

Example for Interim Interest Rate explanation

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During the week of 26 January 2009 to 30 January 2009, the Scheme's interim interest rates were updated several times. The effect on account balances is outlined in the example below. Please note that each time the interim interest rates were updated, it affected balances from 1 December 2008 to current date.

You are currently invested in the Balanced Option.

This example is based on an account balance of **\$100,000.00** in the Balanced Option as at 1 December 2008.

1. Prior to any updates being actioned on 26 January 2009, the daily interim interest rate applied to balances from 1 December 2008 was -0.47% per day = -\$470.00 per day.
57 day period = -\$26,790 = \$73,210 balance as at 26 January 2009.
2. The interim interest rates from 1 December 2008 were updated on 26 January 2009. As a result the daily interim interest rate applied to balances was now +0.17% for the 57 day period = +\$170.00 = \$100,170 balance as at 26 January 2009.

This would have been viewed on the website as an immediate increase of \$26,960.

The above scenario shows the effect that the recent changes in the interim interest rates has had on member's balances.

With the change to Member Investment Choices as at 1 October 2008 brought about a change to the way interim interest rates are being applied to the Scheme. In addition, extremely volatile investment markets have resulted in large fluctuations in interim interest rates.

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