

Thank you for requesting this Product Disclosure Statement from Funds Focus.

### ***Fee Reduction***

As highlighted within our offers page, whilst most managed funds typically pay an entry fee of up to 5%. Applications lodged through Wealth Focus will receive a rebate of up to 5% directly into your fund, providing you with more money in your fund.

### ***How to Apply***

Please have a read through the PDS and if you would like to invest the application pages can generally be found towards the back of the document. You will only need to send the application section back with a cheque payable direct to the investment company (not ourselves). You should take note of any minimum investment amounts that may apply.

Then mail the completed application directly to us.

We will then check to ensure your form is completed correctly before forwarding your document on to the investment provider on your behalf.

Wealth Focus Pty Ltd  
Reply Paid 760  
Manly  
NSW 1655

Please note that we are unable to track applications mailed directly to the product provider and therefore cannot guarantee that your discounts have been applied in these instances.

Should you wish to take advantage of our free annual valuation and tax report for all your investments you should complete our broker nomination form for The Wealth Focus Investment Service.

Regards

**Suliaman Ravell**  
Managing Director

Wealth Focus Pty Ltd  
ABN 87 123 556 730  
56 The Corso, Manly, NSW 2095  
Postal Address: Reply Paid 760, Manly, NSW 1655



## **Requirements for verifying your identity under the new Anti Money Laundering (AML)/Counter Terrorism Financing (CTF) Act**

The new AML/CTF Act came into effect on the 12<sup>th</sup> December 2007. All financial planning and fund management companies are now required to collect, verify and store specific customer information before arranging certain services such as managed investments for a client. It is designed to prevent, detect and protect Australian business from money laundering and the financing of terrorist activities.

We are currently in a transition phase and as such whilst most companies will not accept any new business without a person identity being verified, there are a number that still do not. To avoid confusion, we request that all new applications are sent with 'certified documentation'.

**We've found that the easiest way to provide the required documentation is to have a copy of your driving licence or passport certified by Australia Post or a Justice of the Peace (please see following page for a full list of individuals that can certify documentation).**

**Once this has been completed, under the current requirements we will not require you to send identification again.**

### **What you need to do**

You will need to enclose a certified piece of photographic evidence or one piece of primary non-photographic evidence and one piece of secondary evidence (please refer to the Identification Form for document requirements), with your application form and post to us at the following address

**Wealth Focus Pty Ltd**

Reply Paid 760

Manly

NSW 1655

Please do not send us original driving licences or passports as these can very easily get lost in the post. Copies of documents can be certified by an authorised individual, they will need to sight and verify that the copy is a 'certified true copy', sign, date, print their name and list their qualification.

**ANTI-MONEY LAUNDERING REQUIREMENT FOR NEW APPLICATIONS**  
**IDENTIFICATION FORM**  
**INDIVIDUALS & SOLE TRADERS**

**GUIDE TO COMPLETING THIS FORM (MUST BE INCLUDED WITH ALL NEW APPLICATIONS)**

- Complete one form for each applicant. Complete all applicable sections of this form in **BLOCK LETTERS**.
- Please contact us on 1300 55 98 69 if you have any queries.
- If you wish to apply in the name of a super fund, trust or company, please contact us for an alternative identification form.

**SECTION 1A: PERSONAL DETAILS**

Surname

Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

**COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER**

Full Business Name (if any)

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

**Who can verify customer identity documents?**

Please find below a list of all the Approved Individuals that can certify documents:

- **A Justice of the Peace**
- **An agent of the Australian Postal Corporation** who is in charge of an office supplying postal services to the public, or a permanent employee with more than two years continuous service (who is employed in an office supplying postal services to the public)
- A notary public (for the purposes of the Statutory Declaration Regulations 1993)
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
- A judge, magistrate, registrar or deputy registrar of a court
- A chief executive officer of a Commonwealth Court
- A police officer
- An Australian consular or diplomatic officer (within the meaning of the Consular Fees Act 1955)
- An officer or finance company officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- An officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, and
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with more than two years continuous membership.

**VERIFICATION PROCEDURE**

**Attach** a certified copy of the ID documentation used as proof of identity. ID enclosed should verify the **applicant's** full name; and **EITHER** their date of birth or residential address.

- Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)
- Contact your licensee if the individual is unable to provide the required documents.

**PART I – ACCEPTABLE PRIMARY ID DOCUMENTS**

<b>Tick</b> ✓	Select ONE valid option from this section only
<input type="checkbox"/>	Australian State / Territory driver's licence containing a photograph of the person
<input type="checkbox"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
<input type="checkbox"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
<input type="checkbox"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*

**PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I**

<b>Tick</b> ✓	Select ONE valid option from this section
<input type="checkbox"/>	Australian birth certificate
<input type="checkbox"/>	Australian citizenship certificate
<input type="checkbox"/>	Pension card issued by Centrelink
<input type="checkbox"/>	Health card issued by Centrelink
<b>Tick</b> ✓	<b>AND ONE</b> valid option from this section
<input type="checkbox"/>	A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
<input type="checkbox"/>	A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i>
<input type="checkbox"/>	A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
<input type="checkbox"/>	If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

**PART III – ACCEPTABLE FOREIGN ID DOCUMENTS – should only be completed if the individual does not own a document from Part I**

<b>Tick</b> ✓	<b>BOTH</b> documents from this section must be presented
<input type="checkbox"/>	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth*
<input type="checkbox"/>	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

\*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.



# *ANZ Discovery Asia*

**Product Disclosure Statement**  
**An Offer of Units in the ANZ Discovery Asia Fund**

ARSN 129 944 547

**Responsible Entity:**

HFA Asset Management Limited

ABN 25 082 852 364

Australian Financial Services Licence number 246 747

Loan and Put Option (capital protection) available from:

Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Australian Financial Services Licence number 234 527

**LEADER** in  
ABSOLUTE  
RETURN  
SOLUTIONS



# ANZ Discovery Asia Fund

ARSN 129 944 547

## Supplementary Product Disclosure Statement

HFA Asset Management Limited ABN 25 082 852 364, ASFL No.246747

This Supplementary Product Disclosure Statement (**SPDS**) is dated 15 May 2008 and is supplementary to the Product Disclosure Statement (**PDS**) dated 19 March 2008 issued by HFA Asset Management Limited (**HFA**) for the ANZ Discovery Asia Fund (**Fund**). This SPDS must be read in conjunction with the PDS and terms defined in the PDS have the same meaning where used in this SPDS.

The information below is to supplement and amend information presently contained in the PDS. The directors of HFA have authorised the issue of this SPDS.

### Deductibility of interest – capital protected product

The section headed 'Capital protected products' on pages 35 and 36 in section 12 of the PDS is deleted and replaced with the following.

#### Capital protected products

Where Investors choose to borrow funds under the Loan for the purpose of acquiring Units, the capital protected borrowing rules must be considered.

In accordance with the ongoing approach prescribed by the capital protected borrowings rules, the amount attributable to the capital protection on the loan, which is considered to be capital in nature and hence not tax deductible, is the excess of the total amount incurred by the borrower in an income year in relation to the capital protected borrowing over the interest that would have been charged in the income year if the same amount had been borrowed at a prescribed interest rate.

Currently, for the purposes of these provisions the prescribed interest rate is the Reserve Bank of Australia's (**RBA**) Indicator Rate for Personal Unsecured Loans – Variable Rate. However, the Federal Government has announced that this rate will be changed to the RBA's Indicator Variable Rate for Standard Housing Loans for capital protected borrowing arrangements entered into after 7:30pm on 13 May 2008.

We expect that additional guidance on the operation of the announced changes will be released by the government in due course, however our current understanding is that the impact for an Investor will be as follows:

For an Investor who borrows \$100,000 under the Loan and therefore also purchases a Put Option at an example interest rate of 10.30% p.a. for the Loan and 0.25% p.a. for the Put Option, the relevant calculation will be as follows (assuming the relevant RBA rate is 9.35% p.a.):

- Step 1:* Calculate the total cost of the borrowing, including any additional capital protection cost (i.e. Protection Fee):
  - = Borrowed amount x (interest rate + Protection Fee)
  - = \$100,000 x (10.30% + 0.25%)
  - = \$10,550
- Step 2:* Calculate the prescribed cost of borrowing:
  - = Borrowed amount x relevant RBA rate (as described above)
  - = \$100,000 x 9.35%
  - = \$9,350
- Step 3:* Determine as to whether the actual cost of borrowing (per step 1) exceeds the prescribed cost of borrowing (per step 2):
  - = Excess of Step 1 over Step 2
  - = \$1,200, therefore this amount is attributable to the cost of the capital protection.

Accordingly, \$9,350 incurred as interest will be deductible. However, the Protection Fee of \$250 and an additional amount of \$950 of interest will not be deductible but should form part of the CGT cost base of the Put Option (as discussed above).

It is important to note that both the RBA interest rate used above and the interest rate on the Loan are subject to change. Also, this comparison must be conducted in relation to each income year during which the Investor continues to have an outstanding debt. We recommend that Investors seek their own advice in relation to the announced changes pertaining to capital protected products.

# Important Notices

This PDS is dated 19 March 2008.

## Responsible entity

HFA Asset Management Limited ABN 25 082 852 364 (**HFA or Responsible Entity**) is the responsible entity of the ANZ Discovery Asia Fund ARSN 129 944 547 (**Fund**) and is the issuer of this Product Disclosure Statement (**PDS**) and of units in the Fund (**Units**). HFA is solely responsible for this PDS.

## Important information

Investors should only rely on the information in this PDS. No person is authorised to provide any information or make any representation in connection with the Fund which is not contained in this PDS. This PDS is dated 19 March 2008 and has been prepared by HFA. If you have received this PDS electronically you can obtain a paper copy, free on request. Please ring ANZ on **1800 204 693**. This PDS may only be used by persons receiving it (electronically or otherwise) in Australia subject to applicable securities laws.

Information regarding this Offer that is not materially adverse to Investors is subject to change from time to time and may be updated by the Responsible Entity by placing such information on the Fund website at [www.hfaam.com.au](http://www.hfaam.com.au) and on ANZ's website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments). A paper copy of any updated information will be given to a person without charge upon request.

## Offering restrictions

The Offer is only being made to persons in Australia. No action has been taken to register or otherwise permit a public offering of the Units in any jurisdiction outside of Australia.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## HFA disclaimers

Your investment in the Fund is subject to investment and other risks, including possible delays in payment of income or other distributions, or loss of principal invested. Some of the risks which should be considered are set out in section 7.

Investments in the Fund are not deposits with or other liabilities of HFA or its related bodies corporate, affiliates, associates or officers. None of HFA, ANZ, or their related bodies corporate, or affiliates, associates or officers of any of the above entities guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund. HFA is not responsible for any of ANZ's obligations under the Swap Agreement, Loan Agreement or Put Option Agreement.

## ANZ disclaimers

Neither ANZ nor any of its related parties, associates, directors, officers or agents is responsible for this PDS and ANZ takes no responsibility for the preparation of this PDS other than the references made to its name and the statements that relate to the terms and conditions of the Swap, Loan and Put Option, and only to the extent that ANZ has given its consent for HFA to include those statements in the PDS.

Investments in the Fund are not deposits with or other liabilities of ANZ or its related bodies corporate, affiliates, associates or officers. HFA is a separate entity from ANZ and is not an authorised deposit-taking institution under the Banking Act 1959 (Cth).

ANZ is appointed as underwriter to the Offer for which it may receive fees (see section 13.5). ANZ will act, if necessary, to lawfully protect its own interests ahead of those of Investors.

## No financial product advice

The information contained in this PDS is not financial product advice. This PDS does not take into account the investment objectives, financial situation and particular needs of any potential Investor. Before you invest you should read this PDS, and any supplementary PDS, in full. We also recommend that before making a decision to invest in the Fund, you consult an independent taxation, financial or other professional adviser.

ASIC takes no responsibility for the contents of this PDS.

