



# Investment Statement



**MU**  
Manchester Unity Friendly Society

for the Funeral Assistance Benefit

*planning ahead*



*Proud to be New Zealand's oldest traditional Friendly Society.*

*We've been helping New Zealanders since 1842.*

The original idea behind a friendly society came about in the United Kingdom over 400 years ago. A simple idea, but highly innovative for its time. Communities who knew and trusted each other pooled their funds together, so that in the event of sickness or hardship, individual members could draw upon funds from the pool that they had contributed to.

Of course we have diversified and expanded since the early days, but our philosophy hasn't changed and we will always take pride in our principle of **People Helping People**.

Using this principal, Manchester Unity offers a range of financial products, including the Funeral Assistance Benefit. This is a policy that allows you to put money aside over time (Funeral Assistance Benefit), or in a lump sum (Pre-paid Funeral Benefit).

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## Important information

*(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 to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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### Choosing an investment adviser

You have the right to request from any investment advisor a written disclosure statement stating his or her experience and qualifications to give advice.

That 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 advisor 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 investment statement is prepared as at December 2008.

## What sort of investment is this?

Manchester Unity offers investment in two funeral insurance policies: the Funeral Assistance Benefit and the Pre-paid Funeral Benefit, both of which are incorporated in the Funeral Assistance Benefit Fund. For the purposes of this Investment Statement, these policies are referred to as "benefits".

Products from issuers other than Manchester Unity and products other than the Funeral Assistance Benefit and Pre-paid Funeral Benefit are not covered by this Investment Statement.

The benefits are represented in the accounts by a separate fund (The Funeral Assistance Benefit fund).

The Funeral Assistance Benefit Fund has been in operation since 1842. It operates as a pooled investment fund that permits subscribers to make provision for their funeral expenses. With the Funeral Assistance Benefit you may subscribe for a benefit of at least one unit of \$500 up to a maximum benefit of \$10,000 (in multiples of \$500), which, on production of your death certificate, is paid to your estate as well as any fund surpluses that have been applied to your benefit.

If you have contributed to this fund prior to attaining 65 years of age and have not attained 75 years of age, you may increase your existing Funeral Assistance Benefit (in multiples of \$500) up to a maximum of \$5000.

If you are 65 or older, you may not enter the fund except by taking a Single Contribution benefit (Pre-paid Funeral Benefit).

The purpose of this policy is to provide upon death, a predetermined sum (plus surpluses if applicable) towards the cost of your funeral. Contributions are payable on a quarterly basis. Manchester Unity also provides a Single Contribution benefit. With this benefit, units can be purchased to yield \$1,000 towards a "prepaid funeral" (maximum is ten units of \$1,000 each) which will be payable upon your death to your estate. This benefit will not accrue any bonuses or other increases by way of appropriation of surplus.

## Who is involved in providing it for me?

### Issuer

The issuer of these securities is Manchester Unity Friendly Society ("Manchester Unity"), 142 Lambton Quay, Wellington.

### Activities

Manchester Unity is a Friendly Society registered under the Friendly Societies and Credit Unions Act 1982. Established more than 160 years ago, Manchester Unity is a not-for-profit organisation, which has provided its members with a wide range of investment and risk management products and services since 1842.

In addition to the funeral insurance policies described in this Investment Statement, Manchester Unity offers the following financial services and benefits:

- Education Support Plan
- Increasing Assurance Benefits
- Credit Unions
- Affordablehealthcare
- Personal Accident Benefit
- Holiday Accommodation within New Zealand
- Mortgages
- Discounted General Insurance
- Discounted Travel Insurance
- Fraternity

## How much do I pay?

A membership fee is payable. You can obtain details of the amount of the fee by contacting your nearest branch of Manchester Unity, or calling 0800 101 842. Apart from this fee, contributions payable will vary according to your age when taking out your Funeral Assistance Benefit.

Your level of contribution is determined by an actuarial table based on age and the level of cover you choose.

