



**SECURITIES ACT (GROUP INVESTMENT INDEX FUNDS)
EXEMPTION NOTICE 1997**

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Group Investment Index Funds) Exemption Notice 1997.

(2) This notice comes into force on 1 October 1997.

(3) This notice expires on the close of 30 September 2002.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“The Act” means the Securities Act 1978:

“Distribution” means the direct or indirect transfer to a holder of specified participatory securities of money or property—

(a) That is received by the fund in respect of investments held by the fund; and

(b) That is held on trust for holders of specified participatory securities:

“Fund” means a group investment fund established under section 29 of the Trustee Companies Act 1967 and named in the first column of Schedule 1:

“Manager” in relation to a fund, means the manager named opposite the fund in the third column of Schedule 1:

“The Regulations” means the Securities Regulations 1983:

“Specified participatory security” means a participatory security—

(a) That is an interest in a fund; or

(b) That confers upon the holder of the participatory security the right to participate in any money or property that is the subject of a distribution:

“Third Schedule” means the Third Schedule of the Regulations:

“Trust deed” in relation to a fund, means the trust deed entered into by a trustee and a manager relating to the establishment of the fund:

“Trustee” in relation to a fund, means the trustee named opposite the fund in the second column of Schedule 1.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act or the Regulations, has the meaning given to it by the Act or the Regulations.

3. Certain persons exempt from sections 33 (3) and 37 (3) of the Securities Act 1978 in respect of specified participatory securities—

(1) Every trustee and manager in relation to a fund to which specified participatory securities relate and every person acting on behalf of the trustee or manager are exempted from sections 33 (3) and 37 (3) of the Act in respect of any specified participatory securities.

(2) The exemption is subject to the following conditions:

- (a) That the trust deed contains provisions specifying the matters set out in Schedule 2; and
- (b) That the registered prospectus in respect of the specified participatory securities contains—
 - (i) A description of the principal terms and conditions of the trust deed; and
 - (ii) A statement that the trust deed may be inspected without fee at a place (that is also stated) by any person who so requests; and
 - (iii) A statement that a copy of the trust deed is available to prospective and current investors, free of charge, upon request; and
- (c) That the registered prospectus in respect of the specified participatory securities contains a statement by the trustee—
 - (i) That the offer of the securities complies with the trust deed; and
 - (ii) Whether the trustee guarantees the repayment of the securities; and
 - (iii) Whether the trustee is under any obligation to ascertain whether any breach of the terms of the trust deed or of the offer of the specified participatory securities has occurred; and
- (d) That any interim statement of financial position, statement of financial performance, and statement of cash flows of the fund contained in the registered prospectus in respect of the specified participatory securities under clauses 21 (2), 31 (2), and 33 (b), respectively, of the Third Schedule are audited; and
- (e) That the accounting records of the fund are audited at least once a year by a qualified auditor.

4. Certain persons exempt from section 37A (1A) (c) (i) of the Securities Act 1978 in respect of specified participatory securities—

(1) Every trustee and manager in relation to a fund to which specified participatory securities relate and every person acting on behalf of the trustee or manager are exempted from section 37A (1A) (c) (i) of the Act in respect of any specified participatory securities.

(2) The exemption is subject to the condition that the certificate that relates to the registered prospectus states that, in the opinion of the directors of the issuer after due enquiry by them, the financial position shown in the statement of financial position contained or referred to in the registered prospectus has not materially and adversely changed during the period from the date of the statement of financial position to the date of the certificate, other than as a result of fluctuation in the market price of

the assets of the fund or the redemption of specified participatory securities.

5. Certain persons exempt from regulation 5 (2) of the Securities Regulations 1983 in respect of specified participatory securities—

(1) Every trustee and manager in relation to a fund to which specified participatory securities relate and every person acting on behalf of the trustee or manager are exempted from regulation 5 (2) of the Regulations in respect of any specified participatory securities.

(2) The exemption is subject to the following conditions:

(a) That the valuation included or referred to in the registered prospectus relates only to the historical values of a specified participatory security; and

(b) That the registered prospectus contains—

(i) A statement of the method by which the historical values of the specified participatory security were calculated; and

(ii) The date of the valuation; and

(iii) A description of the relationship of the historical values of the specified participatory security to the index to which the fund relates.

6. Certain persons exempt from regulation 23 of the Securities Regulations 1983 in respect of specified participatory securities—

(1) The trustee and manager in relation to Group Investment Fund No. 2291, known as NZSE 10 Index Fund, and every person acting on behalf of the trustee or manager are exempted from regulation 23 of the Regulations in respect of any specified participatory securities which are interests in that fund.

