

Guardian Cash Fund*

30 September 2011

Fund launch	June 1995								
Fund manager	Tyndall Investment Management New Zealand Limited (Tyndall)								
Trustee	The New Zealand Guardian Trust Company Limited (Guardian Trust)								
Investment objective	To provide investors with a Fund for short-term investment with capital stability and competitive income.								
Investment philosophy	The Fund invests in term bank deposits to provide a superior return to on-call deposits.								
Fund description	The Guardian Cash Fund is an unlisted cash PIE (Portfolio Investment Entity) which invests in cash or cash-equivalent instruments. See the Investment Statement for more information.								
Fund Benchmark	ANZ NZ 90 Day Bank Bill Index								
Structure and taxation	The Fund is a Group Investment Fund and a Portfolio Investment Entity (PIE). Income is calculated daily. The PIE tax paid by a Fund on a Unit Holder's behalf is at their Prescribed Investor Rate (PIR).								
Distributions	Quarterly – end March, June, September & December								
Management fees and other charges	<table border="0"> <tr> <td>Entry fee</td> <td>Nil</td> </tr> <tr> <td>Management fee</td> <td>0.60% pa</td> </tr> <tr> <td>Statutory Supervisor Fee</td> <td>0.025% pa</td> </tr> <tr> <td>Additional expenses (capped)</td> <td>0.30% pa</td> </tr> </table>	Entry fee	Nil	Management fee	0.60% pa	Statutory Supervisor Fee	0.025% pa	Additional expenses (capped)	0.30% pa
Entry fee	Nil								
Management fee	0.60% pa								
Statutory Supervisor Fee	0.025% pa								
Additional expenses (capped)	0.30% pa								
Benchmark asset allocation	100% cash or cash-equivalent instruments								
Minimum investment amounts	<table border="0"> <tr> <td>Initial</td> <td>\$1,000</td> </tr> <tr> <td>Additional</td> <td>\$100</td> </tr> <tr> <td>Regular (monthly)</td> <td>\$100</td> </tr> </table>	Initial	\$1,000	Additional	\$100	Regular (monthly)	\$100		
Initial	\$1,000								
Additional	\$100								
Regular (monthly)	\$100								
Telephone withdrawal facility	Investors may withdraw cleared funds by telephone between 8.00 am and 5.30 pm Monday to Friday (excluding Public Holidays). Proceeds will be available the following day if requests are received by 10.30 am.								
Who is this fund suitable for?	Investors requiring a secure savings vehicle for short-term goals. Interest payments are paid quarterly.								

Fund size: \$74.5 million

Fund performance¹

Fund returns are after fees and before tax.

Period	Fund %	Benchmark %
1 mth	0.23	0.24
3 mth	0.71	0.69
6 mths	1.48	1.35
1 yr	3.01	2.99
2 yrs (pa)	2.78	2.94
3 yrs (pa)	3.60	3.51
5 yrs (pa)	5.23	5.52
Inception (pa)	5.86	-

¹Past performance is not indicative of future performance and is not guaranteed by any party. There is no guarantee that the investment objectives of any investment fund will be achieved. The returns are based on the accrued income for the period specified, they are not the returns individual investors will receive as this will depend on the date of each individual contribution and/or withdrawal. Returns are displayed before tax and are calculated assuming the reinvestment of all distributions. On 1 October 2007 the Fund elected to become a PIE (portfolio investment entity) for tax purposes. All returns are after annual management fees.

Commentary (provided by Tyndall)

New Zealand short term interest rates moved higher over the quarter, while longer term bond rates were considerably lower. The 90-day rate increased 21 basis points to 2.87%. The 1-year swap rate finished 8 basis points higher in yield over the quarter at 2.96% and traded as high as 3.33% during July before expectations for interest rate increases were sharply scaled. The credit rating downgrade for New Zealand had long been a possibility, but the timing was a reflection of the global environment. The headline inflation rate has increased somewhat since June, but is largely due to last year's increase in GST, while core inflation remains more muted around 2% allowing the RBNZ time to wait and monitor developments. The RBNZ has revised down its growth forecasts for the year to March 2012 to 3.6% from 4.4% with growth for the following year revised down to 2.6% from 3.6%. If recent global developments have only a mild impact on the local economy it is likely rates will increase in 2012.

The commentary contained in this Investment Update has been prepared by Tyndall, the delegated investment manager for this Fund. Accordingly, none of Guardian Trust, their directors or their employees gives any warranty of reliability or accuracy, nor accepts any responsibility arising in any way for errors or omissions, in respect of this commentary.

Further information about this Fund is contained in the registered prospectus and Investment Statement for the Guardian Trust Group Investment Funds. A copy of the prospectus can be viewed at the head office of Guardian Trust, Level 7, Vero Centre, 48 Shortland Street, Auckland or on the Companies Office website, www.companies.govt.nz. For a copy of the Investment Statement please contact your Authorised Financial Adviser or call Guardian Trust on 0800 801 135. A Disclosure Statement is available free of charge on request.

* The Fund was renamed from the Guardian CashPlus Fund in December 2009

Disclaimer

Information provided in this Update is not personalised to take into account the particular financial situation or goals of any person. To personalise the information provided to your particular circumstances, please contact your Authorised Financial Adviser. This Update should not be relied upon as the basis for an investment decision, and you should seek qualified, independent financial and taxation advice before deciding to invest.

The information contained in this Update is of a general nature and has been derived from sources believed to be accurate at the date of issue. However, neither Guardian Trust, any of their related companies, their directors, their employees, the underlying fund managers nor any other person guarantees the Fund, any investment in the Fund, or any returns on an investment in the Fund, or gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way for errors or omissions. This Update is not a recommendation to subscribe for any of the units in this Fund, nor does it contain securities advice or is intended to provide advice to investors. Asset allocations, performance objectives, underlying investment funds, investment managers / fund managers and other details may change from time to time without notice.