The amount of the contributions will vary according to the age at which you commence contributions and the number of units selected (from a minimum of \$500 benefit to a maximum of \$10,000). Upon receipt of your application Manchester Unity will advise you of the amount of your contribution. From acceptance, contributions are payable to the trustees of Manchester Unity every three months in advance at any branch, agency or service centre of Manchester Unity or at 142 Lambton Quay, Wellington.

If you fail to pay your contributions for more than 39 weeks you forfeit your claim to the Funeral Benefit.

If you choose a Single Contribution benefit ("Pre-paid Funeral Benefit") the amount of your single contribution will vary according to the age and the number of units selected (maximum is ten units of \$1,000 each). Upon receipt of your application you will be advised of the amount of your contribution which is immediately payable to the trustees of Manchester Unity on the date of application at any branch, agency or service centre of Manchester Unity or at 142 Lambton Quay, Wellington.

## What are the charges?

In addition to the membership fees and contributions described in "How much do I pay?" the following charges may be payable:

The following commissions are paid from the Fund to Authorised Representatives of Manchester Unity for Funeral Assistance Benefit policies:

- 25% of the first year premium.
- 25% of the first year premium after two years.

The following commissions are paid from the Fund to Authorised Representatives of Manchester Unity for Prepaid Funeral Benefit policies:

- 5% of the premium at joining.

The Board of Directors may charge interest on arrears of contributions at an interest rate to be determined from time to time by the Board of Directors. You can obtain details of the current rate by contacting Manchester Unity.

If, at any valuation, it is found that the fund is in deficit, the Board of Directors will make good that deficiency by an increase in contributions, a reduction in benefits, or by some other means recommended by the actuary and approved by the Registrar of Friendly Societies.

There are no other charges.

## What returns will I get?

The key factors determining the level of benefits and additions will be the level of returns earned by Manchester Unity on the investment of the funds. These will be influenced by the general and financial economic conditions, inflation, interest rates and other factors that effect investments during the term of the fund.

Manchester Unity is the body legally liable to pay the returns to you.

Upon production of the original or a certified copy of your death certificate, your estate will receive from the trustees of Manchester Unity the amount representing the number of units subscribed for (from \$500 to \$10,000), as well as any fund surpluses that have been applied to your benefit.

If a nominee exists, an amount not exceeding \$2,000 will be paid to him or her from the amount due to the estate, with the balance (if any) paid to the estate. Fund surpluses are applied at the discretion of the Board of Directors following the recommendation of the Fund's actuary.

With Single Contribution benefits, upon production of the original or a certified copy of your death certificate, your estate will receive from the trustees of Manchester Unity the amount representing the number of units subscribed for (from \$1,000 to \$10,000). However, if a nominee exists, an amount not exceeding \$2,000 will be paid to him or her from the amount due to the estate, with the balance (if any) paid to the estate. Bonuses do not apply to Single Contribution benefits, except for those members aged 75yrs or over who paid the full amount of cover.

Manchester Unity is not subject to direct taxation. The Board of Directors may apportion reserves to be retained in the fund before bonuses have been declared.

## No Guarantee of bonus

No bonuses or level of bonuses are promised or assured.

## What are my risks?

Contributions to the fund are not free from risk. If the investment of the contribution results in a loss, you will bear these losses by way of reduction or loss of benefit(s) or reduction or loss of entitlement due. Losses can result from poor investment returns, failure of investments, reduction in value of investments.

If Manchester Unity becomes insolvent, it is foreseeable that you may not receive some or all of the benefits due to you.

You are only liable for payment of the contributions prescribed by Manchester Unity's rules. You are liable only to the extent of your contributions and will not otherwise become liable for the debts or liabilities of Manchester Unity unless such debts are expressly or implicitly approved by the members of Manchester Unity. However, the ultimate liability in relation to contributions is a matter that will be determined by the Courts.

Should Manchester Unity be put into liquidation, your claim on the assets of Manchester Unity, as the holder of a funeral assistance benefit, will rank equally with other members of Manchester Unity but behind the claims of any secured and unsecured creditors of Manchester Unity.