(2) The exemption is subject to the following conditions:

(a) That, on or before the date of the registered prospectus relating to the specified participatory securities, there has been delivered to the Registrar for registration an acknowledgement by the New Zealand Stock Exchange to the effect that all its requirements (other than those relating to the number of holders of the securities) for quoting the securities have been met; and

(b) That the registered prospectus or any advertisement relating to the specified participatory securities does not include any statement relating to quoting the securities other than a statement in the following terms:

“Application has been made to the New Zealand Stock Exchange for permission to quote the securities that are the subject of this offer and all requirements of the Exchange relating to the securities that can be complied with on or before the date of the prospectus have been duly complied with.”

7. Certain persons exempt from provisions of Third Schedule of the Securities Regulations 1983 in respect of specified participatory securities—

(1) Every trustee and manager in relation to a fund to which specified participatory securities relate and every person acting on behalf of the trustee or manager are exempted from clauses 7 (4), 7 (5), 7 (6), and 10 of the Third Schedule of the Regulations in respect of any specified participatory securities.

(2) The exemption from clause 7 (4) of the Third Schedule of the Regulations is subject to the condition that the registered prospectus contains a statement of the proposed distribution of any gross earnings of the scheme between the promoters, managers, and holders of specified participatory securities relating to the scheme.

SCHEDULES

Cl. 3

SCHEDULE 1

Group Investment Fund No. 2291, known as the NZSE 10 Index Fund	The New Zealand Guardian Trust Company Limited	NZSE Index Management Limited
Group Investment Fund No. 97, known as the AMP Investments' World Index Fund	The New Zealand Guardian Trust Company Limited	AMP Investment Management (N.Z.) Limited
Group Investment Fund No. 98, known as the AMP Investments' Tracker Fund	The New Zealand Guardian Trust Company Limited	AMP Investment Management (N.Z.) Limited
Group Investment Fund No. 59, known as NZGT 30 Fund	The New Zealand Guardian Trust Company Limited	The New Zealand Guardian Trust Company Limited
Group Investment Fund No. 50, known as the Renouf New Zealand First Fifteen	PGG Trust Limited	Renouf Asset Management Limited
Group Investment Fund No. 51, known as the Renouf New Zealand Second Fifteen	PGG Trust Limited	Renouf Asset Management Limited
Group Investment Fund No. 41, known as the Australian 20 Leaders Index Fund	The Trustees and Executors Agency Company of New Zealand Limited	Tower Trust Services Limited
Group Investment Fund No. 80, known as the NZ Mid-Cap Index Fund	The Trustees and Executors Agency Company of New Zealand Limited	Passive Funds Management Limited

SCHEDULE 2

MATTERS TO BE SPECIFIED IN DEED OF TRUST

1. Investment of fund—The investment or classes of investment in which the assets of the fund may be invested.

2. Capital of fund—(1) Whether any limits as to number or amount apply to all specified participatory securities or to any class of specified participatory securities that have been or may be issued in respect of the fund and, if so, the nature of those limits.

(2) The liability, if any, of the holders of the specified participatory securities to contribute to the fund before its winding up.

(3) Where there is, or is to be, a minimum amount of specified participatory securities that must be allotted before the commencement of the fund, a statement of that minimum amount.

3. Redemption and transfer of specified participatory securities—The terms relating to the redemption, transfer, and transmission of the specified participatory securities.

4. Winding up of fund—(1) The circumstances in which the fund must or may be wound up, and the procedure for winding up.

(2) The rights and liabilities of holders of specified participatory securities on, and in the course of, the winding up of the fund.

5. Meetings—The frequency of, procedure for convening and holding, the business to be conducted at, and the voting rights at, meetings of holders of specified participatory securities.

6. Trustee—(1) The terms relating to the appointment, remuneration and, if any, removal from office of the trustee.

(2) The powers of the trustee, including any borrowing powers and any powers to delegate the management of the fund.

(3) The duties and liabilities of the trustee, including the duty to hold the assets of the fund according to the terms of issue of the specified participatory securities.

7. Manager—(1) The terms relating to the appointment, remuneration and, if any, removal from office of the manager.

(2) The powers of the manager, including any borrowing powers and any other powers in respect of the fund.

(3) The duties and liabilities of the manager.

8. Profits involved—The terms relating to the use or distribution of any profits of the fund.

Dated at Wellington this 26th day of September 1997.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

E. H. ABERNETHY,
Chairman.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice, which comes into force on 1 October 1997, exempts certain persons, subject to conditions, from compliance with provisions of the Securities Act 1978 and the Securities Regulations 1988 in the case of certain participatory securities.

The securities are interests in Group Investment Funds established under section 29 of the Trustee Companies Act 1967 and named in Schedule 1. The exemptions apply to the trustees and managers of the fund.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 30 September 1997.

This notice is administered in the Securities Commission.