basis.

The Reserve Account balance (if any) would be allocated and paid to all the ordinary and reduced rate members on a pro rata basis as at the date the Fund is wound up.

Investments

Description of investments

The assets of the Fund are currently invested on term deposit with the ANZ Bank and in units issued by the wholesale registered superannuation scheme, AMP Capital Investment Fund (AIF).

In addition, assets of the Fund are currently in units issued by the following wholesale unit trusts, WUT47 AND WUT25).

As mentioned on page 2, the trustees of each of the above use the service of various investment managers as set out in the table below:

Scheme or Unit Trust	Investment Manager
AIF	AMP Investment Management (N.Z.) Limited
WUT47	State Street Global Advisors
WUT25	Pacific Investment Management Company LLC & Blackrock Financial Management Inc

In addition the Trustees also hold a direct property investment in 26 Vestey Drive, Mount Wellington, Auckland as well as a term deposit with the ANZ Bank.

The contributions by and on behalf of members who join the Fund on or after 1 April 2000 are invested in the Market Investment Fund. Details of this fund can be found on the next page. However, from 1 April 2009 members of the Fund can elect to switch to the Conservative Fund (see below). Details of this fund can be found page 13.

Material developments

Changes relating to investments

Effective 10 July 2007 the Trustees purchased the property at 26 Vestey Drive, Mount Wellington Auckland. As a consequence of the purchase of this asset the benchmarks of the Fund's investments in Australasian equities and New Zealand Bonds were reduced. Details of the new benchmarks are set out in the table on page 11.

In October 2007 the New Zealand equities assets of the Fund invested in the AMP Superannuation Investment Trust (ASIT) were migrated to the AMP Capital Investment Fund (AIF). Similarly in February 2008 the New Zealand Bonds and Cash assets of the Fund were migrated to AIF from ASIT. This migration of assets occurred to take advantage of the new tax regime introduced on 1 October 2007.

With effect from 15 November 2009 AXA International Equity Index Fund (IEIF) and the International Bond Fund (IBF) was wound up. The assets of the Fund that were invested in the IEIF and the IBF were transferred to WUT47 and WUT25 respectively in the Client Unit Trust. The wind up and the transfer of the Fund's assets to WUT47 and WUT25 occurred to take advantage of a new tax regime that had been introduced in October 2007.

From 1 April 2009 members invested in the Market Investment Fund can elect to transfer the investment of their savings from the Market Investment to the Conservative Fund. However, having elected to switch to the Conservative Fund the member will not be able to subsequently switch back to the Market Investment Fund.

From 30 September 2009 the Trustees changed the benchmark of the Conservative Fund the details of which are set out in the table on the next page.

With effect from 30 Jun 2011 the Trustees terminated its investments in the Colonial Master Superannuation Scheme and at the date of this Prospectus the assets invested on term deposit with the ANZ Bank, while the Trustees select another investment manager or managers to invest the Fund's New Zealand equities.

Changes relating to the Trust Deed

On 22 April 2008 the Trustees amended the Trust Deed to:

- (a) create an umbrella trust and to establish within that trust a registered KiwiSaver scheme; and
- (b) provide for the member to elect to reduce his or her contributions to the Fund by the amount the member is contributing to a KiwiSaver scheme and for the employers contributions to be reduced by the amount the employer is contributing to a KiwiSaver scheme on behalf of a member.

On 23 April 2009 the Trust Deed was amended to enhance the vesting scale of members who ceased to be employees or members of the Union prior to their normal retirement date. The change provided for members who had completed 3 and 4 years continuous membership to be entitled to 15% and 20% respectively of their Employer's Account.

Changes to the Administration

Effective 1 June 2007 the Trustees appointed Aon New Zealand as the administration manager of the Fund in place of Jacques Martin New Zealand Limited.

Member's Liability

No member will incur a liability (including a contingent liability) in respect of the Fund other than the obligation to pay his or her own contributions.

Investment objectives and policy

Market Investment Fund (referred to as the Market Linked Investment Fund in the Trust Deed)

The assets of the Market Investment Fund are invested in units issued by ASIT, WUT47 and WUT25, which are wholesale, unitised investment trusts for the investment of superannuation scheme assets.

Each manager invests a portion of the assets of the Market Investment Fund and Conservative Fund, as follows:

- AIF 30% of New Zealand Equities
100 % of New Zealand Bonds
100% of Cash
- WUT47 100% of Overseas Equities
- WUT25 100% of Overseas Bonds

The 70% of New Zealand equities previously invested in the Colonial Master Superannuation Scheme are, at the date of this Prospectus, being held on term deposit with the ANZ Bank while the Trustees select another investment manager or managers to invest the New Zealand equities.

The investment objective of the Market Investment Fund is a return of at least 3% per annum after tax and expenses over every consecutive five year period over and above the rate of inflation.

The Trustees also hold in respect of the Market Investment Fund the direct investment in the property at 26 Vestey Drive, Mount Wellington Auckland.

Conservative Fund (referred to as the Cash Accumulation Investment Fund in the Trust Deed)

The assets of the Conservative Fund are invested in units issued by AIF,

The allocation of assets of the Conservative Fund between the investment sectors is as follows:

Asset Class	Market Benchmark	Conservative
	%	%
Australasian Equities	30	0.5
International Equities	30	0.8
Property	10	-
Total Growth Assets	70	1.3
New Zealand Bonds	10	-
International Bonds	15	1.6
Cash	5	97.1
Total Income Assets	30	98.7

The above benchmark sector allocations will be used as the Benchmark Strategy for the purpose of performance measurement.

Active and Passive Management

Investments in the international equity sector are managed using a “passive” style. The investments in the remaining sectors are “actively” managed.

Passive investment management (or “indexing”) is an investment approach that seeks to match the investment returns of a specified benchmark, or index. When indexing, the manager replicates the investment results of the target index holding all - or in the case of large indices such as overseas equities a representative sample - of securities in the index. There is no attempt to use traditional “active” money management or to take a “bet” on individual stocks in an attempt to outpace the index. Thus, indexing is a “passive” investment approach emphasising broad diversification and low portfolio trading activity.

An “active” style of management is one in which the manager identifies and buys investments that are expected to produce returns that will be higher than others. The degree of “activity” is measured by how different the resulting portfolio is from an index (which is based on the average return for that investment class).

Monitoring Investment Performance

The Trustees monitor the investment objectives and policy of each investment fund of the Fund on an ongoing basis to ensure that the adopted strategy continues to meet the current requirements. The Trustees may, after consultation with its advisers and the investment managers, change the investment objectives and policy of both or any one of the investment funds of the Fund.

If the Trustees were not satisfied at any stage with the performance of an investment manager, they may look for an alternative manager.

Investment Performance

Market Investment Fund

The investment earnings of the Market Investment Fund are based on changes in the value of the underlying investments held for the fund. An increase in the value of the investments will result in a positive return being achieved. Conversely, if there is a reduction in the value of the underlying investments, a negative return will be declared.

The net-of-tax investment earnings declared for the Market Investment Fund over the past 5 years are shown in the following table.

Year ended 31 March	Investment Earnings
2011	7.06%
2010	16.41%
2009	-11.03%
2008	-6.75%
2007	4.29%

The returns shown in this table are net of investment management fees and expenses and taxes.

The net returns are calculated by the following formula:

$$\text{Net Return} = \frac{100 \times (I - F - T - X)}{A}$$

- Where
- I = Investment Income earned by Market Investment Fund (MIF) in the year including realised and unrealised gains and losses
 - F = Investment Management Fees in respect of the MIF for the year and any other fees in respect of the MIF that are not met from the reserve account or the Employer’s Account
 - T = Income Tax payable in respect of the MIF for the year
 - X = Interest earned in the year that was paid to Members who were invested in the MIF and who received a benefit from the Fund during the year
 - A = The average amount of assets invested in the MIF over the year excluding the benefits paid to Members during the year

In other words, the return net of fees and expenses, is expressed as a percentage of average assets.

Conservative Fund

The investment earnings of the Conservative Fund are based on changes in the value of the underlying investments held for the fund. An increase in the value of the investments will result in a positive return being achieved. Conversely, if there is a reduction in the value of the underlying investments, a negative return will be declared.

The net-of-tax investment earnings declared for the Conservative Fund over the past 5 years are shown in the following table.