## Forward looking statements

Any forward looking statements in this PDS are based on an assessment of recent conditions at the time of this PDS and on a number of assumptions regarding future events which, as at the date of this PDS, are expected to occur. However, any such forward looking statements are not guarantees of future performance or results, and are subject to known and unknown risks, uncertainties and other factors many of which are beyond the control of HFA, or of ANZ as provider of the Swap. Neither HFA nor any other person gives any assurance that any performance or results stated or implied in such forward looking statements will actually occur.

## Anti-money laundering legislation

HFA and ANZ may require further information from you from time to time to comply with the Anti-money Laundering and Counter-Terrorism Financing Act (**AML Act**). By applying for Units, a Loan or Put Option you undertake to provide HFA and ANZ with all additional information and assistance that they may reasonably require.

By applying for Units, a Loan or a Put Option you warrant that:

- (a) you are not aware and have no reason to suspect that:
  - the monies used to fund your investment in the Fund have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement;
  - the monies used to fund the interest payments on your Loan or the Protection Fee have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement; or
  - the proceeds of your investment will be used to finance any illegal activities; and
- (b) you are not a politically exposed person or organisation.

## Enquiries

Investors with questions on how to complete the Application Form or who require additional copies of the PDS should contact ANZ on **1800 204 693**.

## Glossary

Capitalised terms in this PDS relating to the Fund are described in the Glossary in section 14. Capitalised terms in relation to the Loan Agreement and Put Option Agreement are described in sections 15 and 16.

## Currency and values

References to "\$" in this PDS are to Australian dollars unless otherwise specified. All references to values, including fees and expenses, have been rounded to 2 decimal places.

## Privacy Act

Please read the privacy statement in section 13 of this PDS. By signing and returning the Application Form you consent to the matters outlined in that statement.

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# Section 01: Key Features

## 1.1 Key Investment Features

This section provides key information about the ANZ Discovery Asia Fund (**Fund**), its investment objectives and other important details. It should be read in conjunction with the further information contained in the remainder of this PDS before making any decision to invest in the Fund.

Feature	Description	PDS section
<b>Investment Objectives</b>	<p>The investment objectives of the Fund are:</p> <ul style="list-style-type: none"> <li>■ to provide Investors with enhanced exposure to the performance of a diversified portfolio of Asian focused absolute return funds whilst preserving capital and generating positive returns over the long term;</li> <li>■ through the Dynamic Management process, to preserve the value of capital invested as at the Maturity Date of the Fund; and</li> <li>■ to generate capital appreciation over the life of the Fund.</li> </ul>	<b>Section 3</b>
<b>The Offer</b>	The Offer is for units in the Fund ( <b>Units</b> ) at an issue price of \$1.00 per Unit.	<b>Section 3</b>
<b>Investment Strategy</b>	<p>The investments of the Fund (<b>Portfolio</b>) may include:</p> <ul style="list-style-type: none"> <li>■ the Swap; and</li> <li>■ cash and cash equivalent investments.</li> </ul> <p>The Swap is designed to provide the Fund with preservation of capital, together with leveraged exposure of potentially up to 2 times the performance of Class B Shares in Lighthouse Asian Strategies Fund Limited (<b>Underlying Fund</b>). That is, for every dollar that is invested in the Swap, the Fund will potentially be entitled to returns as if it had invested up to two dollars directly into the Underlying Fund (less the Swap Leverage Cost and Dynamic Management Fee).</p> <p>The initial exposure to the Underlying Fund is expected to be approximately 1.4 times the initial investment by the Fund in the Swap (though this level may vary depending on current economic conditions at the time of purchasing the Swap).</p>	<b>Sections 3, 4 and 9</b>
<b>Underlying Fund</b>	The Underlying Fund to which the Fund will have leveraged exposure through the Swap is Lighthouse Asian Strategies Fund Limited. The Underlying Fund is a diversified fund of Asian focused absolute return funds, domiciled in the Cayman Islands. The investment manager of the Underlying Fund is Lighthouse Investment Partners LLC ( <b>Lighthouse</b> ), whose focus is to offer an alternative to traditional equity and fixed interest investments.	<b>Section 4</b>
<b>The Swap / Maturity Date</b>	<p>The Swap, issued by ANZ to the Fund, will provide Investors, via their investment in the Fund, with an investment return which is linked to the Underlying Fund.</p> <p>The Swap will provide an indirect exposure to the Underlying Fund. The exposure of the Underlying Fund provided by the Swap may be periodically changed by ANZ in accordance with the Swap Agreement.</p> <p>The Swap will be denominated in Australian dollars (<b>AUD</b>) and mature on 29 July 2016 (<b>Maturity Date</b>).</p>	<b>Section 9</b>
<b>Dynamic Management</b>	<p>Dynamic Management is the process by which ANZ manages the Fund's exposure, through the Swap, to:</p> <ul style="list-style-type: none"> <li>■ leveraged and unleveraged exposure to the Underlying Fund; and</li> <li>■ cash and cash equivalent investments.</li> </ul> <p>The objective of Dynamic Management is for the value of the Swap at the Maturity Date to be at least equal to the value of the Swap at the time of the initial investment. This objective is not guaranteed.</p>	<b>Section 3</b>

## Section 01: Key Features

Feature	Description	PDS section
<b>Capital Protection / Put Option</b>	<p>HFA has arranged for ANZ to make available, at its discretion, a Put Option to approved Investors. The purpose of the Put Option is to ensure that, regardless of the outcome of the Dynamic Management objective, after the Maturity Date a Unitholder will receive at least an amount equal to the Application Amount, assuming there has been no early redemptions and the Put Option has not lapsed.</p> <p>If an Investor's investment in the Fund is terminated or redeemed before the scheduled Maturity Date for any reason, the Put Option will lapse and capital protection will not be provided.</p> <p>If you apply for a Loan you must also purchase a Put Option. If you do not apply for a Loan, then you may still decide to purchase a Put Option to protect the value of your Units.</p> <p>Investors who purchase a Put Option will incur a Protection Fee of 0.25% p.a. of the Application Amount (adjusted for any redemption of Units during the term of the Put Option) payable annually in advance. Should you elect to purchase a Put Option, details of the due dates for the Protection Fee will be set out in your Put Option confirmation.</p> <p>Investors who do not purchase a Put Option from ANZ do not have the right to this capital protection.</p>	<b>Sections 11 and 16</b>
<b>Loan Facility</b>	<p>HFA has arranged for ANZ, at its discretion, to provide approved Investors with a Loan of 100% of the Application Amount. Investors are not required to apply for a Loan in order to apply for Units.</p> <p>The minimum Loan amount is \$50,000 and increases in multiples of \$10,000 thereafter.</p> <p>Interest on the Loan is payable annually in advance.</p>	<b>Sections 10 and 15</b>
<b>Benefits</b>	<p>The Fund seeks to provide Investors with leveraged access to the performance of Asian focused absolute return funds. Investors will receive the benefits of:</p> <ul style="list-style-type: none"> <li>■ <b>Diversification</b> – the Fund, indirectly via the Swap, offers diversification by providing access to around 20 to 25 core managers utilised by the Underlying Fund;</li> <li>■ <b>Exposure to the potential growth of Asia</b> - access to Asian investment strategies with substantially lower exposure to Asian equity market risk than traditional Asian equity investments;</li> <li>■ <b>Capital protection</b> – Investors have the ability to purchase a Put Option from ANZ to protect invested capital (if the investment is held to the Maturity Date);</li> <li>■ <b>Availability of 100% investment loan</b> – ability to borrow 100% of the Application Amount from ANZ through an interest only Loan with no margin calls and at interest rates fixed for either the entire Loan term or fixed annually for each year of the Loan term;</li> <li>■ <b>Dynamic Management</b> – active management of the Swap provides the potential for capital protection of the Fund's investment in the Swap;</li> <li>■ <b>Australian dollar denominated investment</b> – therefore mitigating foreign currency exposure;</li> <li>■ <b>Leveraged access</b> – the Fund provides leveraged access to quality underlying funds (accessed through the Swap linked to the Underlying Fund); and</li> <li>■ <b>Access to the Underlying Fund</b> – leveraged exposure to returns generated by the Underlying Fund (via the Swap), which are not widely available to the Australian investing public.</li> </ul>	<b>Section 6</b>

## Section 01: Key Features

Feature	Description	PDS section
Risks	<p>Unitholders should be aware that there are risk factors which could affect the performance of the Fund, including:</p> <ul style="list-style-type: none"> <li>■ <b>Capital not guaranteed</b> – there is no guarantee that an Investor's Investment Amount will be preserved as a result of Dynamic Management;</li> <li>■ <b>Liquidity restrictions</b> – Units cannot be redeemed in the first 12 months following the Allotment Date and redemptions are only available quarterly thereafter on giving 95 days prior written notice to HFA (ie the first redemptions can occur on 30 September 2009 with redemption requests to be given to HFA by 26 June 2009 and redemption proceeds from the first effective redemption date of 30 September 2009 not expected to be available until November 2009);</li> <li>■ <b>Performance not guaranteed</b> – the performance of the Fund is variable and is linked (via the Swap) to the performance of the Underlying Fund;</li> <li>■ <b>Gearing can increase investment risks</b> – leveraged exposure (via the Swap) increases the risk that an Investor may lose some or all of their investment, compared to an investment which has no leverage;</li> <li>■ <b>Dynamic Management may result in a nil exposure to the Underlying Fund</b> – poor performance of the Underlying Fund or unfavourable economic conditions can result in the Swap generating only a cash rate of return (due to Dynamic Management). However, for Unitholders who have taken out a Loan and Put Option, or purchased a Put Option without the Loan, the Unitholder will remain obliged to, as applicable, pay interest and Protection Fees for the full term of the Loan and Put Option;</li> <li>■ <b>Potential consequences of early repayment of the Loan</b> – failure to meet interest payments, a breach of covenants or the occurrence of the events set out in clauses 4.2 or 11.1 of the Loan Agreement contained in section 15 of this PDS may cause ANZ to require early repayment of the Loan and ANZ will have full recourse to the Unitholder for the repayment of the outstanding Loan Balance and any applicable Loan Break Costs;</li> <li>■ <b>Potential loss of capital protection</b> – capital protection only applies if Investors hold the Put Option until maturity and pay the annual Protection Fee. If Unitholders default on payment of their Protection Fee, withdraw their investment prior to the Maturity Date or any other event occurs which is listed in clause 1.4 of the Put Option Agreement contained in section 16 of this PDS, the capital protection provided by ANZ under the Put Option will be lost;</li> <li>■ <b>Effect of redemption on capital protection</b> – Units redeemed or disposed of prior to the Maturity Date (including as a result of ANZ exercising its rights under the Loan Agreement) will lose the benefit of capital protection provided by ANZ under the Put Option;</li> <li>■ <b>Early repayment of the Loan may result in break costs</b> – any full or partial repayment of the Loan may result in the Unitholder being required to pay Loan Break Costs to ANZ;</li> <li>■ <b>Exposure to ANZ credit risk</b> – Unitholders are exposed to the credit risk of ANZ in case of default on its obligation to pay under the Swap and the Put Option respectively; and</li> <li>■ <b>Effect of delay in payment of redemption proceeds</b> – settlement of the Swap on the scheduled Maturity Date is linked to the timely payment of redemption proceeds by the Underlying Fund to its investors. If this is delayed, settlement of the Swap will also be delayed. Investors who have obtained a Loan, Put Option or both will be required to continue to pay interest on the Loan, Protection Fee or both until the Swap is settled and the Fund pays out redemption proceeds on Units.</li> </ul> <p>Prospective Investors should carefully consider the risks involved in investing and consider obtaining professional advice before investing in the Fund.</p>	Section 7
Fees and Costs	<p><b>Contribution Fee:</b> Unitholders may be required to pay a contribution fee of up to 3% (inclusive of GST) of the Application Amount to their financial adviser. The amount of this fee will depend on what you negotiate with your financial adviser.</p> <p><b>Establishment Costs:</b> Establishment costs of approximately \$250,000 (including printing, legal, marketing, taxation and other advisory fees) will be recovered by HFA from the Fund over the first 3 years of the Fund.</p> <p><b>Management Fee:</b> The Responsible Entity is entitled to a management fee of 1.33% p.a. (inclusive of GST) of the Gross Asset Value (GAV) of the Fund payable out of the Fund.</p>	Section 8

