



TOWER Global Responsibility Fund

Investment Statement

Important information for investors

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

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

Choosing an investment

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

- What sort of investment is this? 2
- Who is involved in providing it for me? 2
- How much do I pay? 3
- What are the charges? 3
- What returns will I get? 3
- What are my risks? 4
- Can the investment be altered?..... 4
- How do I cash in my investment? 5
- Who do I contact with enquiries about my investment? 5
- Is there anyone to whom I can complain if I have problems with the investment?..... 5
- What other information can I obtain about this investment? 6

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

Choosing an investment adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. The document will tell you:

- Whether the adviser gives advice only about particular types of investments; and
- Whether the advice is limited to the investments offered by one or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within five working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition:

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes. This is an Investment Statement for the purposes of the Securities Act 1978.

The information in this section is required under the Securities Act 1978 and contains all the relevant information you need to know before deciding to invest in any of the securities offered by TOWER Managed Funds through this Investment Statement. We recommend you read this Investment Statement thoroughly before you make the decision to invest.

This Investment Statement is dated 1 March 2001.

What sort of investment is this?

The TOWER Global Responsibility Fund

(‘the Fund’) is designed to offer investors the opportunity to achieve their financial objectives in a way that integrates personal and societal concerns with investment decisions. The Fund intends to invest in an underlying fund that invests globally in companies that act in a socially and environmentally responsible manner while providing sound financial performance.

The Fund is structured as a Group Investment Fund, which allows individuals to pool their money together, enabling the Investment Manager to gain a far wider diversification of investment than an individual could achieve by him or herself. It is a medium to high risk fund and the recommended investment timeframe is five years. The Fund aims to produce a gross return on investment that exceeds the returns of the Morgan Stanley Capital International (MSCI) World Equities Index on a rolling three-year basis.

The Fund employs the expertise of award-winning fund manager TOWER Asset Management Limited (TAM) to provide the Fund with leading socially responsible investment management. This is achieved by investing through TAM’s Socially Responsible Wholesale Unit Trust which currently invests into the Principle Global Fund, one of the largest and most successful ‘best of sector’ socially responsible funds, managed by Storebrand Kapitalforvaltning ASA (‘Storebrand’) of Norway. The underlying fund managers can change from time to time.

The Storebrand approach involves constructing a portfolio of companies that are financially attractive, environmentally responsible and have progressive human rights and social practices. The environmental criteria used are based on eco-efficient indicators that measure a company’s ability to generate more goods and services with less pollution and degradation of natural resources. The social and human rights analysis includes a review of a company’s human rights activities and its operations, based on criteria derived from the United Nations Declaration of Human Rights and the conventions of the International Labour Organisation. This analysis provides a sustainability rating that identifies companies with a socially responsible performance that is among the best within their specific sectors. The result is a portfolio of

approximately 70 stocks that represents the highest standards of financial prudence and environmental and social responsibility according to Storebrand’s rigorous testing.

Your investment into the TOWER Global Responsibility Fund is converted to units, which represent your holding of the Fund’s total value. The value of the Fund may be affected by movements in financial markets and this will affect the price of the units in the Fund, but not the number of units you hold. Units are priced to reflect the value of the underlying investments of the Fund, less liabilities (including tax) and are priced on a daily basis.

Who is involved in providing it for me?

The TOWER Global Responsibility Fund is a Group Investment Fund and was established in March 2001.

The Trustee and Manager of the Fund is The Trustees Executors and Agency Company of New Zealand Limited (trading as TOWER Trust). Contact details are: Level 1, Wool House, 10 Brandon St, PO Box 3222, Wellington.

TOWER Managed Funds Limited is the Promoter, Investment and Administration Manager of the Fund. The directors of TOWER Managed Funds Limited are: Paul Baines (Wellington), Leonard Bayliss (Te Horo), James Boonzaier (Wellington), Stuart Fish (Wellington) and Graeme Hawkins (Auckland). TOWER Managed Funds Limited and its directors can be contacted at: TOWER Managed Funds Limited, 50-64 Customhouse Quay, PO Box 590, Wellington.