Year ended 31 March	Investment Earnings
2011	2.41%
2010	2.20%
2009	-2.90%
2008	2.19%
2007	4.74%
The returns shown in this table are net of investment management fees and expenses and taxes.	

The net returns are calculated by the following formula:

$$\text{Net Return} = \frac{100 \times (I - F - T - X)}{A}$$

- Where
- I = Investment Income earned by Conservative Fund (CF) in the year including realised and unrealised gains and losses
 - F = Investment Management Fees in respect of the CF for the year and any other fees in respect of the CF that are not met from the reserve account or the Employer’s Account
 - T = Income Tax payable in respect of the CF for the year
 - X = Interest earned in the year that was paid to Members who were invested in the CF and who received a benefit from the Fund during the year
 - A = The average amount of assets invested in the CF over the year excluding the benefits paid to Members during the year

In other words, the return net of fees and expenses, is expressed as a percentage of average assets.

Allocation of investment returns

The investment returns achieved each year are calculated on the average daily balances of each member’s accumulated savings and are applied to each account annually. The practice of the Trustees at the date of this prospectus is to apply the return of the Market Investment Fund and Conservative Fund to members’ account balances on 31 March each year according to the investment fund the members has elected to invest in.

The Trustees may also determine interim investment returns from time to time during the year for the purpose of calculating and paying any benefits that become due.

The past investment earnings of the Market Investment Fund and the Conservative Fund are no indication of the investment earnings that may be achieved in the future.

5 Summary of financial statements

The following is a summary of the financial statements of the Fund for each of the years ended on 31 March (this summary relates to the Fund as a whole and includes both the Market Investment Fund and the Conservative Fund).

	2011	2010	2009	2008 \$	2007 \$
Investment Activities					
Investment Income					
Gains/(losses) on Financial Assets at Fair Value	2,742,351	4,872,258	(4,097,745)	(2,669,548)	1,903,226
Rental Revenue	294,796	302,062	303,159	202,106	-
Income reimbursed from Aon	-	14,971	-	-	-
Interest	7,497	215,474	12,468	21,168	15,448
Total investment income/(deficit)	3,044,644	5,404,765	(3,782,118)	(2,446,274)	1,918,674
Less investment management expenses					
Investment management fees	151,473	181,135	160,056	128,506	192,667
Net investment revenues/(deficit)	2,893,171	5,223,630	(3,942,174)	(2,574,780)	1,726,007
Other revenues					
Insurance claims proceeds	20,000	-	5,000	-	30,000
	2,913,171	5,223,630	(3,937,174)	(2,574,780)	1,756,007
Operating expenses					
Administration and Actuarial Fees	81,384	80,417	83,282	75,692	41,391
Auditor's Remuneration – Audit fees	16,054	17,719	12,094	11,194	10,433
Auditor's Remuneration – Taxation fees	8,318	16,144	3,594	10,463	4,372
IRD Use of Money Interest	359	-	-	-	-
Legal fees	10,163	-	8,742	7,340	3,167
Group Life Premiums	28,423	32,359	5,575	56,745	56,745
Other Expenses	42,097	23,425	66,923	75,872	70,582
Secretarial Remuneration	47,219	52,424	11,286	10,302	18,011
Trustee Liability Insurance	6,785	6,413	6,911	6,412	6,750
Property Expenses	(700)	2,950	3,810	15,437	-
Total operating expenses	240,102	231,851	202,217	269,457	211,451
Net income/(loss) before tax	2,673,069	4,991,779	(4,139,391)	(2,844,237)	1,544,556
Income tax (expense)/credit	(370,108)	(104,679)	(211,432)	3,668	109,535
Net income/(loss) after tax	2,302,961	4,887,100	(4,350,823)	(2,840,569)	1,654,091
Membership Activities					
Unallocated contributions	41,795	(70,217)	120,042	104,432	-
Employer contributions	2,391,329	2,008,418	2,246,787	1,871,402	1,654,245
Member contributions	1,609,331	1,357,974	1,537,736	1,313,446	1,188,604
Total contributions		3,296,175	3,904,565	3,289,280	2,842,849
Benefits Paid	2,125,368	3,557,638	4,379,964	4,343,955	3,617,245
Net membership activities	1,917,087	(261,463)	(475,399)	(1,054,675)	(774,396)
Increase/(Decrease) in Net Assets During the Year	4,220,048	4,625,637	(4,826,222)	(3,895,244)	879,695
Allocated to:					
Members & Employer accounts	4,211,589	4,698,152	(4,947,654)	(4,001,036)	837,414
Unclaimed Benefits account	(6,029)	(70,217)	120,042	104,432	42,158
Reserve account	2,430	(2,298)	1,390	1360	123

The following are the net assets as at 31 March each year

	2011	2010	2009	2008	2007
	\$	\$	\$	\$	\$
Total assets	44,294,013	40,021,584	35,443,553	40,284,547	44,115,811
Total tangible assets	44,294,013	40,021,584	35,443,553	40,284,547	44,115,811
Less: liabilities other than liabilities for accrued benefits	105,112	52,731	100,337	115,109	51,129
Net assets available to pay benefits	44,188,901	39,968,853	35,343,216	40,169,438	44,064,682

The amounts shown in this summary of the financial statements have been taken from the audited financial statements of the Fund.

6 Guarantors

- (1) Neither the Crown nor any other person guarantees the payment of any money payable from the Fund.
- (2) Not applicable.

7 Acquisition of Business or Equity Securities

- (1) See clause 7(2) below.
- (2) No business or equity securities have been acquired for the purposes of any of the investments of the Fund at any time in the two years preceding the date of registration of this Prospectus.
- (3) See clause 7(2) above.

8 Interested persons

Services

The investment managers, AIF, WUT47 and WUT25 provide the Trustees with investment management services in respect of the investment of the Market Investment Fund. The services of each manager include investing the assets of the Fund in the appropriate asset class.

The services provided by the administration manager, Aon New Zealand, include maintaining the Fund's records and accounts, processing benefit payments, preparing the Fund's accounts and providing the Trustees with information to complete their annual report to members.

The Chairman of Trustees, David Scott, provides the secretarial services for the Fund and the Trustees. This includes arranging and attending trustee meetings, preparing and circulating meeting minutes, handling member enquiries and liaising with the various service providers.

Remuneration and expenses

The following is a summary of the remuneration and expenses recovered from the Fund for the services provided by the Trustees, the Secretary, the Administration Manager and Investment Managers.

