

**GUARDIAN TRUST RESTRUCTURES GUARDIAN CASHPLUS FUND
TO MEET CROWN DEPOSIT GUARANTEE CRITERIA**

Following the Reserve Bank's issuing of criteria for the eligibility of Collective Investment Schemes in the Crown Deposit Guarantee Scheme, Guardian Trust is moving to restructure its CashPlus Fund to align the Fund with these criteria.

To enable this to be achieved it is necessary to ensure that the Fund only holds cash investments. The Fund will therefore separate out its investment in mortgage units. Once this is done and the Fund is approved for the Crown Deposit Guarantee Scheme, investors will benefit from the added security. The balance of the Fund, held in mortgage units, will enjoy a guarantee from Guardian Trust as to capital.

The restructure will require the Guardian CashPlus Fund to be suspended for a planned 35 days from 5 November 2008 to enable the process to be executed.

Guardian Trust Managing Director Sean Carroll said, "Our position is that if a government guarantee is available, the most responsible course of action is to seek that guarantee. For this reason, we plan to meet the Crown's criteria for inclusion in the Crown Deposit Guarantee Scheme by splitting the asset classes to create a fund that holds cash and cash deposits."

The majority of investment in the Guardian CashPlus Fund (approximately 65%) is held in cash or registered certificates of deposit from a spread of New Zealand-registered banks. The remainder is comprised of mortgage units, which we plan to move to a separate Fund, capital guaranteed by the Company.

The new, separate capital guaranteed mortgage unit fund will be closed to new investments and redemptions for the protection of investors, during this period of market instability. It is the intention of the Company to liquidate these units as soon as market conditions permit.

Mr Carroll said that as a trustee, Guardian Trust was legally required to act in the best interests of investors and other stakeholders.

“This restructure is an assertive action for the protection of all investors, and is consistent with the prudent approach Guardian Trust has always taken to its investors’ interests. Given the global economic turmoil and the need to respond quickly and responsibly to the rules set by the Treasury, this is the best strategy for an investment scheme such as the Guardian CashPlus Fund.”

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