## Section 01: Key Features

Feature	Description	PDS section
<b>Fees and Costs cont.</b>	<p><b>Performance Fee:</b> The Responsible Entity is entitled to a performance fee of 10.25% (inclusive of GST) of the monthly increase in net asset value (NAV) of the Fund payable out of the Fund. Performance fees are accrued monthly and paid quarterly in arrears. The performance fee is subject to a “high water mark” limitation.</p> <p><b>Dynamic Management Fee:</b> ANZ is entitled to a Dynamic Management Fee of 1% p.a. of the Swap Value (inclusive of GST) or 0.10% p.a. (inclusive of GST) if the Swap Value is wholly invested in cash and cash equivalent investments. This is deducted from the value of the Swap.</p> <p><b>Swap Leverage Cost:</b> ANZ is entitled to a leverage fee of 3 month USD LIBOR + 1.00% p.a. (inclusive of GST) based on the amount of leverage within the Swap. This is deducted from the value of the Swap.</p> <p><b>Other Expenses:</b> Additional administration costs are estimated to be around 0.20% p.a. (GST inclusive) of NAV (assuming the Fund has a NAV of \$100 million) payable out of the Fund.</p> <p>Other fees may be payable in connection with the Loan and Put Option. Refer to section 8.3.</p>	<b>Section 8</b>
<b>Commissions</b>	<p><b>HFA Trailing Commissions</b> HFA may pay a financial adviser a semi-annual trailing commission of up to 0.25% p.a. (inclusive of GST) of the Fund’s NAV relating to your investment. Any trailing commission is not paid by the Unitholder or the Fund but by HFA, out of its own money.</p> <p><b>ANZ Loan Trailing Commission</b> ANZ will pay HFA a semi-annual trailing commission of 0.50% p.a. (inclusive of GST) of the Loan Balance. Any trailing commission is not paid by the Unitholder or the Fund but by ANZ, out of its own money. The Loan trailing commission will be on-paid to relevant financial advisers in addition to the HFA trailing commission and ANZ Loan placement fee described below.</p> <p><b>ANZ Loan Placement Fee</b> ANZ will pay HFA a Loan placement fee of up to 0.50% (inclusive of GST) of the Application Amount where an Investor obtains a Loan. Any Loan placement fee is not paid by the Unitholder or the Fund but by ANZ, out of its own money. The Loan placement fee will be on-paid to relevant financial advisers in addition to the HFA trailing commission and ANZ Loan trailing commission.</p>	<b>Section 8</b>
<b>Net Asset Value / Unit Prices</b>	<p>The initial NAV per Unit will be \$1.00.</p> <p>The NAV per Unit and Unit prices will be updated monthly and will be available to Unitholders at <a href="http://www.hfaam.com.au">www.hfaam.com.au</a> and at <a href="http://www.anz.com/Structured-Investments">www.anz.com/Structured-Investments</a> or by calling 1300 30 90 92.</p> <p>In addition to those reports required by the Corporations Act, HFA will also publish monthly investment reports.</p>	<b>Sections 1 and 13</b>
<b>Minimum Application Amount without Loan Facility</b>	The minimum Application Amount is \$10,000, with \$1,000 increments thereafter.	<b>Section 13</b>
<b>Minimum Application Amount with Loan Facility</b>	If a Loan is obtained from ANZ, the minimum Application Amount in the Fund is \$50,000, with \$10,000 increments thereafter.	<b>Sections 10 and 13</b>

## Section 01: Key Features

Feature	Description	PDS section
<b>Application instructions</b>	<p>All completed Application Forms should be mailed to:  <b>ANZ Discovery Asia Fund</b>  <b>Reply Paid 12366</b>  <b>A'Beckett Street VIC 8006</b></p> <p>Investors who apply for a Loan and Put Option must complete the direct debit section of the Application Form to enable Loan interest and Protection Fees to be debited from their account.</p> <p>Investors who apply for Units and a Put Option only must ensure their Application Form is accompanied by a cheque or direct debit form for payment of the Application Amount. If paying the Application Amount by cheque, Investors must still include their direct debit details on the Application Form so Protection Fees can be debited from their account.</p> <p>Application Forms of Investors who apply for Units only must be accompanied by a cheque or direct debit form in payment of the Application Amount.</p>	<b>Section 13</b>
<b>Distributions</b>	<p>Where income is available, distributions may be made annually for the period ending 30 June each year. However, Investors should note that the majority of income is expected to be distributed at the Maturity Date.</p> <p>The Responsible Entity may, under the Constitution, retain from the amounts distributed to a Unitholder any amount necessary to avoid liquidating the Swap and such amount will be paid through the issue of Units.</p> <p>Investors who have borrowed under the Loan Agreement may be required by ANZ to apply any distributions received towards repayment of any Loan Balance outstanding or reinvested in new Units which will form part of the security provided by Borrowers to ANZ.</p>	<b>Section 13</b>
<b>Taxation</b>	<p>A general tax summary is provided in section 12. Investors should seek independent professional advice in relation to their own particular circumstances before investing.</p>	<b>Section 12</b>
<b>Liquidity / Redemptions</b>	<p>Units will not be quoted on a recognised exchange and cannot be redeemed during the first 12 months following the Allotment Date. After this period, subject to the provisions of the Constitution, redemptions will be available on a quarterly basis. The redemption of Units will always be dependent on the Underlying Fund being able to pay out redemption proceeds on a timely basis. A Unitholder wishing to redeem Units at the end of a quarter must provide a written redemption request to HFA at least 95 days prior to the quarter end date.</p> <p>Therefore, the first redemptions can occur on 30 September 2009 with redemption requests to be given to HFA by 26 June 2009. Redemption proceeds from the first effective redemption date of 30 September 2009 are not expected to be available until November 2009.</p> <p>Unitholders may transfer Units subject to the procedures set out in the Constitution.</p> <p>Unitholders who have borrowed from ANZ may incur material Loan Break Costs (see section 10.8) if some or all Units are redeemed and all or part of the Loan repaid prior to the Maturity Date and may only transfer Units with ANZ's prior written consent.</p>	<b>Section 13</b>
<b>Maximum Subscription</b>	<p>The maximum subscription amount for the Offer is \$200 million.</p>	
<b>Term of the Investment</b>	<p>The term of the Fund is approximately 8 years and 1 month, expiring on 29 July 2016 (<b>Maturity Date</b>).</p> <p>Approximately 7 months before the Maturity Date, the Responsible Entity will call a meeting of Unitholders to resolve by Special Resolution:</p> <p>(a) to wind-up the Fund and distribute the proceeds to Unitholders; or  (b) to invest the Fund assets in another leveraged instrument, for a term approved by Unitholders.</p> <p>If the Fund assets are to be reinvested, the Loan and Put Option provided by ANZ to Unitholders will nonetheless terminate on the Maturity Date unless ANZ agrees, in its absolute discretion, to an extension or rollover of the Loan and Put Option.</p>	<b>Section 13</b>
<b>Cooling Off</b>	<p>A 14 day cooling-off period applies to Units issued in the Fund.</p>	<b>Section 13</b>

# Section 01: Key Features

## 1.2 Important Dates

Offer opens	19 March 2008
Offer Closing Date	13 June 2008
Payment of Protection Fee (if applicable)	16 June 2008
Payment of first year's interest on Loan (if applicable)	16 June 2008
Drawdown of Loan (if applicable)	30 June 2008
Allotment Date	30 June 2008
Maturity Date	29 July 2016
Loan Repayment Date	29 July 2016

These dates are indicative only and may change at HFA's discretion. HFA may bring forward or extend the Closing Date of the Offer without notifying recipients of this PDS of its intention to do so.

All Application Amounts received by HFA will be held on trust for Applicants in a separate bank account until the Allotment Date.

Any interest earned on this account will be paid to, and form an asset of, the Fund for the benefit of all Unitholders.

Loan interest and Protection Fees received by ANZ will also be held on trust for Applicants in a separate bank account until the Allotment Date. Any interest on this amount will be retained by ANZ.

## 1.3 Investment Options

You may choose from the following alternatives:

### Option 1

You subscribe only for Units.

### Option 2

You subscribe for Units and, to obtain capital protection, you purchase a Put Option.

### Option 3

You subscribe for Units and apply for a Loan of 100% of the Application Amount, in which case you are required to purchase a Put Option.

## 1.4 Who May Invest

The types of persons who may wish to invest in the Fund include investors who are interested in:

- obtaining exposure to Asian capital markets;
- investing in absolute return funds;
- maximising returns relative to risk through leveraging (provided the risks of leveraging are acceptable);
- capital protection provided by ANZ through the Put Option; and
- if you elect not to take the Put Option, through Dynamic Management the potential for some capital protection if you remain a Unitholder throughout the Term.

## 1.5 Applying

To invest in the Fund you must complete the attached Application Form (section 17).

To obtain a Loan and Put Option from ANZ, you must also complete the Loan and Put Option sections of the Application Form (section 17).

To obtain a Put Option only from ANZ, you must ensure you complete the Put Option section of the Application Form (section 17).

All completed Application forms should be mailed to:

**ANZ Discovery Asia Fund**  
**Reply Paid 12366**  
**A'Beckett Street VIC 8006**

## 1.6 Example of funding requirements when applying

The following is an example of the funding requirements assuming an Application Amount of \$100,000 is borrowed and a Put Option is purchased from ANZ:

### Funds required

Application Amount	\$ 100,000
Loan Amount	\$ 100,000
First year's interest <sup>1</sup>	\$ 10,300
Equity contributed by Investor	Nil
Protection Fee (for the Put Option) <sup>2</sup>	\$ 250
<b>Total funds required from Investor</b>	<b>\$ 10,550</b>

**Funds invested in the Fund<sup>3</sup>** **\$ 100,000**

<sup>1</sup> Based on indicative full term interest rate of 10.30% p.a. (see section 10 for further information).

<sup>2</sup> Calculated as 0.25% p.a. of the Application Amount.

<sup>3</sup> Where the Application Form bears the stamp of a licensed financial adviser, up to 3% of the Application Amount will be paid to the adviser as commission and the balance applied toward Units.

# Section 01: Key Features

## 1.7 Payment of Application Amount, Loan interest and Protection Fees

The following table explains the funds required to be provided by an Investor and how those amounts are to be paid.

Investment type	Funds required
Units, Loan and Put Option	<p>The Investor's direct debit details must be included in the Loan and Put Option section of the Application Form (section 17).</p> <p>ANZ will debit the first year's Loan interest and Protection Fee from the nominated account prior to the Allotment Date. Each subsequent year's interest and Protection Fee will be deducted annually by ANZ from this account.</p>
Units and Put Option, no Loan	<p>The Application Amount must be paid by cheque at the time of application. If the cheque is provided the Investor's direct debit details must also be included in the Put Option section of the Application Form (section 17).</p> <p>ANZ will debit the first year's Protection Fee from the nominated account prior to the Allotment Date. Each subsequent year's Protection Fee will be deducted annually by ANZ from this account.</p>
Units only, no Loan or Put Option	<p>The Application Amount must be paid by cheque at the time of application or direct debit details inserted in the Application Form (section 17). Where the Investor elects to pay the Application Amount by direct debit, HFA will debit the Application Amount prior to the Allotment Date.</p>

## 1.8 Indirect Investors

You may invest indirectly in the Fund through an investor directed portfolio service, master fund or other portfolio administration service (IDPS). As an Indirect Investor, you may rely on and are authorised to use the information in the PDS to direct the operator of the IDPS to invest in the Fund on your behalf. An Indirect Investor does not become a Unitholder in the Fund.

Accordingly, an Indirect Investor does not acquire the rights of a Unitholder or acquire any direct interest in the Fund. The operator or manager of the IDPS acquires these rights and can exercise, or decline to exercise them, on behalf of the person according to the arrangements governing the IDPS. A person who invests in the Fund through an IDPS should ignore information in this PDS that is relevant only for direct Investors. This includes information relating to:

### Application Form

A person investing in the Fund through an IDPS should not complete the Application Form attached to or accompanied by this PDS. An Indirect Investor should complete the application form supplied by the operator of the IDPS.