Administration Manager's fees	<p>The Trustees pay administration fees from the assets of the Fund to the Administration Manager (Aon New Zealand). Some of the Administration Manager's fees are fixed amounts and some are charged with the agreement of the Trustees. The current fixed fees are:</p> <ul style="list-style-type: none">• \$1,420.01 per month• \$5.68 per member per month <p>The Administration Manager will also charge the Fund for any bank fees it incurs for operating the cheque account in the name of the Fund.</p> <p>All the above fixed fees may, without notice, be adjusted each 1 March by the percentage increase in the consumer price index published by Statistics New Zealand. Therefore any increase in these fees is limited by the increase in the consumer price index.</p> <p>The Administration Manager may vary the above fees at any time in consultation with the Trustees, in the event of any changes in legislation or the Trust Deed that require changes in the services provided by the administration manager. There is no dollar limit on the amount that could be charged under any variation to the fees.</p>
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	<p>The fees for any work undertaken by the Administration Manager in addition to its regular prescribed duties will be agreed with the Trustees. The Administration Manager is not entitled to recover any expenses it may incur in respect of its administration of the Fund (other than the bank fees already mentioned above).</p>																				
<p>Investment Managers' fees</p>	<p>The investment management fees are deducted by each Investment Manager from the assets it invests on behalf of the Fund before the investment earnings of that manager are determined each year. The current fees of the investment managers are:</p> <p>AIF:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Investment Fund</th> <th style="text-align: right;">Fee per \$1,000 of the value of assets in each Class</th> </tr> </thead> <tbody> <tr> <td>NZ Cash Fund</td> <td style="text-align: right;">\$4.50</td> </tr> <tr> <td>NZ Equities Strategic Fund</td> <td style="text-align: right;">\$10.00</td> </tr> <tr> <td>NZ Fixed Interest Fund</td> <td style="text-align: right;">\$5.50</td> </tr> </tbody> </table> <p>There is also a transaction fee for Fixed Interest and NZ Equities of:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Fund</th> <th colspan="2" style="text-align: center;">Transaction Fee per \$1,000</th> </tr> <tr> <td></td> <th style="text-align: center;">Entry fee</th> <th style="text-align: center;">Exit Fee</th> </tr> </thead> <tbody> <tr> <td>NZ Equities Strategic Fund</td> <td style="text-align: center;">\$3.50</td> <td style="text-align: center;">\$3.50</td> </tr> <tr> <td>NZ Fixed Interest Fund</td> <td style="text-align: center;">\$0.50</td> <td style="text-align: center;">\$1.50</td> </tr> </tbody> </table> <p>The NZ Equities Strategic Fund also provides for performance fees which at the date of this Prospectus, has only been charged for the Fund year ended 31 March 2009. Where total funds under management exceed \$6 million, there is a fee rebate of 18% of the fee in respect of funds in excess of \$6 million.</p> <p>The administration fee shall be increased for each subsequent year by the increase in the Consumer's Price Index. The investment charges may be altered by notice in writing to the Trustees.</p> <p>IEIF</p> <ul style="list-style-type: none"> 0.35%pa of assets up to \$10m 0.25%pa of assets \$10-\$20m 0.20%pa of assets \$20-\$30m 0.10%pa of assets over \$30m <p>Custody charges will be payable in addition to the above investment management fees. There is no limit on the amount of custody charges payable.</p> <p>IBF</p> <ul style="list-style-type: none"> 0.55%pa of assets up to \$5m 0.45%pa of assets \$5-\$10m 0.40%pa of assets \$10-\$20m 0.35%pa of assets \$20-\$50m 0.20%pa of assets over \$50m <p>Custody charges will be payable in addition to the above investment management fees. There is no limit on the amount of custody charges payable.</p> <p>Expenses such as brokerage fees, will also be deducted by each investment manager together with the costs of purchasing and maintaining any property investments. There is no dollar limit on the amount of expenses that may be deducted by each Investment Manager.</p> <p>Any adjustment to the fees payable to the investment managers would be agreed between the Trustees and the respective managers. There is no dollar limit on the amount of any adjustment in the investment management fees.</p>	Investment Fund	Fee per \$1,000 of the value of assets in each Class	NZ Cash Fund	\$4.50	NZ Equities Strategic Fund	\$10.00	NZ Fixed Interest Fund	\$5.50	Fund	Transaction Fee per \$1,000			Entry fee	Exit Fee	NZ Equities Strategic Fund	\$3.50	\$3.50	NZ Fixed Interest Fund	\$0.50	\$1.50
Investment Fund	Fee per \$1,000 of the value of assets in each Class																				
NZ Cash Fund	\$4.50																				
NZ Equities Strategic Fund	\$10.00																				
NZ Fixed Interest Fund	\$5.50																				
Fund	Transaction Fee per \$1,000																				
	Entry fee	Exit Fee																			
NZ Equities Strategic Fund	\$3.50	\$3.50																			
NZ Fixed Interest Fund	\$0.50	\$1.50																			

Continued over

	<p>Malinowski & Associates Property managers Malinowski & Associates will be paid a fee of 8% (plus GST) of the rental of any property investment held by the Trustees.</p>
Trustees	<p>A Trustee can be paid a fee out of the Fund for his or her services subject to the approval of the Employers' Management Committee and the Union. There is no dollar limit on the amount of the fee that can be paid to a Trustee from the Fund. However, at present none of the Trustees are paid any fees for their services as Trustees although one Trustee is paid for his services as secretary to the Trustees (see below). The Trustees can also be reimbursed from the assets of the Fund for any expenses they incur in the course of carrying out their duties, e.g. travel costs, attending superannuation seminars. There is no limit to the level of reimbursement the Trustees can receive.</p>
Secretarial services	<p>David Scott is currently paid from the Fund for the time the Secretary spends in providing secretarial services for the Fund and the Trustees. The amount, which is currently paid from the Reserve Account, is negotiated from time to time between the Trustees and David Scott. The amount can be increased and there is no dollar limit on the amount of payment that the Secretary may receive.</p>
Partial withdrawal benefit fee	<p>A fee of \$100 is currently charged in respect of each member who is paid a partial withdrawal benefit from the Fund (see page 6). The fee is credited to the Reserve Account of the Fund. The Trustees may from time to time increase the partial withdrawal benefit fee. There is no dollar limit on the amount of this fee.</p>
Professional fees and expenses	<p>The Trustees pay professional fees and expenses from the Fund and the amounts vary depending on the work required to be carried out by the Fund's advisers. The fees are largely in respect of advice and services provided to the Trustees by the Fund's professional advisers and solicitors. There is no dollar limit in respect of the professional fees and expenses that may arise from year to year.</p>

The fees and expenses recovered from the Fund for the services of the Investment Managers and Administration Manager are provided for in the contracts between the Trustees and each manager.

Material interests

Three of the Trustees, G W Parsloe, J W Jeffery and M J Clark are members of the Fund. In addition, one member of the executive of Union, J D Fleetwood, is a member of the Fund. They each have an interest in the Fund in so far as they are entitled to all benefits accruing to them in their respective Member's Account, Employer's Account and the insurance cover, if any, arranged in respect of them.

The Administration Manager has an interest in the Fund in so far as the Administration Manager's fees set out on page 16 are paid from the Fund to the Administration Manager. Similarly, the investment managers also have an interest in the Fund in so far as their respective investment management fees are paid from the assets of the Fund they invest on behalf of the Trustees.

The Trustees also have an interest in the Fund in so far as the Secretary is reimbursed from the Fund for secretarial services.

Securities issued by interested persons

During the past two years more than 10% of the assets of the Fund have been invested in units issued by Colonial Master Superannuation Scheme (to 30 June 2011 only), AIF (and formerly ASIT), WUT47 and WUT25.

A small float is maintained in an interest bearing bank account in the name of the Fund to handle day-to-day cash flow.

9 Material contracts

The Trustees have entered one new contract in respect the Fund during the two years prior to the date of this Prospectus.

New Investor Application Form

Effective Date: 15 November 2009
Parties: AXA Global Investors Limited and the Trustees of Fund
Nature of Agreement: This application records the Trustees wish to invest some of the assets of the Fund in the WUT47 International Passive Equities Trust and the WUT25 Global Fixed Income Trust provided under Wholesale Client Unit Trust.

10 Pending Proceedings

There are no legal proceedings or arbitrations that are pending at the date of registration of this Prospectus that may have a material or adverse effect on the Fund.

11 Other terms of offer and scheme

There are no other terms of the offer of the Fund that are not already set out in this Prospectus.

12 Financial statements and auditor's reports

The latest financial statements for the Fund cover the year ending 31 March 2011. A copy of the financial statements was filed with the Registrar of Companies on 28 July 2011.

The auditor's unqualified report for the year ended 31 March 2011 is dated 29 June 2011. The auditor's report did not refer to any fundamental uncertainty in the financial statements of the Fund.

The auditor's report in respect of the summary of the financial statements on pages 14 and 15 is attached.

13 Places of inspection of documents

Copies of the Trust Deed (including all amendments), financial statements, the material contracts referred to in this prospectus and the latest annual report of the Fund are available for inspection during normal business hours (8.30am to 5pm) at:

Maritime Union of New Zealand
1st Floor, Waterside House
220 Willis Street
Wellington

Copies of the Trust Deed (including all amendments), financial statements and material contracts referred to in section 11 of this prospectus can be viewed on the Companies Office website www.companies.govt.nz under "Search Other Registers". The file reference number is "1802254". Copies of the documents may also be obtained (on payment of the relevant fee) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726.

A copy of the Trust Deed or the material contracts referred to in this prospectus may be purchased from the Trustees at 20¢ per page with a maximum of \$10.00 for each document.

The address is:

David Scott
Secretary to the Trustees
Seafarers Retirement Fund
C/- 87 Simla Crescent
Khandallah
Wellington 6035

Copies of the financial statements and latest annual report are also available free of charge from the same address.