TOWER Managed Funds Limited has delegated the investment management of the Fund to TOWER Asset Management Limited. To help ensure investments are made on the best possible information, TOWER Asset Management at the date of this Investment Statement has utilised the investment management skills of Storebrand Kapitalforvaltning ASA, by investing into their socially responsible fund – the Principle Global Fund. TOWER Asset Management continually review the performance of the Fund and may change the underlying investments or any sub-investment manager from time to time.

How much do I pay?

Single investments

The minimum initial investment is \$1,000. You can make additional investments thereafter of \$500 or more by cheque or by ad-hoc direct debits by completing the direct debit form.

Regular investments

Regular investments can be made at a minimum of \$100 per month or \$50 per fortnight, by completing the direct debit form with your application form. Your first payment is your minimum payment, but if you don't reach the minimum account balance of \$1,000 within 12 months, the Trustee may sell your units in the Fund and pay the monies to your nominated bank account.

Who do I pay?

Cheques must be made payable, and crossed 'Not Transferable' to 'TOWER Managed Funds Limited'. Mail your cheque with a completed application form and, if necessary, the direct debit form to: TOWER Managed Funds Limited, Freepost 521, PO Box 590, Wellington.

Investors have a 14-day cancellation period. If you decide to cancel your investment within this time, your money will be refunded in full unless there has been a fall in asset value (resulting in a lower price).

Switching fee

You are able to switch to any of the other funds controlled or managed by TOWER Managed Funds Limited at any time. No fee is charged for the first two switches between any of our funds in any 12-month period. If an investor switches more than twice in a 12-month period, a fee of 1% of the amount switched may be applied for each subsequent switch. Switching funds is subject to maintaining the minimum account balance in each respective fund.

Other fees and expenses

The Trustee may also charge expenses incurred in managing the Fund such as audit, registry, administration and legal fees to the Fund. All fees are deducted prior to the declaration of the Unit Price. By investing in the Fund, investors accept and authorise these deductions and fees to occur and understand that these fees can be altered. The amount of fees and expenses charged for the previous financial year is disclosed each year in the financial statements of the Fund.

Investors will receive two months' written notice if there are any increases to existing fees, penalties or charges or before the introduction of any new fees, penalties or charges for the Fund. In most circumstances any increase will need to be agreed on between the Trustee and TOWER Managed Funds.

At the date of this Investment Statement, GST is not paid on any of the fees mentioned. This may change in the future.

What are the charges?

Entry fee **up to 5.5%**

This fee is deducted from your initial and each subsequent investment. This fee is agreed between you and your financial adviser and is paid to them as commission.

Exit fee **nil**

Management fee **1.85% pa gross**

This fee is paid to the Manager and Trustee of the Fund. From this fee the Manager pays the costs of investment and administration management, any custody costs and service brokerage to your financial adviser. This fee is deducted from the income of the Fund.

Trustee fee **up to 0.05% pa** (subject to a minimum of \$7,500 per annum)

The fee for trustee and management services is deducted from the income of the Fund.

What returns will I get?

The returns you receive are reflected in the changes in the unit price of the Fund. The Trustees Executors and Agency Company of New Zealand Limited (trading as TOWER Trust), as Trustee of the Fund, is legally liable for paying any returns to you.

The date on which the returns are paid is unknown as you can withdraw at any time. Withdrawal requests will usually be paid within two working days of the next valuation day.

There is provision in the Trust Deed for the Trustee to suspend or defer withdrawals from the Fund for up to three months (or such

further period that the Trustee thinks fit) if the Trustee believes that the suspension or deferral is in the interest of all unitholders.