### Information

An Indirect Investor will receive no statements, tax information or other information directly from the Responsible Entity. An Indirect Investor should receive equivalent information from the operator of the IDPS.

### Withdrawal/Exit

Provisions of the Constitution which relate to redemptions and exits will affect the operator of the IDPS and not the Indirect Investor.

### Fees and Expenses

Fees and expenses applicable to the IDPS (and set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses stated in this PDS.

## Section 02: About absolute return funds, leveraged swaps and put options

The principal features of the Fund are the potential leveraged exposure to a diverse range of Asian focused absolute return funds, via the Swap, and its capital preservation features through Dynamic Management and (if purchased by an Investor) the use of a Put Option. This section is intended as a general discussion on absolute return funds, leveraging and put options and is not intended as a description of the Portfolio.

### 2.1 About absolute return funds

Absolute return funds employ different investment strategies to those employed by traditional investment funds and utilise a broader range of underlying securities as part of those strategies.

The performance of a traditionally managed fund is typically benchmarked against an index, such as the S&P/ASX 200 Index, with the objective being to outperform that benchmark. This means, in rising markets, these funds aim to deliver a higher return than the benchmark index. However, in falling markets, they aim to restrict losses to less than the negative benchmark index return. Such a fund may still achieve its investment objective even though it has delivered a negative return (loss) to its investors.

In comparison, absolute return funds aim to deliver positive returns in rising markets as well as seeking to preserve capital in falling markets. Consequently, the performance of an absolute return fund is typically benchmarked against delivering a positive return in all market conditions. However, prospective Investors should note that the achievement of this aim is not guaranteed.

### 2.2 What is a swap?

A swap is simply the exchange of one entitlement with another. In the context of the Fund, a swap will be used to provide the Fund with leveraged exposure to the performance of the Underlying Fund, whilst aiming to preserve the value of the Fund's investment in the Swap by reweighting the allocation of underlying assets between the Underlying Fund and low risk assets (**Dynamic Management**).

For more details on the Swap and its role in this transaction please refer to section 9.

### 2.3 What is Dynamic Management?

The objectives of Dynamic Management are that the redemption value on the scheduled maturity date is at least equal to the amount initially invested, whilst maximising the exposure to the underlying investment. There is no guarantee that Dynamic Management will achieve this objective.

The Dynamic Management process works by actively allocating a notional portfolio between cash and fixed income securities, the underlying fund and leverage, and endeavours to preserve capital as at the maturity of the product. The premise of Dynamic Management is to always hold sufficient assets in the notional portfolio so that there can be a switch to the appropriate amount of cash or fixed interest securities that will compound up to provide the required balance at maturity. This minimum amount of assets is dictated primarily by longer term market interest rates.

Generally, if the underlying fund is performing well, then there will be a sufficient buffer above the minimum level of assets required, and the portfolio can be positioned more aggressively, with a higher exposure to the underlying fund through additional leverage. Conversely, if the underlying fund is performing poorly, there may not be a large buffer above the minimum level of assets required, and the portfolio will be positioned more defensively such that there may be a greater allocation to cash and fixed interest securities and a lower level of exposure to the underlying fund.

Undertaking Dynamic Management significantly increases the likelihood that an investment will at least return the capital invested upon maturity.

### 2.4 What is leverage?

The term 'leverage' refers to the use of borrowings or derivatives in order to increase exposure to a portfolio of investments.

By investing in leveraged instruments, such as a swap with the potential for leveraged exposure of up to 200% of the underlying asset, investors are able to gain increased exposure in excess of the amount that is actually available for investment. Leveraged exposure arises where, for every dollar invested, a third party, the leverage provider, provides an additional amount for investment. For example, if you invest \$1.00 in a 2 times leveraged swap, the leverage provider will contribute \$1.00, such that the total exposure to the underlying fund is \$2.00, or 2 times the net investment in the swap. The investor will not own an interest in the underlying fund equal to 2 times the amount invested, but will, through the leveraged swap, have an exposure equal to 2 times the amount invested in the underlying fund.



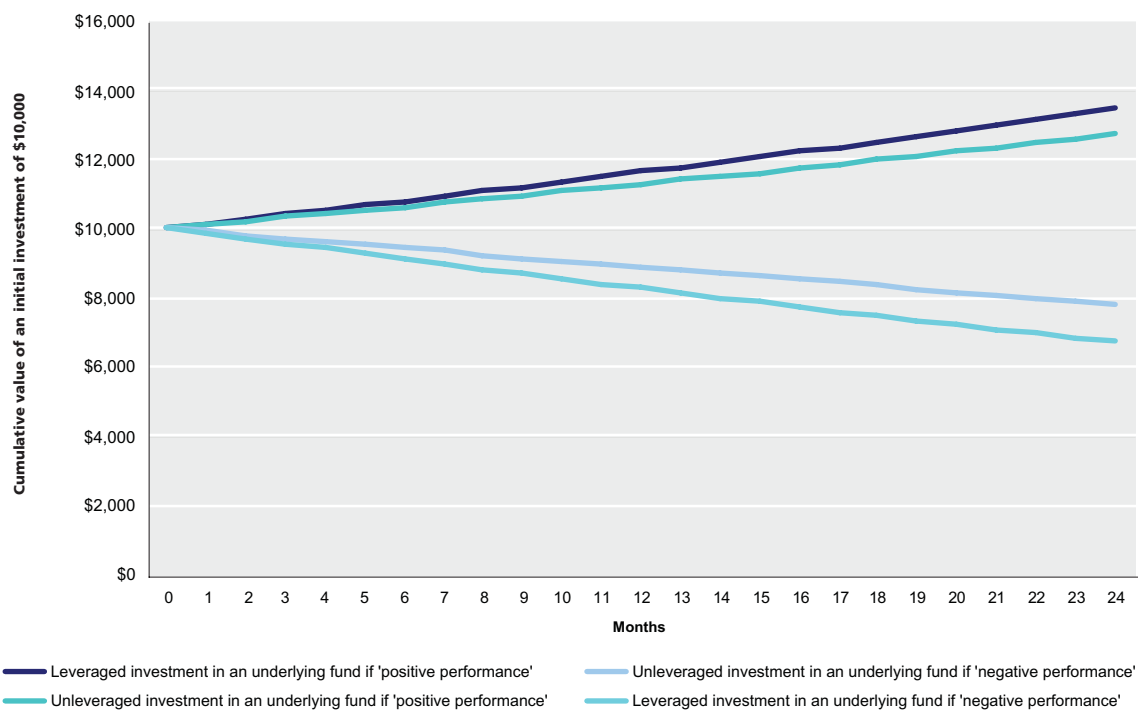
## Section 02: About absolute return funds, leveraged swaps and put options

### Illustrations of leveraged exposure

Graph 1 below illustrates the effect of the leveraged exposure available by investing in a leveraged instrument, compared to a direct investment in an underlying fund assuming:

- the amount invested in the leveraged instrument is \$10,000;
- the leveraged instrument provides a fixed leverage of 1.4 times the amount invested in the leveraged instrument, that is, for each \$10,000 invested in the leveraged instrument an additional \$4,000 is provided as exposure to the investment performance of an underlying fund, less costs;
- the leverage cost is based on the 3 month USD LIBOR of 3.058% as at 29 February 2008 (maintained at a constant rate over the 24 month period) + a 1.0% margin;
- the change in value in the leveraged instrument and underlying fund is measured across 24 months; and
- the net performance of the underlying fund is either +1.0% or -1.0% per month over the 24 month period.

Graph 1: Direct investment in an underlying fund versus leveraged investment return.



*This graph is an illustration of the effect of leverage on performance only. It does not represent past or future performance of the Underlying Fund or of the Fund.*

The graph shows that where there is consistent positive underlying fund performance, the returns on a leveraged instrument exceed those that would have been obtained from a direct investment in the underlying fund. Conversely, where there is consistent negative underlying fund performance, losses on the leveraged instrument are magnified.

## Section 02: About absolute return funds, leveraged swaps and put options

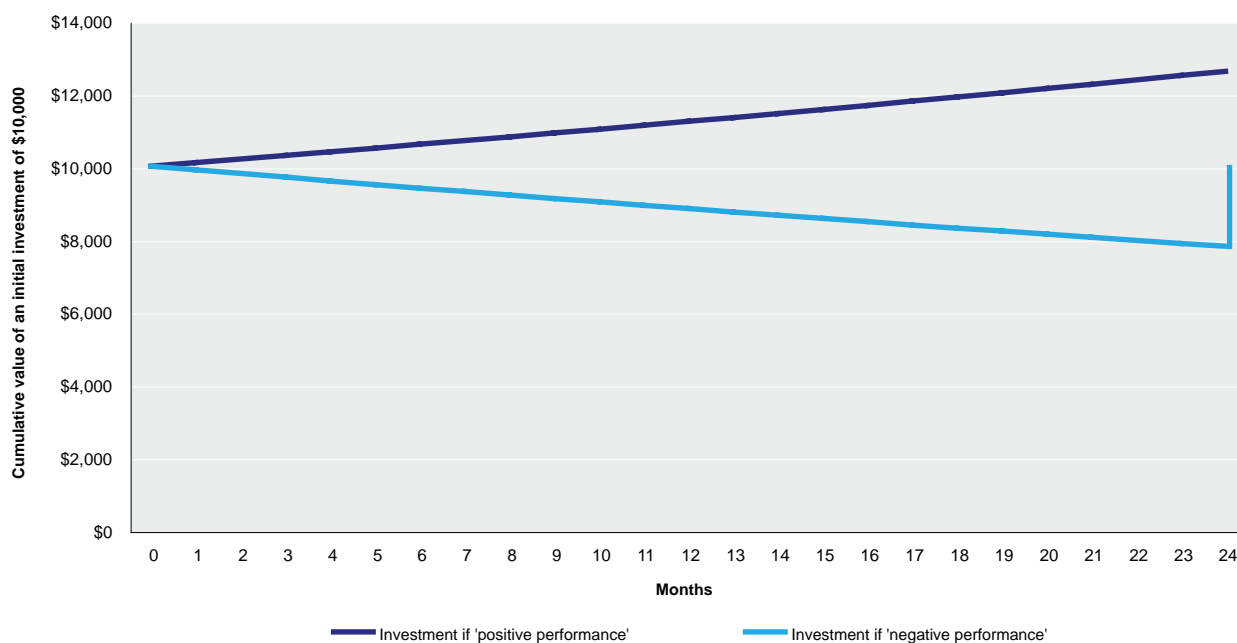
### 2.5 About put options

Put options operate such that the holder of the put option has a right to sell the underlying asset, over which the put option operates, to another party (often at the maturity date), at an agreed value.

Graph 2 depicts how holding a put option can protect an investor's initial investment amount if held to maturity. The graph makes the following assumptions:

- the amount invested is \$10,000;
- the change in value of the investment is measured across 24 months;
- the net performance of the investment is either +1.0% or -1.0% per month over the 24 month period;
- the cost of the put option is 0.25% p.a. of the investment amount amortised over the period;
- the put option is held to the maturity date of 24 months; and
- the agreed exercise value of the put option is equal to the initial \$10,000 amount invested.

Graph 2: The effects of a put option on an investment, exercisable at 24 months.



*This graph is an illustration of the effect of a put option. It does not represent past or future performance of the Underlying Fund or of the Fund.*

The bottom line on Graph 2 represents an investment (with the investor holding a put option) that has had consistent negative performance over a 24 month period. If the put option is held to maturity the investor can exercise the put option to receive the amount of their initial investment amount, regardless of the loss which would otherwise be incurred on the investment.

However, if any part of the investment is realised early, the option will not protect against capital loss on the amount realised.

The top line in Graph 2 represents an investment (with the investor holding a put option) that has had consistent positive performance over a 24 month period. If the put option is held to maturity, the investor will not exercise the put option as the underlying investment has returned a profit. However, where the investor holds a put option and the investment has positive returns, the investor's return will be less than if no put option was held as there are costs (ie option fees) associated with holding a put option.