Your Funeral Assistance Benefit will lapse and you will forfeit your claim to the benefit if you fail to pay contributions for 39 weeks.

## Can the investment be altered?

Manchester Unity may increase contributions, in accordance with its rules, to meet any shortfall in the fund. Other terms of the benefits can be varied by ordinary resolution of the members of Manchester Unity.

## How do I cash in my investment?

The Funeral Assistance Benefit is only payable on production of your death certificate. However, if you are over 75 years of age you may, on production of the death certificate for your spouse, apply to have the whole or part of the benefit, which upon your own death would be payable to your estate and/or nominee, paid in advance to you to assist in the cost of your spouse's funeral.

You may not otherwise obtain payment of the Funeral Assistance Benefit prior to your death. If you cease payment of contributions for more than 39 weeks, your membership will be cancelled and the benefit will lapse, all contributions are forfeited and no refund of contributions or accrued bonuses is payable.

A Single Contribution benefit is only payable on the production of your death certificate if you are a financial member.

## Right to sell a security

There is no right to sell or transfer a Funeral Assistance Benefit. In Manchester Unity's opinion there is not an established market for such sales.

If you make a misrepresentation or fail to disclose any material particular, Manchester Unity may terminate your benefit.

## Who do I contact with enquiries about my investment?

If you have any enquiries about your investment you can contact the Member Services, Manchester Unity weekdays 8am to 4.30pm on 0800 101 842, or write to Manchester Unity, PO Box 5083, Wellington (142 Lambton Quay, Wellington).

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

First you may wish to raise your concern with your initial investment adviser. They should be able to resolve the majority of problems.

If the issue remains unresolved, you should refer your complaint to:

Member Services, Manchester Unity, PO Box 5083 Wellington  
Telephone 0800 101-842

If, after raising the matter with Manchester Unity, you are still not satisfied, you can contact the:

Insurance & Savings Ombudsman  
Level 7, BDO House, 99-105 Customhouse Quay, Wellington, PO Box 10845  
Telephone (04) 499-7612 or free phone 0800 888 202

## What other information can I obtain about this investment?

Further information about the securities and Manchester Unity is contained in the Registered Prospectus (which contains an offer in respect of the securities referred to in this Investment Statement) and Manchester Unity's financial statements. A copy of the prospectus and Manchester Unity's most recent financial statements can be obtained, free of charge, from Manchester Unity at 142 Lambton Quay, Wellington.

Detailed terms of the securities are contained in the Rules of Manchester Unity, a copy of which can be obtained from Manchester Unity for \$5.

The prospectus, financial statements, and other documents relating to Manchester Unity are filed on the public register at the Companies Office of the Ministry of Economic Development and are available for public inspection upon payment of the prescribed fee.

## Annual Information

Manchester Unity will provide an Annual Statement showing the amount of cover together with any appropriations that have been allocated.

## On request information

At any time, free of charge, you can receive from the Manchester Unity office copies of:

- Manchester Unity's last annual return and Financial statements contained in the annual return
- the most recent Manchester Unity prospectus, and related documents
- the Rules and Regulations of the Funeral Assistance Benefit
- Manchester Unity's most recent investment statement
- if any prospective financial information has been provided in respect of Manchester Unity or the scheme, a comparison of actual results against that prospective Financial information.