Two principal factors that will determine returns are (1) investment performance and (2) the expenses deducted from the Fund. There are events that may affect the performance of your investment by causing volatility in returns and your investment value. These include international or domestic economic events, interest rate movements, or the performance of individual companies or countries contained in the Fund's portfolio. Other factors are the investment duration, market conditions on withdrawal and whether regular investments have ceased.

Tax

Under current tax law, the Fund is a Group Investment Fund that derives Category A income. This means that it has income and realised capital gains taxed at the company rate of 33%. Any dividends paid are taxable in the hands of the investors, but the Manager's policy is that all dividends are fully imputed.

When withdrawing from the Fund, the manager buyback method is the default method used. With this method, you sell your units back to the manager and receive in return the current value of your unitholding. The other withdrawal method you can request is the direct redemption withdrawal method. With this method, you redeem your units directly from the Fund, instead of via the manager, and any imputation credits that are attached to any dividend arising on the redemption will go to you. Investors are recommended to seek professional tax advice in relation to their own circumstances.

Neither TOWER Managed Funds, TOWER Trust nor any member or director of the TOWER Financial Services Group, guarantee or promise the repayment of, or returns on, investments in the Fund.

decrease in value because of any of the following reasons:

- Economic, political or market conditions that affect the share prices or interest rates, thereby affecting the funds' value.
- A company in which the fund holds shares becomes insolvent and its share price becomes worthless.
- If an underlying fund is invested overseas, changes in foreign exchange rates which are not hedged can affect the value of its overseas investments.
- With actively managed funds, the investment manager has discretion within specified ranges of investment, so investors are also exposed to the investment style of each active fund manager.

In the unlikely event that TOWER Managed Funds or the Fund becomes insolvent, investors will not be required to pay any further units. If the Fund is wound up, investors will receive a proportionate balance of the Fund after all expenses, fees, secured and unsecured borrowings owing have been paid. The Trustee has the ability to borrow under this Trust Deed, but at the date of this Investment Statement has no intention to borrow.

Can the investment be altered?

You are able to switch to any of the other funds offered by TOWER Managed Funds. No fee is charged on the first two switches between our range of funds in any 12-month period. If investors switch more than twice in a 12-month period, a fee of 1% of the value switched may apply for each subsequent switch. Switching funds is subject to maintaining the minimum account balances in each fund.

Regular investment amounts can be altered, or payments put on hold for a period of time, providing the minimum account balances and/or regular investment levels are maintained. These alterations are free of charge.

If the minimum account balance of \$1,000 is not maintained (within a one year initial timeframe for regular investors), the Trustee at its discretion may sell an investor's units in the

What are my risks?

Risk is an integral part of investing. As an investor in a fund, the risk is that you may lose some of the money you invested. This can be as a result of your investment in funds which

Fund and pay the proceeds to the investor's nominated bank account.

The Trustee may alter minimum levels and increase or impose fees. The Trustee must give three months' notice to all investors before increasing any fees.

The Trust Deed can be altered by the Trustee in certain circumstances. These circumstances include when amendments are minor, non-prejudicial, required to comply with statutory or regulatory requirements or authorised by an extraordinary resolution of investors.

The Trustee may resolve to wind up the Fund. All assets of the Fund will be realised and after the deduction of liabilities permitted in the Trust Deed, each investor will be paid out their share of the Fund proportionate to their unit holding.

The manager can change the underlying fund managers and funds into which the Fund invests.

There is no secondary market available through the Trustee to sell units in the Fund, but you may transfer ownership of your units to another investor.

Who do I contact with enquiries about my investment?

The Sales and Service Team will be able to assist you with any enquiries.

Freephone: 0800 4 TOWER (0800 486 937)

FreeFax: 0800 808 181

Email: investments.tmf@nz.towerlimited.com

Address: The Manager
TOWER Managed Funds
50-64 Customhouse Quay
Freepost 521, PO Box 590
Wellington

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

How do I cash in my investment?

You can withdraw part or all of your investment at no charge. However, switching fees may apply (see under 'What are the charges?').