## Section 03: The Fund and Dynamic Management

### 3.1 The Fund's investment objectives

The investment objectives of the Fund are:

- to gain exposure to the Underlying Fund, which invests in a diversified portfolio of Asian focused absolute return funds;
- through Dynamic Management, to manage (increase or decrease) exposure to the Underlying Fund, and therefore those Asian focused absolute return funds, in an attempt to return upon maturity no less than the initial capital invested; and
- to enhance the returns from a notional investment in the Underlying Fund by utilising leverage.

In order to preserve capital and to gain leveraged exposure to the performance of the Underlying Fund, the Fund will purchase the Swap. The Swap will provide a return that is linked to the performance of the Underlying Fund which invests in Asian focused absolute return funds. The value of the Swap is linked to the adjusted performance of the Underlying Fund. The adjusted performance payable by the Swap Provider may be up to 2 times the performance of the Underlying Fund less the Swap Leverage Cost and Dynamic Management Fee. The initial exposure to the Underlying Fund is expected to be around 1.4 times (though this level may vary depending on current economic conditions at the time of purchasing the Swap).

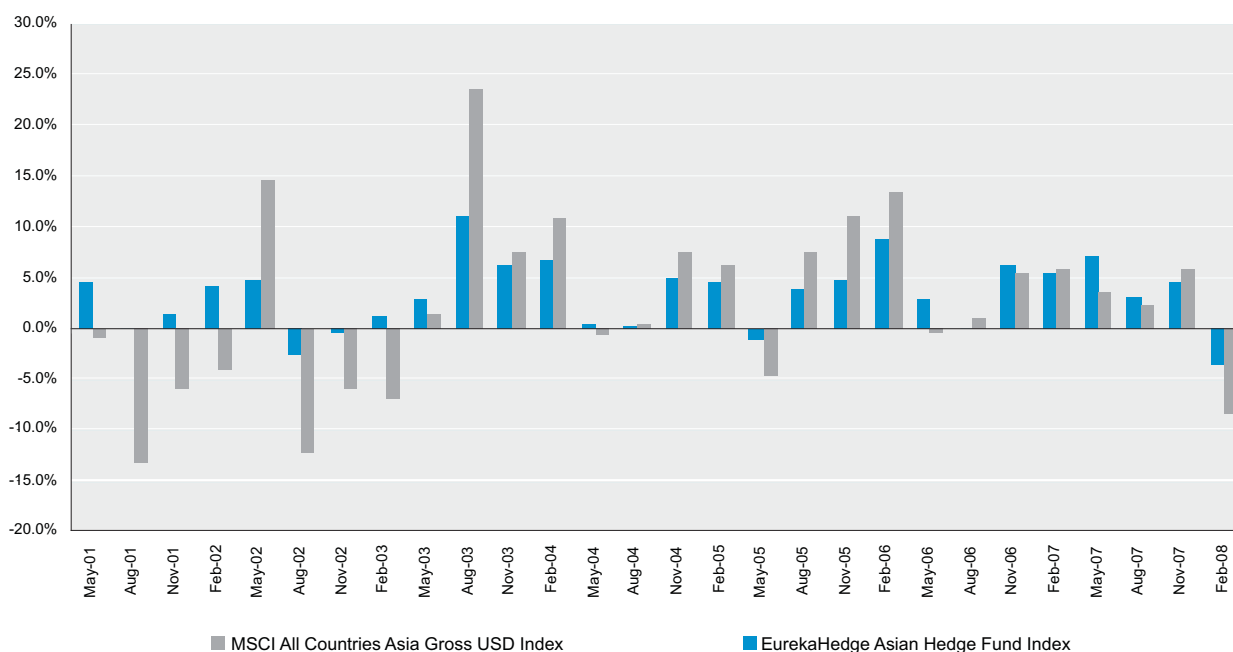
### 3.2 Opportunities in Asia

There are significant opportunities and threats for investors as a result of the recent growth in regional Asian economies such as India and China. HFA prefers to focus on strategies which are able to take advantage of structural inefficiencies and pricing anomaly opportunities, whilst also being able to benefit from any upside and protect against the downside in these markets.

Structural inefficiencies exist in markets throughout Japan and Asia, and those inefficiencies may create significant opportunities for absolute return fund managers. The Asian region is renowned for its volatile and inefficient markets. Additionally, the rapid changes in markets and their development since 1998, have led to a number of inefficiencies throughout capital markets in the region. These inefficiencies present themselves in the form of price anomalies and information asymmetry. In the current environment of rapid macro-economic growth in Asia, coupled with volatility and structural inefficiencies, there are opportunities for skilled managers to employ their specialist strategies to exploit these inefficiencies.

The volatility of the quarterly returns of the Asian equity markets, as measured by the MSCI All Countries Asia Gross USD Index, relative to the volatility of the quarterly returns of the Asian absolute return fund sector, as measured by the EurekaHedge Asian Hedge Fund Index, can be seen in Graph 3 which shows the quarterly returns of each index.

**Graph 3: Quarterly returns in Asian equity markets relative to quarterly returns in the Asian absolute return fund sector (as at 29 February 2008).**



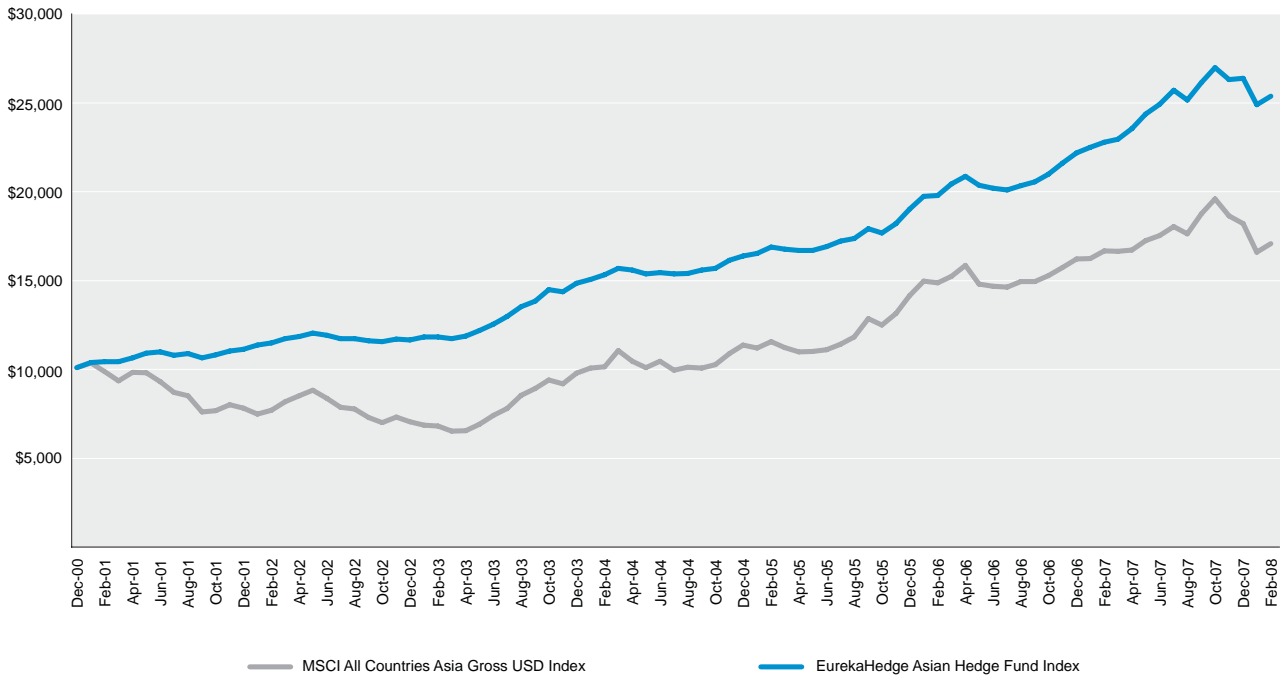
Source: HFA prepared this graph on the basis of information sourced from Bloomberg for both the EurekaHedge Asian Hedge Fund Index and the MSCI All Countries Asia Gross USD Index.

Past performance is not a reliable indicator of future performance. The above graph does not represent the past or future performance of the Underlying Fund or the Fund.

# Section 03: The Fund and Dynamic Management

The compounding effect of the monthly performance is detailed in Graph 4:

**Graph 4: Growth of \$10,000 invested in Asian equity markets relative to \$10,000 invested in the Asian absolute return fund sector (as at 29 February 2008).**



Source: HFA prepared this graph on the basis of information sourced from Bloomberg for both the EurekaHedge Asian Hedge Fund Index and the MSCI All Countries Asia Gross USD Index.

Past performance is not a reliable indicator of future performance. The above graph does not represent the past or future performance of the Underlying Fund or the Fund.

### 3.3 The Fund Portfolio

To achieve its investment objectives, the Fund will hold the Swap and cash or cash equivalent investments.

The following table outlines the initial allocation, as well as the allowable allocation range for investments in the Swap and cash.

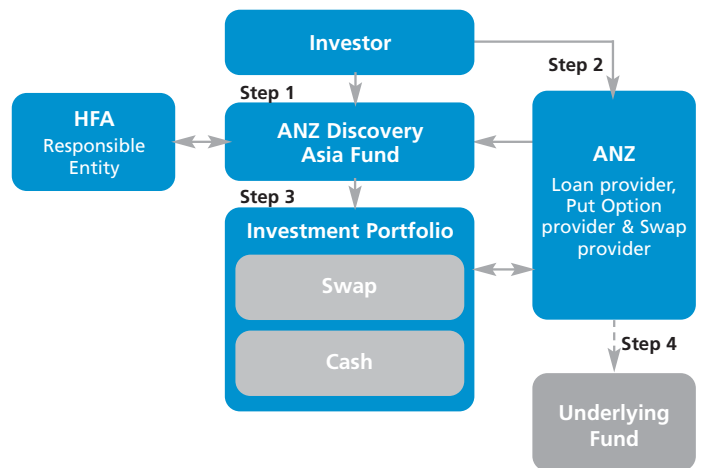
Investment	Initial Allocation	Allowable Allocation Range
Swap	96%	0% - 100%
Cash and Cash Equivalents	4%	0% - 100%

HFA reserves the right (in accordance with the above ranges) to adjust the asset allocation in response to changes in the market, or external factors, including but not limited to economic conditions and regulatory requirements.

### 3.4 Overview of the investment structure

The following diagram demonstrates the investment structure of the Fund. The Swap is discussed in sections 3.5 and 9, and the Underlying Fund is discussed in section 4.

**Diagram 1: Investment structure of the Fund at inception**



#### Step 1

You can invest in the Fund by completing the attached Application Form and providing cleared funds.

## Section 03: The Fund and Dynamic Management

### Step 2

You may elect to apply for a Loan from ANZ to finance the purchase of Units. If you are granted a Loan, all of the borrowed funds will be applied towards the payment of the Application Amount. You will also be required to enter into a Put Option with ANZ.

You may purchase a Put Option from ANZ even if you do not enter into a Loan. The Put Option provides Investors with capital protection, if held until maturity.

### Step 3

The Fund will invest approximately 96% of the monies raised in purchasing the Swap.

### Step 4

By purchasing the Swap from ANZ, the Fund may potentially receive up to 2 times the performance of an equivalent investment in the Underlying Fund, less Swap Leverage Costs and Dynamic Management Fees. The Fund will not directly hold shares in the Underlying Fund.

### 3.5 About the Swap

The Fund will purchase the Swap from ANZ. In accordance with the terms of the Swap, the Fund will pay that portion of the total funds raised for investment in the Fund to be allocated to the Swap, expected to be 96%, to the Swap Provider and will receive a leveraged return that is linked to the performance of the Underlying Fund. The Swap Provider's objective is to attempt to preserve the invested capital through Dynamic Management (but there is no guarantee that it will achieve this) and to also provide the potential for up to 2 times leveraged exposure to the performance of the Underlying Fund.