14 Other material matters

Investment Management Agreements

The Trustees have in place agreements in respect of the investment of the assets of the Fund with the trustees of AIF, WUT47 and WUT25. Each agreement sets out the terms and conditions of the respective agreements relating to the management and investment on behalf of the Trustees of those assets investment in AIF, WUT47 and WUT25.

The life of this prospectus

The Fund is intended to continue indefinitely. However, this prospectus has a maximum life of 9 months from the date of the last registered financial statements (i.e. to 31 December 2011), though if, on or before 31 December, the Trustees complete and register an appropriate certificate pursuant to the Securities Act 1978 then the expiry date of the prospectus will be nine months after the date of that certificate.

During this period there may be changes in relation to the Fund, e.g. the Trustees and/or the executive member of the Union may change and/or there may be benefit improvements. The Securities Act 1978 provides that if the prospectus is false or misleading in a material particular by reason of failing to refer or to give proper emphasis to adverse circumstances, then the prospectus will no longer be valid. Where this is not the case, such changes will, if applicable, be incorporated in the next prospectus in respect of the Fund and this Prospectus will not be amended in the meantime.

PART 2

SRF KIWISAVER SCHEME

1 Description of scheme

- (1) The scheme is called the SRF KiwiSaver Scheme (the **Scheme**).
- (2) The Scheme is a registered KiwiSaver scheme registered under the KiwiSaver Act 2006.
- (3) The Scheme was established by trust deed (the **Trust Deed**) in Wellington on 22 April 2008.

2 Superannuation trustees

- (1) The names and addresses of the Trustees are set out in the Directory to this Prospectus.

The Trustees may change from time to time.

- (2) Not applicable.
- (3) Not applicable.
- (4) None of the Trustees has during the five years preceding the date of registration of this Prospectus been:
 - (a) adjudged bankrupt or insolvent;
 - (b) convicted of any crime involving dishonesty;
 - (c) prohibited from acting as a director of a company; or
 - (d) placed in statutory management, voluntary administration, liquidation or receivership.
- (5) A Trustee may be indemnified by the Scheme as follows:

Under the terms of the Trust Deed the Trustees are entitled to be indemnified out of the Fund for all liabilities and expenses they may incur in managing and administering the affairs of the Fund including exercising any powers, authorities and discretions vested in them by the Trust Deed. They may also be indemnified against all actions, proceedings, costs, expenses, claims or demands in regard to any matter or thing done or omitted in any way relating to the Trust Deed.

No Trustee can be indemnified out of the fund in cases of fraud or wilful negligence.

- (6) The Trustees, the administration manager and the investment managers of the Scheme are all independent of one another.

However, the Maritime Union of New Zealand appoints 3 of the trustees and the Employer's Management Committee also appoints 3 trustees. The 3 trustees appointed by the Union are all members of the Union.

One of the 3 trustees appointed by the Employer's Management Committee is an employee of one of the employers participating in the Fund (other than the Union). The Chairman of the Trustees, David Scott, is also appointed by the Employers' Management Committee.

Neither the Union, any member of the executive of the Union, the participating employers or the Employers' Management Committee guarantee the securities (i.e. a member's interest in the Fund) offered by this prospectus.

3 Managers, promoters, auditors and advisers

- (1) The Administration Manager of the Scheme is Aon New Zealand (the **Administration Manager**). Details of the Administration Manager are set out in the Directory to this Prospectus.

The Trustees invest assets of the Fund in the Market Investment Fund of the Seafarers Retirement Fund (see pages 2 and 3 of Part 1 of this Prospectus for details of the manner in which the assets of the Scheme are invested. Members of the Scheme are not eligible to invest in the Conservative Fund available to members of the Seafarers Retirement Fund.

- (2) The Promoters of the Scheme are Maritime Union of New Zealand and the executive members of the Union who are not trustees of the Scheme. Full details of the Promoters are set out in the Directory to this Prospectus.
- (4) Neither the Administration Manager or the Investment Managers or any of their respective directors has, during the five years preceding the date of registration of this Prospectus been:
 - (a) adjudged bankrupt or insolvent;
 - (b) convicted of any crime involving dishonesty;
 - (c) prohibited from acting as a director of a company; or
 - (d) placed in statutory management, voluntary administration, liquidation or receivership.
- (5) The names and addresses of the auditors, solicitors and any other professional advisers involved in the preparation of this Prospectus are set out in the Directory to this Prospectus.

There are no experts named in this Prospectus.

4 Description of scheme and its development

- (1) The Scheme was established by the Trustees by a trust deed dated the 22 April 2008 (the **Trust Deed**).
- (2) The terms and conditions of the Scheme, as set out in the Trust Deed, are summarised below. The information provided is intended as a general summary. If more detailed information is required, Member and potential Members should inspect the Trust Deed in the manner discussed in paragraph 13 of this Prospectus.

Unless the context otherwise requires, capitalised terms in this summary of principal terms have the same meaning as those terms have in the Trust Deed.

Contributions and other assets held on trust

The Trustees will hold all contributions and other assets of the Scheme on trust in accordance with the terms of the Trust Deed.

Admission of members

Natural persons shall be admitted to members of the Scheme as follows:

- (a) in respect of any members of the Union and any employees of the Union where the member's or employee's employer has entered a participating agreement with the Trustees to become a participating employer under the Scheme in respect of such members or employees; or
- (b) in respect of any employees engaged in the seafaring industry in New Zealand where the employer has entered a participating agreement with the Trustees to become a participating employer under the Scheme in respect of such employees; or
- (c) in respect of any person who is a member of a Scheme member's immediate family who is not admitted under (a) or (b) above, by contracting directly with the Trustees to become a member.

Cessation of membership

A person shall cease to be a member on the first to occur of:

- (a) the member death;
- (b) the member receiving his or her full benefit from the Scheme and ceasing to have any further entitlement under the Scheme;
- (c) the member transferring from the Scheme to another scheme and ceasing to have an entitlement under the Scheme.

Admission of other employers

An employer who employs members of the Union may request the Trustees to extend the benefits of the Scheme to its eligible employees. Where the Trustees agree to extend the benefits in respect of such employees, the employer shall enter into a participating agreement

with the Trustees under which it will agree to comply with and observe the provisions of the Trust Deed.

Contributions

The Trustees shall accept:

- (a) contributions required to be made to the Scheme by or in respect of a Member under the KiwiSaver Act (including Crown Contributions);
- (b) amounts transferred from another KiwiSaver scheme in respect of the Member.

The Trustees may accept other amounts in respect of a member subject to such terms and conditions as the Trustees may determine from time to time.

Unless an employee is taking a contributions holiday as permitted by the KiwiSaver Act, and employee must contribute to the Scheme at least the minimum contribution rate of that employee's salary or wages in accordance with sections 64 to 69 of the KiwiSaver Act.

Calculation of benefits

For the purposes of calculating benefits under the Scheme, the KiwiSaver Act and the KiwiSaver Scheme Rules require the calculation of amounts representing the "member's accumulation" (the **Member's Accumulation**) as that term is defined in the KiwiSaver Act. The Trust Deed contemplates that these amounts will be calculated in accordance with the provisions relating to members' account under the Trust Deed.

Member's KiwiSaver account

The Trustees shall establish and maintain a KiwiSaver Account for each member and that account shall comprise:

- (a) contributions received by the Scheme from or in respect of the member (including any Crown Contributions);
- (b) any amount transferred into the Scheme from another KiwiSaver scheme or superannuation scheme in respect of the member;
- (c) any other amount received by the Scheme in respect of the member which the Trustees consider should be credited to the member's KiwiSaver Account in respect of the member; and

less

- (d) any amount debited to the member's KiwiSaver Account to meet fees and charges payable that may be debited to the member's KiwiSaver Account in respect of the member under the Trust Deed;
- (f) any amount transferred out of the Scheme to another KiwiSaver scheme in respect of the member;
- (g) any Permitted Withdrawal (see below) in respect of the member;
- (h) any amount of Attributed Tax; and
- (i) any other amount which the Trustees consider should be debited to the member's KiwiSaver Account in respect of the member.

Interest will be debited or credited to each KiwiSaver Account based on the investment income received in respect of the Scheme.

The Trustees may establish sub-accounts within a KiwiSaver Account.

Reserve Account

The Trustees shall maintain a reserve account from which it shall debit or credit:

- any portion of contributions which the Trustees determine to be necessary to provide for payment of administration expenses of the Scheme
- any money not required for payment of benefits
- distributions to and from member's KiwiSaver Accounts
- any amounts paid from the reserve account.