You can withdraw a minimum of \$500 from the Fund at any time. Withdrawals will only be paid to your nominated bank account, except under exceptional circumstances. If your Fund account balance falls below the minimum of \$1,000, the Trustee may sell your units in the Fund and, on your instructions, either reinvest them into another Fund or pay them to your nominated bank account. Requests to withdraw that are received after 2pm will be actioned on the following business day.

Telephone transaction facility

This facility allows funds (monies) to be paid directly into your nominated bank account, or invested into your Fund from your bank account, via telephone or email. You need to quote your account number and bank account details as confirmation of your identification. Requests to invest or withdraw that are received after 2pm will be actioned the following business day. To apply for this facility, complete the details on the application form for withdrawals and the direct debit form for investments.

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

All problems or complaints can be directed in the first instance to:

The Sales and Service Manager
TOWER Managed Funds
50-64 Customhouse Quay
Freepost 521, PO Box 590
Wellington

Freephone: 0800 4 TOWER (0800 486 937)

You can also contact the Trustee directly at:

The Corporate Trust Manager
TOWER Trust
Level 1, Wool House
10 Brandon St
PO Box 3222
Wellington

Telephone: (04) 495 0999

You can contact the Insurance and Savings Ombudsman at:

99-105 Customhouse Quay
PO Box 10845
Wellington

Telephone: (04) 499 7612

What other information can I obtain about this investment?

Further information on the Fund can be found in the registered prospectus, financial statements (when available) and Trust Deed. Copies of these documents can be requested from TOWER Managed Funds and are available for inspection at their offices, the office of the Trustee, and at the Companies Office at the Ministry of Economic Development. A small fee will be charged for a copy of the Trust Deed.

Annual financial reports for the Fund (when available), can be requested by the investor.

Further information can be obtained by contacting TOWER Managed Funds, by phoning us on 0800 4 TOWER (0800 486 937), faxing us on 0800 808 181 or by emailing us at investments.tmf@nz.towerlimited.com.

You can also view the details of your investment at the office of TOWER Managed Funds, free of charge.

A quarterly transaction statement will be sent to you together with our investor magazine, showing the number of units you hold and the value of those units. Latest unit prices are available on the Unit Price Line 0800 UPDATE (0800 873 283). We also have a website with the latest unit prices, fund performance and details and our investment statements for all the funds in our range. The address to visit is www.towerfunds.co.nz.



Investment Application Form

The Investment Statement explains the characteristics of the Global Responsibility Fund. You should read it in full before investing with us.

Are you already an investor? ☐ Yes ☐ No

Your Account Number

1 Investor Information

Company or Trust Name

Individual Investors and Trustees of Trust Investments

Title	First Name/s		Surname	
For Joint Investment	DOB	Occupation	IRD No	
	/	/		
Title	First Names		Surname	
	DOB	Occupation	IRD No	
	/	/		
Postal Address				
Country				
Other Address (Home/Work)				
Country				
Telephone Home		Telephone Work		Fax
Mobile Phone		Email		

2 Investment Choices

I/We wish to make an investment in the following Fund and agree to be bound by the provisions of the Trust Deed. In respect of this investment, I/we appoint TOWER Trust as my/our agent for the purposes of:

- arranging the investment in terms of the investment statement;
- authorising and acknowledging that the trustee and management fee will be deducted from the investor's share of distributable income at the time the income is credited to the investor's account and if there is not sufficient income to redeem units to pay the fees.

	Single Investments	Regular Investments	Regular Investments
Global Responsibility	\$ <input type="text"/>	\$ <input type="text"/>	Frequency
			Fortnightly <input type="checkbox"/>
			Monthly <input type="checkbox"/>
			Quarterly <input type="checkbox"/>
			Commencement Date
			<input type="text"/>

3 Bank Account Details (for telephone withdrawals)

Please complete your bank account details below. This account will be used for telephone or email transactions.