The leveraged exposure to the Underlying Fund is not constant but depends, amongst other things, on the performance of the Underlying Fund and interest rates. This means that for every \$10,000 invested in the Swap, the Swap Provider provides up to an additional \$10,000 to provide the Fund with exposure to shares in the Underlying Fund of \$20,000. The exact amount of initial leverage may vary from this amount and will be dependent upon market conditions on the date the Swap is purchased. Initially, the Swap's exposure to the Underlying Fund is expected to be approximately 1.4 times. The actual amount of leverage will vary in accordance with the value of the Swap and the level of interest rates.

The Swap will be denominated in Australian dollars and the notional investment in the Underlying Fund will be hedged to minimise foreign currency exposure.

As with any investment, the value of the Swap may increase or decrease. Please refer to section 9 for further information about the Swap.

### 3.6 How will Dynamic Management be used in the Swap?

While the Fund provides the opportunity for enhanced returns, the Swap is also designed to reduce the risk of loss of the Fund's, and consequently each Unitholder's, initial capital through a technique known as Dynamic Management.

The objective of Dynamic Management is that the redemption value of the Swap is at least equal to the amount initially invested, whilst maximising the exposure of the Swap to the Underlying Fund. There is no guarantee that Dynamic Management will achieve this objective.

The Swap is issued to the Fund and the Swap's value is managed by ANZ through Dynamic Management.

The mechanism underlying Dynamic Management is the variation over time of exposure to the Underlying Fund (**Underlying Fund Units**) and the net value of cash or cash equivalent investments and leverage, with a view to minimising the risk of loss of the initial amount invested as at the Maturity Date.

Using Dynamic Management, the Swap will provide exposure to the Underlying Fund Units and either exposure to cash or cash equivalent investments or to leverage. Dynamic Management enables exposure to the Underlying Fund to be higher than 100%. Exposure to the Underlying Fund is expected to be approximately 1.4 times the invested amount at inception (though this level may vary depending on current economic conditions at the time of purchasing the Swap). This allocation may be potentially increased to up to 2 times (depending on the return on the Underlying Fund and prevailing interest rates) over the duration of the investment period. Conversely, this allocation may be potentially decreased, with a reallocation to cash or cash equivalent investments over the duration of the investment.

Generally, if the Underlying Fund is performing well with interest rates remaining stable or increasing, the exposure of the Swap to Underlying Fund Units will be increased through additional leverage.

The exposure of the Swap to the Underlying Fund may also be decreased during the investment period for the purpose of ensuring that the value of the Swap will be equal to the initial amount invested in the Swap as at the Maturity Date.

Generally, if the Underlying Fund is performing poorly with interest rates remaining stable or decreasing, the exposure of the Swap to Underlying Fund Units will be decreased by:

- firstly, reducing any leveraged exposure to Underlying Fund Units either partially or to zero; and
- secondly, reallocating part of or all of the exposure to Underlying Fund Units to cash or cash equivalent investments.

## Section 03: The Fund and Dynamic Management

It is possible that the performance of the Swap may result in a substantial or full reallocation into cash or cash equivalent investments to preserve capital. In such circumstances, the possibility of an Investor benefiting from future increases in the value of the Underlying Fund will be reduced (in case of a partial reallocation to cash or cash equivalent investments) or eliminated (in case of a full reallocation to cash or cash equivalent investments). A risk of Dynamic Management is that during the term of the Swap, there is a complete reallocation of exposure provided by the Swap from Underlying Fund Units to cash or cash equivalent investments.

If this occurs, there will be no further exposure to the Underlying Fund, and Investors will have to wait until the scheduled Maturity Date to receive the return of their initial investment (which is only fully protected if you hold a Put Option which has not lapsed). However, interest and Protection Fees will still be payable until the scheduled Maturity Date if you have a Loan or Put Option.

There is also a risk that Investors may not be able to fully participate in the upside performance of the Underlying Fund as a result of exposure to Underlying Fund Units being reduced following a partial reallocation to cash or cash equivalent investments.

HFA is not responsible for, and does not guarantee, the performance of ANZ in applying the Dynamic Management process in relation to the Swap.

### 3.7 Capital protection

Capital protection will be provided to Investors who purchase a Put Option and hold the Put Option until the Maturity Date. This is in addition to any capital preservation features available through Dynamic Management.

The purpose of the Put Option is to protect Investors at the Maturity Date against a fall in the value of their investment in the Fund below the Application Amount. Provided the Put Option does not lapse (see sections 11 and 16 for more information) prior to the Maturity Date, Investors must sell all of their Units to ANZ on the scheduled Maturity Date for an amount equal to their Application Amount (less the value of any Units redeemed), unless the Redemption Value of those Units exceeds the Application Amount.

HFA is not responsible for, and does not guarantee, the performance of ANZ's obligations under the Put Option.

### 3.8 About ANZ

ANZ is one of the largest companies in Australia and New Zealand and a major international banking and financial services group, which is among the top 50 banks in the world.

ANZ's world headquarters are located in Melbourne, where it first opened an office as The Bank of Australasia in 1835.

ANZ's ordinary shares are listed on the Australian Securities Exchange and New Zealand Stock Exchange. ANZ also has debt securities listed on various exchanges.

ANZ is an Authorised Deposit-Taking Institution under section 9 of the Banking Act 1959 (Cth) and is therefore regulated by the Australian Prudential Regulation Authority. ANZ's credit rating is AA by Standard & Poor's.

ANZ's latest available annual and half-yearly financial reports can also be downloaded from [www.anz.com](http://www.anz.com).

## Section 04: About the Underlying Fund and Lighthouse

HFA has selected Class B Shares in Lighthouse Asian Strategies Fund Limited (**Underlying Fund**) as the Fund's underlying investment. The Underlying Fund is an open ended investment company incorporated in the Cayman Islands as an international business company. The Underlying Fund is managed by Lighthouse Investment Partners LLC (**Lighthouse**).

### 4.1. The Underlying Fund's investment objectives

The Underlying Fund is a diversified Asian focused absolute return fund of funds which is focused on offering an alternative to traditional equity and fixed interest investments, with the following key features:

- lower exposure and correlation to equity markets than many traditional equity investment funds;
- lower interest rate risk exposure than many traditional bond investment funds; and
- lower credit risk exposure than many traditional credit investment managers.

The investment objective of the Underlying Fund is to obtain stable returns by investing in underlying investment funds that use a variety of investment strategies, across a wide range of investment assets and financial instruments with a primary focus geographically on Asia including, but not limited to, Japan, Hong Kong, Korea, Taiwan, Singapore, China, India and Australia. The financial instruments include, but are not limited to, corporate and government fixed-income securities, corporate equities, mutual funds, futures contracts, forward contracts, options contracts, physical commodities, distressed securities, swaps and other derivative products and other capital market instruments.

The Underlying Fund is not subject to any limitations on the investments or investment strategies it can undertake in order to achieve its investment objective. The investment strategies used by managers engaged by the Underlying Fund entail a high degree of risk. However, diversification of the Underlying Fund's assets among a number of different strategies and managers is intended to help reduce the overall risk of the Underlying Fund.

The investment style of Lighthouse is to actively manage a diversified portfolio of Asian focused absolute return funds with a low correlation to traditional markets that offers both diversification and a focus on risk management. Lighthouse's foremost concern is managing the volatility and maximum expected loss for its funds, including the Underlying Fund. In this way, the objective of the Underlying Fund is achieved through a focus on risk management.

### 4.2 Investment strategy, specialist managers and geographical allocation

The Underlying Fund aims to offer diversification across 20 to 25 core specialist underlying fund managers and, as at the date of this PDS, has 26 underlying fund managers.

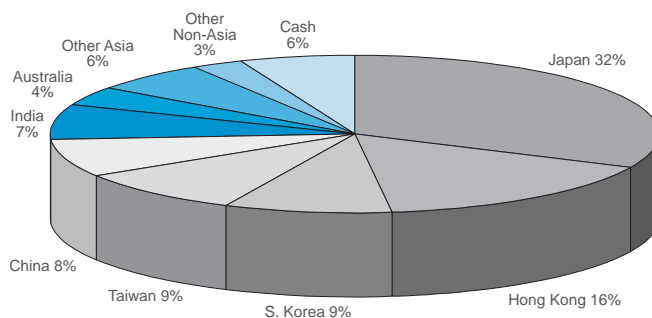
By combining investment strategies which seek to capitalise on inefficiencies in certain Asian markets and which are not

necessarily dependent on market direction, Lighthouse, as the manager of the Underlying Fund, aims to obtain specific return objectives with lower risk than other investment strategies. This aim is supported by Lighthouse undertaking qualitative and quantitative risk control techniques designed to limit downside loss whilst seeking to maximise returns.

The underlying portfolio is diversified by geographic region and Lighthouse intends to continue such diversification. Despite the fact that approximately two-thirds of Asian focused managers are primarily focused on Japan, Lighthouse has found that many of these managers adopt an Equity Long/Short investment strategy. Lighthouse prefers to diversify the strategy allocation of the Underlying Fund's investment portfolio and therefore has an overweight allocation to regional-focused managers, which adopt a Relative Value Arbitrage or Trading investment strategy.

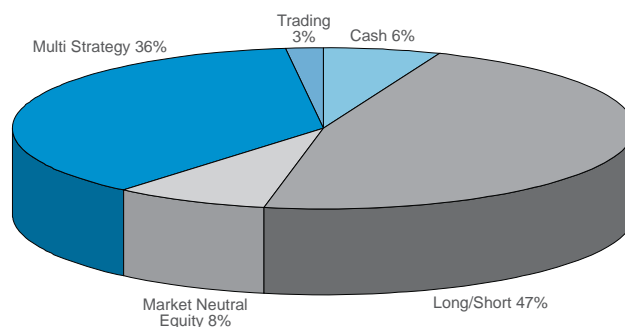
The geographical allocation of the Underlying Fund as at 29 February 2008 is outlined in graph 5.

**Graph 5: Geographical Allocations of the Underlying Fund as at 29 February 2008**



The strategy allocations of the Underlying Fund as at 29 February 2008 are outlined in graph 6.

**Graph 6: Strategy allocations of the Underlying Fund as at 29 February 2008**



**Please note** that the above geographic and strategy allocations are current as at 29 February 2008 only and may change prior to the investment date. The portfolio will be actively managed. Therefore both Lighthouse and HFA expect these allocations to change over time.

## Section 04: About the Underlying Fund and Lighthouse

### 4.3 Performance of Lighthouse Asian Strategies Fund Limited

The past performance of the Underlying Fund for the period July 2006 to February 2008 is set out below. The Directors advise that these performance results represent the Underlying Fund's past performance only and past performance is not a reliable indicator of the future performance of the Underlying Fund or any indication of the performance of the Fund.