The reserve account may be used for payment of administration and other expenses of the Scheme, to augment retiring benefits of all members on a pro rata basis, and to provide additional individual benefits other than retirement benefits for all members on an equitable basis.

Permitted Withdrawals

Lock-in of funds to KiwiSaver end payment date

Except in certain limited early withdrawal circumstances, a member may not make a withdrawal from the Scheme until the KiwiSaver end payment date or a date after that date. For this purpose the KiwiSaver end payment date is the later of:

- (a) the date on which the member reaches the New Zealand superannuation qualification age (currently age 65); or
- (b) the date on which the member has been a member of a KiwiSaver scheme for 5 years; or
- (c) the date on which the member has been a member of a complying superannuation fund (or a complying superannuation fund and a KiwiSaver scheme) for 5 years. A complying superannuation fund is a superannuation scheme that, while not a KiwiSaver scheme, has rules enabling an equivalent lock-in of benefits and has been approved by the Government Actuary as a complying superannuation fund.

Where a member is entitled to a withdrawal in the circumstances described above, the amount payable will be equal to the Member's Accumulation.

Release of funds required under other enactments

The Trustees must comply with the provisions of any enactment that requires them to release funds from the Scheme in accordance with that enactment. A requirement to release funds from the Scheme under an enactment includes a requirement by order of any court under any enactment (including an order made under section 31 of the Property (Relationships) Act 1976).

Withdrawal for purpose of purchase of first home

The provisions relating to a withdrawal for the purpose of purchase of a first home potentially apply to a member if:

- (a) in the case of a member in respect of whom the Commissioner of Inland Revenue has received contributions, at least 3 years have expired after the Commissioner received the first contribution in respect of the person; and
- (b) in the case of any other member, the person has been a member of one or more KiwiSaver schemes for a period of 3 years or more; and
- (c) in the case of any member, the member has not made a withdrawal for the purpose of purchase of first home (where or not from the Scheme or from a KiwiSaver scheme to which the member previously belonged).

The detailed circumstances in which such a member may make a withdrawal for the purpose of purchase of a first home are set out in the Trust Deed. Broadly speaking, it is necessary that the relevant land is, or is intended to be, the member's principal place of residence and that the member has never before owned estate in land (except in certain circumstances relating to holding an estate in land as trustee).

A member may not make a withdrawal for the purpose of purchase of a first home of more than an amount equal to the Member's Accumulation less the amount of the Crown Contribution.

Withdrawal by member's personal representative

If a member dies, the Trustees must, on application by the member's personal representative pay to that person an amount that is equal to the value of the Member's Accumulation at that date on which the application is accepted as part of the member's estate.

Withdrawal in cases of significant financial hardship

If the Trustees are reasonably satisfied that a member is suffering or is likely to suffer from significant financial hardship, the member may, on application to the Trustees, make a

significant financial hardship withdrawal from the Scheme. The amount of that withdrawal may be up to the value of the Member's Accumulation less the amount of the Crown Contribution on the date of the withdrawal. The Trustees:

- (a) must be reasonably satisfied that reasonable alternative sources of funding have been explored and have been exhausted; and
- (b) may direct that the amount withdrawn be limited to a specific amount that, in the Trustees' opinion, is required to alleviate the particular hardship.

For the purposes of the Scheme, significant financial hardship includes significant financial difficulties that arise because of:

- (a) a member's inability to meet minimum living expenses;
- (b) a member's inability to meet mortgage repayments on his or her principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence;
- (c) the cost of modifying a residence to meet special needs arising from a disability of a member or a member's dependant;
- (d) the cost of medical treatment for an illness or injury of a member or a member's dependant;
- (e) the cost of palliative care for a member or a member's dependant;
- (f) the cost of a funeral of a member's dependant;
- (g) the member suffering from a serious illness as defined in the Trust Deed.

Withdrawal in case of serious illness

If the Trustees are reasonably satisfied that a member is suffering from serious illness the member may, on application to the Trustees, make a serious illness withdrawal from the Scheme. The amount of the withdrawal may be up to the value of the Member's Accumulation at the date of withdrawal.

For this purpose, serious illness means an injury, illness or disability:

- (a) that results in the member being unable to engage in work for which he or she is suited by reason of experience, education or training, or any combination of those things; or
- (b) that poses a serious or imminent risk of death.

Withdrawal or transfer to foreign superannuation scheme in case of permanent emigration

A member may, on application to the Trustees, and no earlier than one year after the member's permanent emigration from New Zealand, withdraw an amount equal to the value of the Member's Accumulation on the date of withdrawal.

A member may, on application to the Trustees, at any time after the member's permanent emigration from New Zealand, have the Trustees transfer the Member's Accumulation to a foreign super scheme authorised for that purpose under regulations to be made under the KiwiSaver Act.

Transfers

A member may, at any time during the person's membership of the Scheme, on application to the Trustees, apply to have the Trustees transfer the Member's Accumulation to another KiwiSaver scheme. The Trustees must, if the other KiwiSaver scheme indicates it will accept that person as a member, transfer the Member's Accumulation to the other KiwiSaver scheme in accordance with the KiwiSaver Act. A member may be compulsory transferred to another KiwiSaver scheme in the circumstances provided for, and in accordance with, the KiwiSaver Act.

The Trustees shall effect transfers to the Scheme in accordance with the requirements of the KiwiSaver Act.

Arrangements with employers

An employer may enter into a participation agreement with the Trustees in order that those eligible employees of the employer may become members of the Scheme.

Any participation agreement shall form part of the Trust Deed. In the event of any conflict or inconsistency between the terms of a participation agreement and the other terms contained in the Trust Deed, the terms of the Participation Agreement shall prevail.

Management and administration of the Scheme

The Trustees are responsible for administering the trusts governing the Scheme in accordance with the Trust deed and applicable statutes and regulations of including the KiwiSaver Act (where applicable).

The Trustees appoint the Administration Manager as the Trustees' delegate to undertake the administration functions in relation to the Scheme and its members that are specified in the Trust Deed or otherwise agreed from time to time in writing between the Trustees and the Administration Manager. The Trustees may terminate the appointment of the Administration Manager at any time and appoint another manager in its place.

Investment of the Scheme's assets

The Trustees shall invest the assets of the Scheme in accordance with the provisions of the Trustee Act 1956. The Trustees are obliged by the Trustee Act to invest the assets prudently. The Trustees and their appointed investment managers are required in exercising the power of investment, to exercise the care, diligence and skill required of that person in terms of the Trustee Act.

The Trustees can appoint and remove any investment manager, from time to time, on terms to be agreed between the Trustees and such manager.

The Trustees may also, at their discretion, establish separate investment funds within the scheme, designed to enable member to have their savings invested by reference to particular asset classes or mix of asset classes. At the date of this Prospectus was registered there are not separate investment funds available to members of the Scheme.

Remuneration of the Trustees and the reimbursement of expenses

The Trustees may be remunerated out of the Scheme for their services at a rate approved by the Employers' Management Committee and the Union. Details of the current remuneration (if any) being paid to the Trustees is set out in item 8.

The Trustees are also entitled to be reimbursed for all costs incurred by them in carrying out the powers, authorities and discretions vested in them by the Trust Deed including initiating, conducting or settling any court proceedings. However, they are not entitled to any reimbursement or indemnity if legal proceedings are found to result from their wilful neglect or default.

The KiwiSaver Scheme Rules contain provisions preventing certain fees from being unreasonable. If a Court is satisfied, on the application of a member, that a relevant fee is unreasonable, it may order that the fee be annulled or reduced. An application for an order may be made within one year of the day that the fee is imposed or reduced.

Amendments to the Trust Deed

Subject to legislation, the Trustees may, with the written consent of the Union and the Employers' Management Committee, amend the Scheme Trust Deed.

Appointment and replacement of Trustees

There are six trustees of the Scheme. Three of the Trustees are appointed by the management committee of the Union and known as the member trustees and three are appointed by the Employers' Management Committee, known as the employers' trustees.