Account No	Bank	Branch	Account Number	Suffix
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>		<input type="text"/>	

4

- ☐ After reading this Investment Statement, I/we apply for units in the selected Fund overleaf and agree to be bound by the conditions of the Trust Deed.
- ☐ I/We understand units will be allocated on the day my/our cheque is received at TOWER Managed Funds' Wellington office and that TOWER Managed Funds is not responsible for my/our money until it is received at this office.
- ☐ I/We acknowledge the information I/we have provided is to ensure quality service from TOWER Managed Funds and enable TOWER Financial Services Group companies to offer me/us further services. My/Our information can be disclosed only to my/our adviser shown on this form unless I/we confirm otherwise.
- ☐ I/We consent that if my/our adviser is a member of InvestmentLink, personal information may be provided to the financial adviser and/or advisory firm shown below.
- ☐ I/We understand that I/we can access my/our personal information held with TOWER Managed Funds and can correct this information as needed.

All investors listed overleaf to sign	Date
---------------------------------------	------

5

Please make all cheques payable and crossed 'Not Transferable' to **TOWER Managed Funds Limited** and post to:
TOWER Managed Funds Limited, Freepost 521, PO Box 590, Wellington

Please Note: The Financial Transactions Reporting Act 1996 requires verification of all new investors' identities. You will need to provide identification under the following circumstances:

1. If your cheque or bank account direct credit is not in the name/s of the investor/s overleaf.
2. If you offer a bank or third party cheque, or a bank draft for investment.

The identification requirements under these circumstances are your passport or two other forms of identification. Please only send certified copies or provide originals to your adviser to copy.

FOR FINANCIAL ADVISERS ONLY

Adviser's Stamp 		Further instructions: 	
Name or Adviser No 		Entry Fee: 100% <input type="checkbox"/> Nil <input type="checkbox"/> Other <input type="text"/> % (please specify)	Cheque attached Yes <input type="checkbox"/>
InvestmentLink	ILCN	ILAN	ILGN



TOWER Managed Funds

Authority to Accept Direct Debit

(not to operate as an Assignment or Agreement)

1 Personal and Investment Details

Investor Name		
Your Account Number	Telephone Work	Telephone Home
Frequency: <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Ad-Hoc Investments		
Start Date:	/ /	Amount: \$

2 Instructions for the Bank

Name (Of Bank Account)			
Bank Account from which payments are to be made:			
<div></div>	<div></div>	<div></div>	<div></div>
Bank	Branch	Account Number	Suffix
(Please attach an encoded deposit slip to ensure your number is loaded correctly)			
			Authorisation Code 0 2 0 7 1 5 1

To the Bank Manager

Bank	Branch
Address	

I/We authorise you until further notice in writing, to debit my/our account with all amounts which TOWER Managed Funds (the Initiator) as agent of The Trustees Executors and Agency Company of New Zealand Limited is authorised to deduct on my/our instruction.

The registered Initiator of the above Authorisation Code, may initiate by Direct Debit.

I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this form.

Your Signature(s)
Date: / /

Information to appear on my/our bank statement:

Payer Particulars	Payer Code	Payer Reference
<div></div>	<div></div>	<div></div>

3 For Bank Use Only

Approved 0715 11 00	Original – Retain at Branch Copy – Forwarded to Initiator if requested Date Received: Recorded by: Checked by:	BANK STAMP
---------------------------	--	---------------

CONDITIONS OF THIS AUTHORITY

1. The Initiator:

- (a) Undertakes to give written notice to the Acceptor of the commencement date, frequency and amount at least 10 calendar days before the first Direct Debit is drawn (but not more than two calendar months). This notice will be provided either:
 - (i) in writing; or
 - (ii) by electronic mail where the Customer has provided prior written consent to the Initiator.

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

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

- (i) in writing; or
 - (ii) by electronic mail where the Customer has provided prior written consent to the Initiator.
- (b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

2. The Customer may:

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

3. The Customer acknowledges that:

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

4. The Bank may:

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