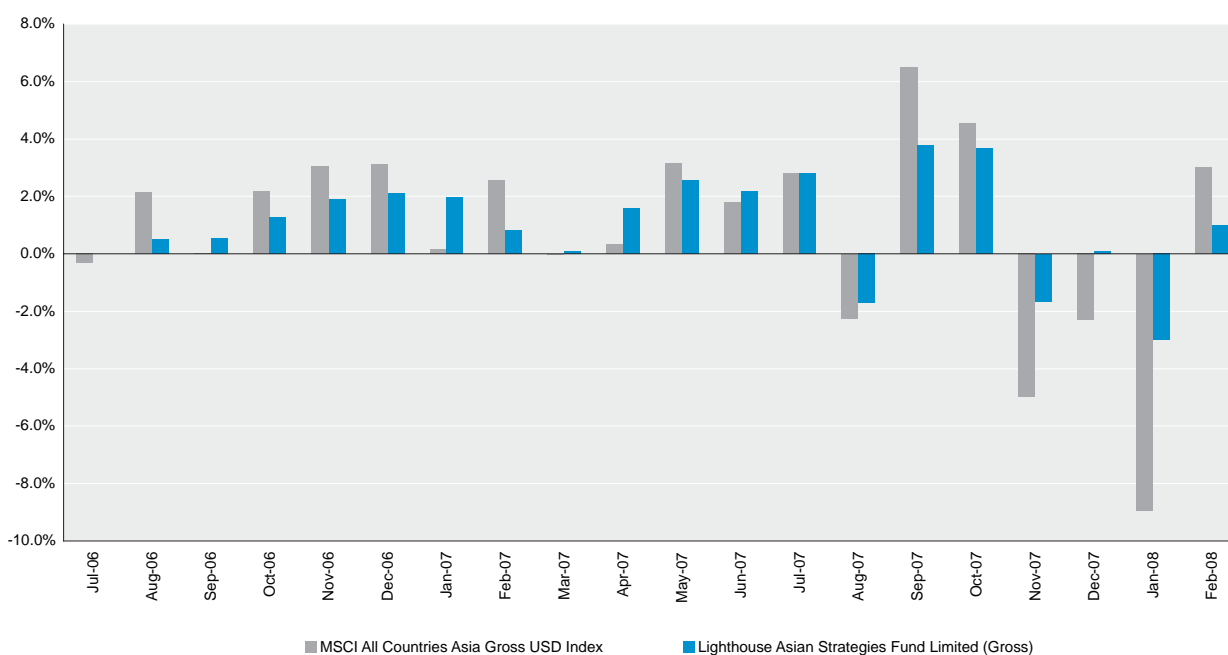
Table 2: Monthly returns of the Underlying Fund (gross of fees and charges) for the period 1 July 2006 to 29 February 2008.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2008</b>	-2.96%	1.00%											-1.99%
<b>2007</b>	1.96%	0.82%	0.09%	1.60%	2.58%	2.17%	2.80%	-1.72%	3.79%	3.69%	-1.66%	0.10%	17.26%
<b>2006</b>							0.01%	0.50%	0.54%	1.28%	1.89%	2.09%	6.46%

Source: Lighthouse.

Past performance is not a reliable indicator of future performance.

Graph 7: Monthly returns of the Underlying Fund (gross of fees and charges) relative to monthly returns in the MSCI All Countries Asia Gross USD Index, for the period 1 July 2006 to 29 February 2008.



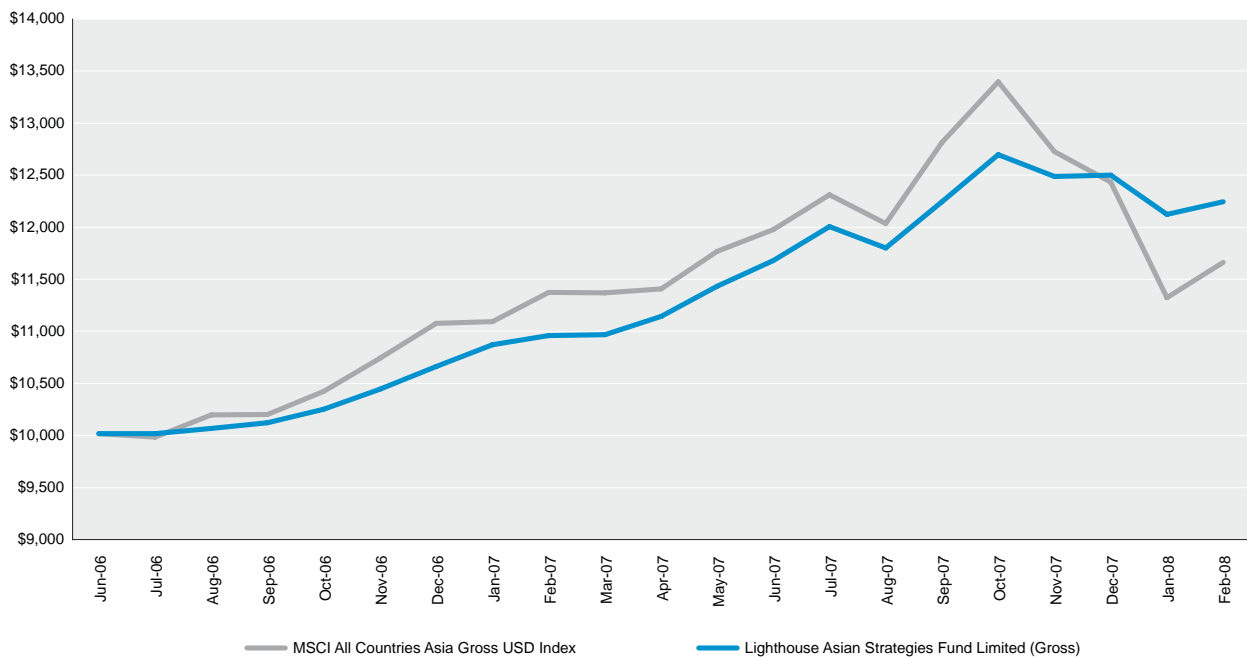
Source: Bloomberg and Lighthouse.

Past performance is not a reliable indicator of future performance.



## Section 04: About the Underlying Fund and Lighthouse

Graph 8: Growth of USD\$10,000 invested in the Underlying Fund (gross of fees and charges) relative to USD\$10,000 invested in the MSCI All Countries Asia Gross USD Index, for the period 1 July 2006 to 29 February 2008.



Source: Bloomberg and Lighthouse.  
Past performance is not a reliable indicator of future performance.

### 4.4 About Lighthouse Investment Partners LLC

Lighthouse is a global absolute return fund manager. Lighthouse is incorporated in Delaware and registered with the US Securities Exchange Commission as a Registered Investment Advisor. The Lighthouse headquarters are in Palm Beach Gardens, Florida with additional investment offices in New York, Chicago, Hong Kong and London. Lighthouse evolved out of a multi-family, family office operation. Lighthouse has a team of 52 employees, including 18 dedicated research analysts, split between Florida, New York, Chicago, Hong Kong and London, offering on the ground research and due diligence. Lighthouse's senior management team includes:

- **Sean McGould**, President and Joint Chief Investment Officer, Lighthouse Investment Partners LLC;
- **Robert Swan**, Chief Operating Officer, Lighthouse Investment Partners LLC; and
- **Kelly Perkins**, Joint Chief Investment Officer and Managing Director of Investments, Lighthouse Investment Partners LLC.

Lighthouse currently manages in excess of US\$8 billion of absolute return assets. Lighthouse selects underlying specialist managers based on a proprietary technology system that includes a database of more than 5,000 funds, and has customised portfolio and risk management software. This system tracks fund managers that are already included in a Lighthouse Fund of Funds as well as prospective specialist fund managers.

Lighthouse is solely focused on managing Fund of Funds, such as the Underlying Fund, including multi strategy funds and satellite strategy specific funds. Lighthouse's investor base includes high net worth individuals, family offices, endowments, foundations, trusts, investment banks, benefit plans, healthcare, fund managers and insurance companies.

Investment advisers such as Lighthouse, through industry networks and relationships, can gain access to quality specialist managers not open for investment to the general public. On 3 January 2008, HFA Holdings Limited, the listed parent entity of HFA, acquired Lighthouse. There are no proposed changes in relation to the investment strategy or structure of Lighthouse or the Underlying Fund as a result of the acquisition.

## Section 05: About HFA Asset Management

### 5.1 Who is HFA?

HFA Asset Management Limited (**HFA** or **Responsible Entity**) is the responsible entity of the Fund. HFA is a wholly owned subsidiary of HFA Holdings Limited ACN 101 585 737 which is listed on the Australian Securities Exchange.

HFA was established in 1998 and is the responsible entity of a number of absolute return funds. HFA holds an Australian Financial Services Licence (number 246747) and has approximately \$4 billion in assets under management as at the date of this PDS. HFA has approximately 40 staff located in offices in Sydney, Melbourne and Brisbane and sales staff located in Perth and Hobart.

Through Lighthouse Investment Partners LLC (**Lighthouse**), a related party of HFA and investment adviser of HFA's international funds, HFA funds have access to specialist investment and financial market analysts located in New York, Chicago, Florida, Hong Kong and London. Having access to specialist resources located around the USA and in the United Kingdom and Asia brings a significant advantage to monitoring and accessing specialist international alternative investment strategies and managers.

### 5.2 How is the Fund managed?

HFA has an experienced team involved in the day-to-day management of the Fund with extensive experience both in Australian and international investment markets.

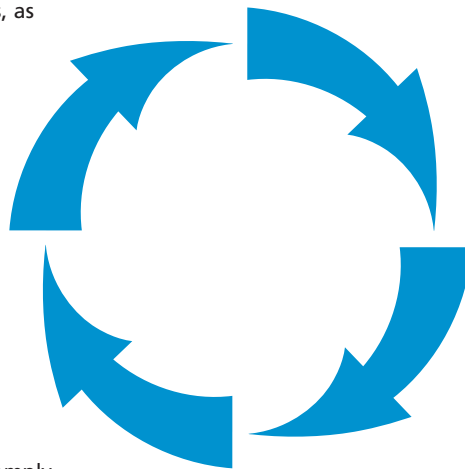
The HFA Research and Investments team undertakes investment management and analysis activities for the Fund. This entails investment market analysis, investment adviser and underlying fund due diligence and monitoring, portfolio construction and risk management. The four key processes of investment management are:

#### Risk Management & Monitoring

Monitoring the investment activities of the Fund including compliance with the Fund's investment strategy and risk parameters, as well as **on-going assessment** of the performance of appointed investment advisers or managers at appropriate intervals.

#### Portfolio Construction

The Fund's **portfolio is constructed** to comply with its investment strategy, and its investment and asset allocations are determined with the aim of maximising performance whilst managing the risk and volatility of returns.



#### Establishing the Strategy

The Fund's investment objective is established and from there the investment strategy is set to best meet this objective. The **investment strategy forms the framework** for constructing the portfolio and selecting the investment manager and/or underlying funds.

The Fund's investment strategy is reviewed regularly to ensure it continues to be appropriate in meeting the Fund's overall investment objective.

#### Due Diligence

When selecting an investment adviser, or where the investment adviser selects an underlying fund, HFA ensures extensive **due diligence** is conducted, covering:

- a) investment strategy success and sustainability;
- b) investment process effectiveness and flexibility;
- c) investment risk management controls;
- d) operational risk management controls;
- e) investment team experience and reputation in absolute return investing.

The Research and Investments team is overseen by the Investment Strategy Committee, which is responsible for the establishment, approval, review and quality of investment processes and decisions for HFA funds.

## Section 06: Benefits of Investing

### **Absolute return potential**

The Underlying Fund, to which the Fund will have exposure, has the potential to generate positive returns irrespective of the direction of traditional share and bond markets.

### **Potential for enhanced returns through leveraged exposure**

Investing in the Swap provides the Fund with the opportunity to earn up to 2 times the return of the Underlying Fund, less the Swap Leverage Cost and Dynamic Management Fee. This leveraged exposure has the potential to magnify any gains or losses that would have been made had an investment been made directly into the Underlying Fund.

### **Access to restricted investment funds**

By investing in the Fund Investors have the ability to access a select number of proven absolute return international fund managers not widely available to the Australian investing public. The Fund offers Investors the ability to access these opportunities while benefiting from local management, compliance, administration and investor support.

### **Dynamic Management**

The Dynamic Management technique employed by ANZ in managing the Swap has the potential to benefit all Unitholders. The objective of Dynamic Management is for the value of the Fund's investment in the Swap at the Maturity Date to be at least equal to the amount initially invested in the Swap, while seeking to maximise exposure to the Underlying Fund during the term of the investment. **There is no guarantee that Dynamic Management will achieve these objectives.**

### **Capital Protection provided by a Put Option**

In order to obtain capital protection, the Investor may, or if the Investor has taken out a Loan the Investor must, purchase a Put Option for their Units. The Put Option protects Investors who hold their Units and Put Option until the Maturity Date against a fall in the value of their investment in the Fund below the Application Amount. Investors who exercise a Put Option will have a right to sell their Units to ANZ on the scheduled Maturity Date (other than an early termination date) and receive an amount at least equal to the Application Amount (less the value of any Units redeemed) at the Put Date provided the Put Option has not lapsed (see sections 11 and 16).

The protection offered by the Put Option is contingent upon ANZ performing its obligations under the Put Option Agreement. HFA is not responsible for and does not guarantee the performance of ANZ's obligations under the Put Option Agreement.