A trustee will cease to hold office if he or she:

- resigns from office by notice in writing to the Union and the Employers' Management Committee;
- becomes bankrupt;
- becomes of unsound mind;
- is removed from office by the Employers' Management Committee in the case of an employers' trustee;
- ceases to be a member or is removed from office by the management committee of the Union in the case of a member trustee;
- is removed by operation of law.

Employers' Management Committee

The employers participating in the Scheme shall appoint a management committee of three persons. Unless the employers otherwise agree, generally only one person from any one participating employer will be appointed to the committee. The committee is appointed for one year although any member can stand for re-appointment.

The role of the management committee is to provide a link between the Trustees and the participating employers and to monitor the performance of the employers' trustees. Employers are levied to fund the outgoings of the committee as well as payments to the employers' trustees.

Winding up the Scheme

The Scheme can be wound up if the Trustees resolve that it shall be wound up or if the Scheme is required to be wound up under the KiwiSaver Act. The provisions of the KiwiSaver Act relating to the winding up of KiwiSaver schemes shall apply with effect from the date of that resolution.

Notice to Members

The Trust Deed contains provisions setting out how notices may be given to members and the date on which such notices will be deemed to have been given.

Unclaimed benefits

The Trustees shall deal with any unclaimed money in accordance with the requirements of the KiwiSaver Act.

Assignment of benefits

No member may assign his or her benefits in the Scheme or use them as security for a loan.

Law Applicable

The Trust Deed shall be interpreted and administered in accordance with New Zealand law.

- (3) A description of the conditions of entry of members to the Scheme and termination of membership of the Scheme and the rights and obligations of employers participating in the scheme, not included in the summary under subclause (2) are set out below:

A member may be a member of only one KiwiSaver scheme at a time with effect from the Effective Date. If an individual is a member of another KiwiSaver scheme, then by joining the Scheme the individual will be instigating the closure of his or her membership of his or her current scheme and initiating a transfer of his or her benefit to this Scheme. Upon receipt of the member's transferred benefit from the member's existing scheme, this will be credited to his or her member's KiwiSaver Account in the Scheme.

An employer that enters into a participation agreement with the Trustees undertakes in that agreement to supply each of its employees who becomes a member of the Scheme with a current investment statement before that employee becomes a member of the Scheme.

- (4) Since its inception all of the Scheme's assets have been invested in the Seafarers Retirement Fund (the Fund). For future details on how these assets are invested see page 11, 12 and 13 of this Prospectus.

- (5) Other than in respect of:
- (a) the payment of contributions in accordance with the Trust Deed of the Scheme;
 - (b) any tax liability attributed to a member over and above the amount in the Member's KiwiSaver Account;

no member by reason alone of being a member or by reason of the relationship created with the Trustees, will incur any liabilities including contingent liabilities in relation to the Scheme.

- (6) The assets of the Scheme are invested in the Market Investment Fund of the Seafarers Retirement Fund details of can be found on pages 11 and 12 of Part 1 of this Prospectus.
- (7) The investment performance of the Scheme for the period from 7 December 2008 to 31 March 2009 was -11.03%. The investment performance of the Scheme for the year ended:
- 31 March 2010 was 23.1%; and
 - 31 March 2011 was 5.87%.

There are no investment performance figures for earlier periods as the Scheme did not hold any assets until 7 December 2008.

The net returns are calculated by the following formula:

$$\text{Net Return} = \frac{100 \times (I - F - T - X)}{A}$$

- Where
- I = Investment Income earned by Market Investment Fund (MIF) in the year including realised and unrealised gains and losses
 - F = Investment Management Fees in respect of the MIF for the year and any other fees in respect of the MIF that are not met from the Member's Accumulation
 - T = Income Tax payable in respect of the MIF for the year
 - X = Interest earned in the year that was paid to Members who were invested in the MIF and who received a benefit from the Scheme during the year
 - A = The average amount of assets invested in the MIF over the year excluding the benefits paid to Members during the year

In other words, the return net of fees and expenses, is expressed as a percentage of average assets.

5 Summary of financial statements

- (1) A summary of Scheme financial statements for the period from 7 December 2008 to 31 March 2009 and for the twelve months ended on 31 March 2010 and 31 March 2011 is set out below.

	2011	2010	2009
Investment Activities			
Investment Income			
Gains/(losses) on Financial Assets at Fair Value	14,139	17,234	(932)
Share of Rental Income	1,696	1,097	-
Interest	-	488	-
Less investment management expenses			
Investment management fees	(783)	(727)	(40)
Net investment revenues/(deficit)	15,052	18,092	(972)
Other expenses			
General Expenses	636	242	(77)
Total other expenses			(77)
Net income/(loss) after tax	14,416	17,850	(1,049)
Membership Activities			
Income Tax Expense/(Credit)	1,204	175	35
Net (Loss)/Income after Taxation and before Membership Activities	13,212	17,675	(1,014)
Membership Activities			
KiwiSaver member contributions	65,643	35,357	20,924
KiwiSaver Employer contributions	30,462	22,938	8,353
KiwiSaver Crown Contributions	28,831	14,443	9,420
KiwiSaver Transfers In	52,443	18,395	-
Total contributions	177,379	91,133	38,697
Less: KiwiSaver Administration fees	2,055	918	380
Benefits Paid	3,594	-	-
Net membership activities	171,730	90,215	(38,317)
Net Increase in Net Assets During Year	184,942	107,890	37,303
Allocated to:			
KiwiSaver Member Accounts	184,942	107,890	37,298
Reserve account	-	-	5

Summary of the statement of financial position

	2011	2010	2009
	\$	\$	\$
Total assets	330,363	145,480	37,358
Total tangible assets	330,363	145,480	37,358
Less liabilities other than for accrued benefits	228	287	55
Net assets available to pay benefits	330,135	145,193	37,303

- (2) The amounts that appear in paragraph 5(1) above are the amounts that appeared in the financial statements that have been registered under the Financial Reporting Act 1993. As the Scheme only commenced on 1 April 2008 and did not hold any assets prior to 7 December 2008 there are no financial statements available for any years prior to the period ended 31 March 2009.

6 Guarantors

- (1) Neither the Crown nor any other person guarantees the payment of any money payable from the Scheme.
- (2) Not applicable.

7 Acquisition of Business or Equity Securities

- (1) See clause 7(2) below.
- (2) No business or equity securities have been acquired for the purposes of any of the investments of the fund at any time in the two years preceding the date of registration of this Prospectus.
- (3) See clause 7(2) above.

8 Interested persons

- (1) The following is a summary of the nature of the services and expenses recovered from the Scheme for the services provided by the Trustees, Administration Manager and Investment Managers.

Administration Fee

This fee is paid from the Scheme to the Administration Manager to administer the Scheme, i.e. maintain membership records, calculate and pay benefits and prepare the annual accounts. The administration fee of \$5.18 per member per month, as at the date of this Prospectus, will be deducted each month from each Member's Accumulation. Subject to the KiwiSaver Act (when applicable), the Administration Manager can increase its administration fee from time to time in line with the annual increase in the Consumers Price Index and there is no dollar limit to the amount to which the fees may be increased by the Administration Manager.

Trustees' and Administration Fee

The Trustees are able under the terms of the Trust Deed to be paid fees from the Scheme for his or her services subject to the approval of the Employers' Management Committee and the Union. There is no dollar limit on the amount of the fees that can be paid. However, at the date this Prospectus was registered none of the Trustees are paid any fees for their services. The Trustees can also be reimbursed from the assets of the Scheme for any expenses they incur in the course of carrying out their duties, e.g. travel costs, attending superannuation seminars. There is no dollar limit of the level of reimbursement the Trustees can receive.

Investment Management Fees

The investment managers selected by the Trustees currently deduct their fees from the assets they invest on behalf of the Scheme before the investment earnings are determined. Each investment manager also deducts its expenses such as brokerage fees together with the cost of purchasing and maintaining any property investments. These fees are deducted from the assets of the Scheme.

The fees of the investment managers at the date of the Prospectus are set out on pages 17 and 18 of Part 1 of this Prospectus.

The assets of Scheme will be aggregated with those of the Seafarers Retirement Fund for the purpose of working out the investment management fees payable to each of the investment managers. It is expected that the total investment management fee of the Scheme will be about 0.44% per annum of assets under management.