**To obtain on request information contact:**

**Manchester Unity Friendly Society**  
**142 Lambton Quay, PO Box 5083 Wellington**

**Or freephone 0800 101842, weekdays 8am to 4.30pm.**

## Contribution tables

Table 1 – Quarterly Contributions

Cover	15-24	25-39	40-54	55-59	60-64	65-69*	70-74*
\$ 500	\$1.00	\$1.50	\$3.50	\$6.00	\$8.50	\$11.50	\$16.50
\$ 1,000	\$2.00	\$3.00	\$7.00	\$12.00	\$17.00	\$23.00	\$33.00
\$ 1,500	\$3.00	\$4.50	\$10.50	\$18.00	\$25.50	\$34.50	\$49.50
\$ 2,000	\$4.00	\$6.00	\$14.00	\$24.00	\$34.00	\$46.00	\$66.00
\$ 2,500	\$5.00	\$7.50	\$17.50	\$30.00	\$42.50	\$57.50	\$82.50
\$ 3,000	\$6.00	\$9.00	\$21.00	\$36.00	\$51.00	\$69.00	\$99.00
\$ 3,500	\$7.00	\$10.50	\$24.50	\$42.00	\$59.50	\$80.50	\$115.50
\$ 4,000	\$8.00	\$12.00	\$28.00	\$48.00	\$68.00	\$92.00	\$132.00
\$ 4,500	\$9.00	\$13.50	\$31.50	\$54.00	\$76.50	\$103.50	\$148.50
\$ 5,000	\$10.00	\$15.00	\$35.00	\$60.00	\$85.00		
\$ 5,500	\$11.00	\$16.50	\$38.50	\$66.00	\$93.50		
\$ 6,000	\$12.00	\$18.00	\$42.00	\$72.00	\$102.00		
\$ 6,500	\$13.00	\$19.50	\$45.50	\$78.00	\$110.50		
\$ 7,000	\$14.00	\$21.00	\$49.00	\$84.00	\$119.00		
\$ 7,500	\$15.00	\$22.50	\$52.50	\$90.00	\$127.50		
\$ 8,000	\$16.00	\$24.00	\$56.00	\$96.00	\$136.00		
\$ 8,500	\$17.00	\$25.50	\$59.50	\$102.00	\$144.50		
\$ 9,000	\$18.00	\$27.00	\$63.00	\$108.00	\$153.00		
\$ 9,500	\$19.00	\$28.50	\$66.50	\$114.00	\$161.50		
\$10,000	\$20.00	\$30.00	\$70.00	\$120.00	\$170.00		

- i) For Funeral Assistance Benefit an application must be made after the 15th and prior to the 65th birthday of the person whose funeral is to be funded
- (ii) Additional cover available if existing member of this funeral fund prior to age 65. Existing members who have attained 65 years of age and have not attained 75 years of age, may increase their existing Funeral Assistance Benefit (in multiples of \$500) up to a maximum of \$5000.

Table 2 – Single Contributions  
(Pre-paid Funeral Benefit for \$1,000 cover)

<i>Age At Entry (Last Birthday)</i>	<i>Single Premium \$</i>	<i>Age At Entry (Last Birthday)</i>	<i>Single Premium \$</i>	<i>Age At Entry (Last Birthday)</i>	<i>Single Premium \$</i>
15	\$ 191	35	\$ 313	55	\$ 541
16	\$ 197	36	\$ 322	56	\$ 554
17	\$ 201	37	\$ 332	57	\$ 567
18	\$ 206	38	\$ 341	58	\$ 580
19	\$ 210	39	\$ 351	59	\$ 594
20	\$ 215	40	\$ 362	60	\$ 608
21	\$ 220	41	\$ 373	61	\$ 622
22	\$ 225	42	\$ 384	62	\$ 637
23	\$ 230	43	\$ 395	63	\$ 651
24	\$ 236	44	\$ 407	64	\$ 666
25	\$ 242	45	\$ 419	65	\$ 681
26	\$ 248	46	\$ 431	66	\$ 696
27	\$ 254	47	\$ 443	67	\$ 711
28	\$ 261	48	\$ 455	68	\$ 725
29	\$ 267	49	\$ 467	69	\$ 738
30	\$ 274	50	\$ 479	70	\$ 751
31	\$ 282	51	\$ 491	71	\$ 764
32	\$ 289	52	\$ 503	72	\$ 777
33	\$ 297	53	\$ 516	73	\$ 790
34	\$ 305	54	\$ 528	74	\$ 802

For members 75yrs and over, premiums are equal to the amount of cover. E.g. \$2,000 cover requires \$2,000 premium



Manchester Unity Friendly Society, 142 Lambton Quay, PO Box 5083 Wellington Freephone 0800 101 842