Other fees and expenses

The Trustees are also entitled to recover from the scheme expenses incurred in performing their duties under the Trust Deed including:

- all costs incurred in connection with the formation of the Scheme, dealing with investments of the Scheme and the expenses of any agents of the Trustees;
- all costs incurred with the purchase of any assets for the Scheme;
- the fees and expenses of the auditor;
- any costs of their parties engaged by the Trustees;
- all interest and other costs associated with borrowing;
- all costs of preparing, printing and delivering any documents of any kind required by the Trust Deed and statutory legislation;
- cost incurred in maintaining the members' register;

- any other expenses reasonably incurred by the Trustee in carrying out their duties under the Trust Deed as it relates to the Scheme.

Subject to the KiwiSaver Act (when applicable), there is no dollar limit on these expenses.

- (2) Two of the Trustees, A Besich and M J Clark are members of the Scheme. In addition, one member of the executive of the Union, J D Fleetwood, is a member of the Scheme. They each have an interest in the Fund in so far as they are entitled to all benefits accruing to them in their respective KiwiSaver Accounts.
- (3) Since inception 100% of the Scheme assets have been invested in the Seafarers Retirement Fund.

9 *Material contracts*

The following contracts have been entered into in respect of the Scheme in the last 2 years preceding the date of this Prospectus.

Investment Management Agreements

The Trustees have chosen to invest the assets of the Scheme in the Market Investment Fund of the Seafarers Retirement Fund (SRF). Therefore the investment management agreements in respect of the Scheme are those agreements that Trustees have with the respective managers of the SRF. However, although the assets of the Scheme will be invested in the SRF, the assets of Scheme will be accounted for separately in respect of the members of the Scheme.

10 *Pending Proceedings*

There are no legal proceedings or arbitrations that are pending at the date of registration of this Prospectus that may have a material or adverse effect on the Scheme.

11 *Other terms of offer and scheme*

All the terms of the offer, and all terms of the Scheme being offered, are set out in this Prospectus, except those relating to any amounts payable by or to an identifiable person, those implied by law and this contained in the Trust Deed.

12 *Financial statements and auditor's reports*

The latest financial statements for the Scheme cover the year ending 31 March 2011. A copy of the financial statements was filed with the Registrar of Companies on 28 July 2011.

The auditor's unqualified report for the year ended 31 March 2011 is dated 29 June 2011. The auditor's report did not refer to any fundamental uncertainty in the financial statements of the Scheme.

The auditor's report in respect of the summary financial statements on page 29 is attached.

13 *Places of inspection of documents*

Copies of:

- (a) the Trust Deed;
- (b) the latest financial statements for the Scheme registered under the Financial Reporting Act 1993;
- (c) the latest annual report for the Scheme prepared in accordance with relevant legislation,

may be inspected, without fee, by members during normal business hours (8.30am to 5pm) at:

Maritime Union of New Zealand
1st Floor, Waterside House
220 Willis Street
Wellington

Copies of the documents, other than the annual report, can also be viewed on the Companies Office website www.companies.govt.nz under "Search Other Registers". Copies of the documents may also be obtained (on payment of the relevant fee) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726.

A copy of the Trust Deed or the material contracts referred to in clause 9 of this Prospectus may be purchased from the Trustees at 20¢ per page with a maximum of \$10.00 for each document. The address is:

David Scott
Secretary to the Trustees
SRF KiwiSaver
C/- 87 Simla Crescent
Khandallah
Wellington 6035

Each year members will automatically be sent an annual report and an annual benefit statement of their KiwiSaver account balance.

14 Other material matters

(a) Basic Member contributions (in respect of Members who are Employees, as defined in the KiwiSaver Act)

A member can elect a base contribution rate of 2%*, 4% or 8% of his or her gross salary or wages. For KiwiSaver schemes, a member's gross salary or wages is made up of the member's salary or wages from the member's employment, including bonuses and overtime, but does not include payments of exempt income or superannuation contributions, made on the member's behalf by the member's employer. For this purpose, "salary or wages" is as defined in the KiwiSaver Act.

A member's contributions will be deducted from the member's salary or wages by the member's employer and paid to Inland Revenue, which then pays them to the Scheme.

Note that contributions received by Inland Revenue during the three month period after a member's first KiwiSaver contribution is received by Inland Revenue, will generally not be passed on to the Scheme until as soon as practicable after the end of that three month period. During that period, the member's contributions will be held by Inland Revenue in an interest-bearing holding account. In some cases, the three month period may be extended until the amount contributed meets the minimum threshold amount agreed between Inland Revenue and the Trustee.

*The minimum member contribution is expected to rise to 3% from 1 April 2013.

(b) Additional contribution

A member may:

- contribute amounts additional to those deducted from the member's salary or wages (if any); and/or
- make arrangements for other persons to make additional contributions for the member's benefit.

Where a member elects to make additional contributions to the Scheme these will be subject to such minimum amounts per payment as the Trustees may from time to time decide.

(c) Employer Superannuation Contribution Tax

Until 31 March 2012 any employer contributions not exceeding 2% of a member's gross salary or wages are not subject to employer superannuation contribution tax (ESCT). Any employer contributions in excess of 2% will be subject to ESCT at the rate of 33% unless the employer elects to adopt the method and scale of rates described below.

From 1 April 2012 all employer contributions to the Scheme will be subject to ESCT. The rate of ESCT will be based on the member's previous income year's salary and wages provided that if the member is employed by his or her current employer for less than a year, an estimate of the member's salary or wages to be paid in the current income year plus in either case, the employer's contributions to the Scheme in respect of the member.

The rates of ESCT are determined as follows:

Earnings + Employer Contributions	ESCT Rate
Less than \$16,800	10.5%
More than \$16,800 up to \$57,600	17.5%
More than \$57,600 up to \$84,000	30.0%
More than \$84,000	33.0%

(d) **Crown contributions**

If, in joining the Scheme, it is the first time a member has joined a KiwiSaver scheme, the Crown will make a contribution of \$1,000 to the Scheme for the member's benefit. This Crown contribution will be made approximately three months after the member's first contribution to the Scheme.

For each member aged 18 years or over, the Crown will contribute to the Scheme 50 cents for each dollar the member contributes up to a maximum of \$10 per week. This is called the Member Tax Credit (MTC). After 30 June each year the Administration Manager will file a return with Inland Revenue to claim each eligible MTC and when received by the Scheme each MTC will be credited to the relevant Account in the Scheme.

The \$1,000 Crown contribution and any Member Tax Credit paid in respect of a member are not considered income or a gift to the member for tax purposes.

(e) **Alteration of contributions**

A member who is an employee may by giving notice in writing to the member's employer:

- (i) increase his or her contribution rate above the base rate of 2%*; or
- (ii) reduce his or her contributions to a lower rate subject to such lower rate being not less than the base rate of 2%*.

The member's new rate will apply to the next payment of salary or wages that is calculated after the member's employer receives the member's instruction. Unless a member's employer agrees otherwise, a member may only change his or her contribution rate at intervals no less than three months apart.

*The minimum member contribution is expected to rise to 3% from 1 April 2013.

(f) **Contributions holiday**

A member is entitled to apply to Inland Revenue to cease making contributions to the Scheme, i.e. take a contribution holiday, if:

- twelve months have passed since the member's first contribution was received by Inland Revenue or a KiwiSaver scheme; or
- the member is suffering, or likely to suffer, financial hardship and at least one contribution has been received from the member by Inland Revenue.

If a member applies for a contributions holiday on the grounds of financial hardship, the length of the contributions holiday will be three months (unless Inland Revenue agrees to a longer period). Any other contribution holiday can be for a period of between three months and five years. Inland Revenue will notify the member before his or her contributions holiday ends and the member may apply for a new contributions holiday.

A member may at any time revoke or, after such a revocation, reinstate his or her contributions holiday by giving notice to the member's employer, requiring the employer to start or stop (as applicable) making deductions from the member's salary or wages. This is subject to the proviso that no contributions holiday may be less than three months unless the member's employer agrees. Further details about contribution holidays are available from the Secretary or the Administration Manager.

(g) **First home deposit subsidy**

After three years of KiwiSaver membership a member may be able to withdraw all, or part, of their savings (but excluding any Crown contributions) to put towards buying their first home. The Member may also be able to access a conditional grant from Housing New Zealand towards buying a home. The grant is \$1,000 for each year of contributions to KiwiSaver up to a maximum of \$5,000. To qualify for the Housing New Zealand deposit subsidy, members of KiwiSaver must:

- contribute at least 2% of their income to KiwiSaver for at least three years (so the minimum deposit subsidy is \$3,000);
- be first home buyers (or have a determination from Housing New Zealand Corporation that they are in similar position to a first home buyer in terms of income, assets and liabilities);
- be buying a lower quartile price house*;
- have a household income of less than \$100,000 (for one or two people), or less than \$140,000 (for more than two people).

*Currently the lower quartile house prices are set at \$400,000 in higher priced areas such as Auckland, Wellington City and Queenstown Lakes District, and \$300,000 in the rest of New Zealand.

Recipients of the Housing New Zealand deposit subsidy will be required to live in the house for at least six months.

Further details about the eligibility conditions of the first home deposit subsidy can be found on the website of Housing New Zealand, www.hnzc.co.nz

(h) **Law changes**

Certain aspects of the Scheme and all other KiwiSaver schemes, such as certain minimum contribution levels and the circumstances in which benefits may be withdrawn, are prescribed in the KiwiSaver Act. The Act may be amended from time to time by the Government and any such amendment may impact on the Scheme.

PART3
SEAFARERS RETIREMENT FUND
AND
SRF KIWISAVER SCHEME

1 Superannuation trustees' statement

The Trustees of the Fund and the Scheme are of the opinion, after making due enquiry, that:

- (a) the value of the assets of the Fund and the Scheme relative to their respective liabilities (including contingent liabilities); and
- (b) the ability of the Fund and the Scheme to pay their respective debts as they become due in the normal course of business;

has not materially and adversely changed during the period between the balance date of the latest financial statements referred to in this Prospectus and the date of registration of this Prospectus.

Directory

Trustees

Andro Besich of Lower Hutt
John Wayne Jeffery of Lyttelton
Michael John Clark of Wellington
Gary Walter Parsloe of Auckland
David Macintosh Scott of Wellington
Paul Joseph Nicholas of Wellington

The contact address of the Trustees is: 87 Simla Crescent
Khandallah
Wellington 6035

Secretary to the Trustees

David Scott
87 Simla Crescent
Khandallah
Wellington 6035

Administration Manager

Aon New Zealand
AMP Centre
29 Customs Street West
P O Box 3167
Auckland

Investment Management

AMP Capital Investment Funds (AIF)
invested by AMP Investment Management (NZ) Limited
171 Featherston St
Wellington

International Equity Index Fund (IEIF)
invested by State Street Global Advisors Australia Limited
88 Phillip Street
Sydney
Australia

International Bond Fund (IBF)
invested by PIMCO & Blackrock, Inc
C/- Arcus Investment Management Limited
80 The Terrace
Wellington

Auditors

KPMG
KPMG Centre, 18 Viaduct Harbour Ave
P O Box 1584
Auckland

Solicitor

Simpson Grierson
HSBC Tower, 195 Lambton Quay
P O Box 2402
Wellington

Promoters

Maritime Union of New Zealand and the executive members of the Union who are not trustees being:

Joseph David Fleetwood of Wellington
Raymond Joseph Carrol Fife of Bluff

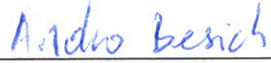
The promoters can be contacted at:

1st Floor,
Waterside House
220 Willis Street
Wellington

Professional Advisers

Aon New Zealand
BP House
29 Customhouse Quay
Wellington

Signed by the Trustees of the Seafarers Retirement Fund:



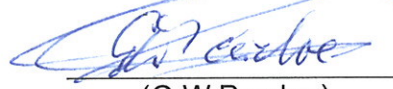
(A Besich)



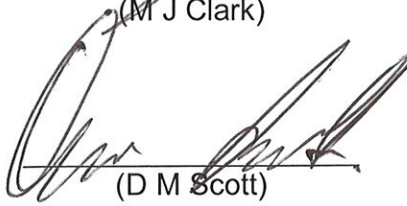
(J W Jeffrey)



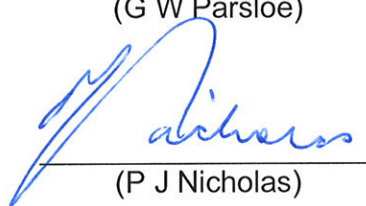
(M J Clark)



(G W Parsloe)



(D M Scott)



(P J Nicholas)

Signed by the Maritime Union of New Zealand and by its executive as promoters under section 41 of the Securities Act 1978:

SIGNED for the MARITIME UNION OF NEW ZEALAND,
by:



Signature of Authorised Person



Signature of Authorised Person



Name of Authorised Person



Name of Authorised Person

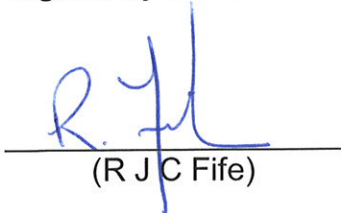


Office held

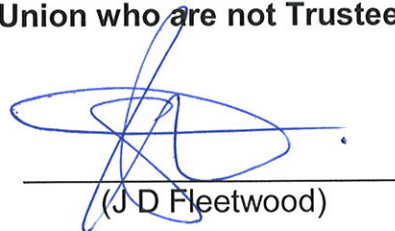


Office held

Signed by the executive members of the Union who are not Trustees



(R J C Fife)



(J D Fleetwood)



Independent Auditor's Report

To the Readers of the Prospectus of Seafarers Retirement Fund and SRF KiwiSaver Scheme

As auditor of Seafarers Retirement Fund ("the Fund") and SRF KiwiSaver Scheme ("the Scheme") we have prepared this report pursuant to clause 12 of Schedule 6 of the Securities Regulations 2009 for inclusion in the prospectus dated 29 August 2011.

Report on the Financial Statements

We have audited the financial statements of the Fund and Scheme for the year ended 31 March 2011. We expressed unmodified audit opinions on those financial statements in our reports dated 29 June 2011.

Report on the Summary Financial Statements

The summary financial statements for the Fund on pages 14 and 15 are taken from the audited financial statements of the Fund for the years ended 31 March 2011, 2010, 2009, 2008 and 2007. The summary financial statements for the Scheme on page 29 are taken from the audited financial statements of the Scheme for the years ended 31 March 2011 and 2010, and the four month period to 31 March 2009. We expressed an unmodified opinion on those financial statements in our audit reports for each of those periods. The summary financial statements do not reflect the effects of events that occurred subsequent to the date of the report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Fund and Scheme.

Trustees' Responsibility for the Summary Financial Statements

The Trustees are responsible for preparing a summary of the audited financial statements of the Fund and Scheme in accordance with clause 5 of Schedule 6 of the Securities Regulations 2009.

Auditor's Responsibility for the Summary Financial Statements

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 Engagements to Report on Summary Financial Statements.



Opinion on the Summary Financial Statements

In our opinion, the amounts set out in the summary financial statements on pages 14 and 15 for the Fund, and page 29 for the Scheme, of this prospectus, taken from the audited financial statements for the years ended 31 March 2011, 2010, 2009, 2008 and 2007 for the Fund and for the periods ended 31 March 2011, 2010 and 2009 for the Scheme, as required by clause 5 of Schedule 6 of the Securities Regulations 2009:

- are consistent, in all material respects, with those financial statements; and
- have been correctly taken from the audited financial statements for the years ended 31 March 2011, 2010, 2009, 2008 and 2007 for the Fund, and for the periods ended 31 March 2011, 2010 and 2009 for the Scheme.

Other Matters

Responsibility for Updating

We have no responsibility to update our opinion on any of the matters above for events and circumstances occurring after the date of this report.

Restriction on Use

This report has been prepared for inclusion in the prospectus for the purpose of meeting the requirements of clause 12 of Schedule 6 of the Securities Regulations 2009. We disclaim any assumption of responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared. In addition, we take no responsibility for, nor do we report on, any part of the prospectus not specifically mentioned in this report.

Auditor's Consent

In accordance with regulation 18(1)(c)(ii) of the Securities Regulations 2009, we hereby give our consent to the inclusion of this report in the prospectus in the form in which it appears. We also confirm that we have not, before delivery of this prospectus, withdrawn our consent to the issue thereof.

30 August 2011

Auckland