### **Loan for 100% of the Application Amount**

HFA has arranged for a Loan facility to be provided by ANZ to approved Unitholders. The Loan is for 100% of the Application Amount. Although Unitholders can acquire 100% of their Units via the Loan facility, they will be subject to annual interest payments, but not margin calls, even if the value of the Units fall.

### **Multi-manager approach**

By having exposure to a diversified Fund of Funds, as is the case with the Underlying Fund, Investors gain the benefit of a multi-manager approach. This includes the expertise of experienced investment advisers, the combining of complementary investment strategies and a portfolio of specialist managers with specific risk and return objectives.

### **Diversification**

The returns of absolute return funds can have attractive diversification properties, particularly in volatile equity and bond market conditions, because they generally exhibit a low correlation with traditional asset classes. The investment strategy of the Underlying Fund provides diversification across geographies and investment styles and managers, which results in a potentially lower exposure to equity market risk than traditional equity investment.

### **Currency management**

Because an investment in the Fund and the Fund's investment in the Swap are Australian dollar denominated investments, the exposure to fluctuations in the AUD is limited.

### **Alignment of Interests**

To assist in aligning the interests of the Responsible Entity with those of Investors, a component of the Responsible Entity's fee structure is based on the Fund's performance.

## Section 07: Risks

Almost any investment involves some risk as an investment can decline as well as increase in value.

Before deciding to subscribe for Units, prospective Investors should carefully consider the principal risks to which they are exposed via their investment in the Fund and whether Units are a suitable investment. There are general risks relating to any investment, and there are also some specific risks associated with investing in the Fund.

If you are in any doubt as to whether you should subscribe for Units, you should first seek advice on the matters contained in this PDS from a professional adviser.

### 7.1 Specific risks

**Leverage risks:** Where the Fund obtains leveraged exposure to the Underlying Fund through the Swap, the Fund will be subject to leverage risk. Leverage may potentially result in an overall exposure to the Underlying Fund of up to 2 times the initial value of the investment. This leveraged exposure magnifies the gains or losses which would be made through an equivalent direct investment, increasing the potential for the loss of part or all of your investment in the Fund as well as providing potential for an increase in value.

**Loan facility risks:** Investors who use the Loan facility are subject to the following risks:

(a) **Early withdrawal or repayment**

Borrowers who redeem some or all of their Units prior to the Maturity Date will be liable to repay the same proportion of the amount outstanding under their Loan Agreement on the date they receive the redemption proceeds. Borrowers who repay all or part of the Loan before the Maturity Date will be required to pay any unpaid interest and any Loan Break Costs as well as the outstanding principal.

The nature of Dynamic Management may mean that the value of a Borrower's Units prior to the Maturity Date may be less than the outstanding amount of the Loan. The Borrower will have a full recourse obligation to repay the principal as well as the costs (if any) incurred by ANZ through the early repayment of all or part of the Loan or the unwinding of related positions. In the event of early repayment of all or part of the Loan, prepaid interest may be refunded at the discretion of ANZ.

(b) **Interest payment obligations**

Interest payments due under the Loan are full recourse obligations to the Borrower. The obligation to make interest payments exists regardless of the performance of the Fund.

(c) **Leverage**

Borrowers are gearing their investment in the Fund. As well as magnifying returns, leverage can also magnify losses. Returns from a geared investment will be more volatile than returns from an ungeared investment.

(d) **Interest rate risk**

Borrowers who elect the annual fixed interest rate option will be required to pay interest annually in advance during each year of the Loan term at the prevailing one year fixed interest rate. Consequently, these Borrowers are potentially exposed to any increases in the one year fixed interest rate during the Loan term.

(e) **Event of Default and HFA Event**

The Loan may become repayable before the scheduled Termination Date if an Event of Default or HFA Event occurs under the Loan Agreement.

For a full list of the events that would constitute an Event of Default or a HFA Event (under which the Loan would become due and payable), Investors should refer to clauses 4.2, 11 and 20 of the Loan Agreement in section 15. In particular, Investors must appreciate that HFA Events are beyond their control (for example, they relate to the Fund or HFA). Therefore, the Loan may be repayable early even though the Borrower has complied with their obligations under the Loan Agreement.

**Capital protection risk:** Investors should note that an investment in the Fund will only be capital protected at the Maturity Date if the Investor takes out a Put Option and the Put Option has not lapsed prior to the Maturity Date. The risks associated with the Put Option are outlined below.

If an Investor does not take out a Put Option or the Put Option lapses, the Investor bears the risk that the value of the Units will be less than the Application Amount.

**Put Option risks:** The Put Option will lapse in various circumstances, which are described in clause 1.4 of the Put Option Agreement reproduced in section 16. These circumstances include a Unitholder ceasing to hold any Put Property (as defined in clause 10.1 of the Put Option Agreement) before the Maturity Date, a Unitholder failing to pay a Protection Fee when due, any material breach of the Put Option Agreement or, if applicable, of the Loan Agreement. Also, the Unitholder will cease to have the protection of the Put Option for any Units redeemed prior to the Maturity Date.

**Liquidity risks:** This investment may not be considered appropriate for Investors who do not intend to hold their investment in the Fund until the Maturity Date. Units will not be quoted on a Recognised Exchange. Redemption requests may not be made until 12 months after the Allotment Date, from which time Investors may request HFA to redeem some or all of their Units on a quarterly basis after providing at least 95 days prior notice. HFA has discretion whether or not to accept a redemption request and will reject a request where the Fund is illiquid in accordance with the Corporations Act (in which case redemptions will only occur under a withdrawal offer made by HFA to all Unitholders, in accordance with the Corporations Act).

The liquidity of Units is at all times directly linked to the liquidity of the Swap and, to the extent the Swap provides exposure to the Underlying Fund, the liquidity of Units is directly dependent on the liquidity of the Underlying Fund. In other words, the payment of redemption proceeds to Unitholders will not be made until the Fund receives payment from redemption of the Swap, which in turn is likely to be dependent upon when investors in the Underlying Fund would receive proceeds from the redemption of their holdings in the Underlying Fund.

This dependence will exist throughout the term of the Swap, including at the Maturity Date. Consequently, Investors should be aware that the date on which they receive the full redemption proceeds may be a date later than the Maturity Date.

Investors who purchase a Put Option from ANZ should also be aware that, upon exercise of the Put Option on the Maturity Date, they will not receive any proceeds from ANZ until redemption proceeds are paid by the Responsible Entity (see clause 1.4 of the Put Option Agreement in section 16).

The Loan will not be repayable until 5 Business Days after the Swap is settled, even if this is after the Maturity Date. This is intended to allow sufficient time for the Fund to receive the Swap proceeds from ANZ, and then pay the Unit redemption proceeds to ANZ, on behalf of the Borrower, to be applied in repayment of the Loan.

## Section 07: Risks

**Taxation risks:** Section 12, which discusses the taxation implications of investing in the Fund, has been prepared based on the taxation legislation as at the date of this PDS. Future changes in Australian tax legislation or in the interpretation of the tax legislation may affect the tax treatment of the Fund or of Unitholders. No assurance can be given as to the ultimate impact of such reform on either the Fund or Unitholders.

Future changes in non-Australian tax legislation may affect the tax treatment of investments made by the Underlying Fund. Such changes may impact on the value of an investment in the Fund.

**HFA related risks:** HFA may retire or be removed as responsible entity of the Fund in accordance with the Corporations Act (see the summary of the Constitution in section 13.2). If this were to occur, ANZ would be able to redeem the Swap early, and terminate the Loan, such that the Loan would become immediately repayable to ANZ.

**Reduced profit potential:** The implementation of Dynamic Management may result in exposure to the Underlying Fund being reduced to zero. This will reduce the future profit potential for Unitholders given the relatively low potential yield on the cash or cash equivalent investments.

A risk of Dynamic Management is a complete switch within the Swap from exposure to the Underlying Fund to cash and cash equivalent investments early on in the term of the Fund, followed by a recovery in the performance of the Underlying Fund in which the Fund, and therefore each Unitholder, is unable to participate.

If this occurs, Borrowers and Put Option holders will still be liable to pay Loan interest and Protection Fees until the scheduled Maturity Date.

**Interest rate risk:** Interest rate movements may adversely affect the value of cash or cash equivalent investments and the exposure of the Swap to the Underlying Fund. Higher interest rates will increase the Swap Leverage Costs.

Furthermore, the provision of AUD capital protection at maturity linked to the performance of the USD denominated Underlying Fund shares requires the implementation of AUD and USD hedges over the term of the Swap. These hedges may be unwound at a loss if the Swap is redeemed early and, in these circumstances, the redemption value of the Swap will be negatively impacted if the differential between AUD deposit rates and USD lending rates widen.

**Underlying Fund performance:** The performance of the Fund is dependent on the performance of the Swap which in turn is dependent upon the investment performance achieved by the Underlying Fund. Accordingly there is a risk that the Underlying Fund performs poorly. Where the Fund, being the Swap holder, has gained exposure to the Underlying Fund by way of a leveraged instrument, this may magnify the poor performance of the Underlying Fund. Leveraged instruments may magnify investment returns, both profits and losses.

**Cost risk:** There is a risk that the Swap Leverage Costs and Dynamic Management Fees could outweigh the returns from the Underlying Fund, resulting in a negative return for the Swap and consequently the Fund.

**ANZ's obligations:** The value of an investment in the Fund depends on, among other things, the ability of ANZ to perform its obligations under the Loan Agreement, Put Option Agreement and Swap. Failure to comply with such obligations may result in an investment in the Fund being worth less than it otherwise would be.

**Non-recourse to Swap, Loan and Put Option provider:** Subject to law, there is no recourse to ANZ for Investors investing in the Fund. ANZ is not responsible for the economic success (or lack thereof) of an investment in the Fund or the Swap.

**Non-recourse to HFA:** There is no recourse to HFA in relation to ANZ's obligations under the Swap Agreement, Loan Agreement or the Put Option Agreement.

**Credit risk:** There is a risk that the value of cash or cash equivalent investments will vary as the credit rating of ANZ changes and interest rates rise and fall.

### 7.2 General risk

**Market risk:** The risk that markets move in a direction or a manner not foreseen or predicted. This may affect the Fund as the Underlying Fund, and therefore the Swap, may be correlated with certain market drivers to some extent.

**Counterparty risk:** Entry into transactions such as the Swap creates counterparty risk. Substantial losses could be incurred if a counterparty fails to deliver on its contractual obligations, or experiences financial difficulties. For this reason, the Fund only engages counterparties of substantial net worth, as evidenced by high credit ratings at the time of entry into these arrangements. Where possible, any such transactions will include provision for credit protection measures.

**Compliance risk:** The risk that reports are fraudulent, compliance has not been enforced or investment guidelines are breached. This risk is limited by regularly reviewing and closely monitoring the manager of the Underlying Fund as part of the investment process.

**Systems risk:** The risk that the Underlying Fund, and its underlying investment managers, rely heavily on computer generated trading models to make investment decisions and may experience systems outage for a period of time.

**Consideration in relation to international securities:** The Fund, via its investment in the Swap and related exposure to the Underlying Fund, will have global exposure to investments. It should be noted that investment in these securities may involve foreign currency risks and other considerations that are not typically present when investing in securities in Australia.

**Global economic conditions risk:** This is the risk that equity market returns may be adversely affected by instability in global economic conditions. Uncertainty regarding the outlook of global economic conditions is currently causing increased instability and volatility within global equity markets, which may adversely impact global equity markets and the performance of the Underlying Fund.

**Inflationary risk:** Whilst the amount of capital invested may be preserved at the Maturity Date, the real value of the Application Amount in 8 years time is likely to be less than the value of the Application Amount today due to the effects of inflation.

### 7.3 Unitholder considerations

Before deciding to subscribe for Units, Investors should consider whether Units are a suitable investment. There are general risks associated with any investment. The value of Units can increase or decrease. Units should generally not be considered a short term investment.

If you are in any doubt as to whether you should subscribe for Units, you should seek advice on the matters contained in this PDS from a financial adviser, stockbroker, solicitor, accountant or other professional adviser first.

## Section 08: Fees and Other Costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.\*

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

*\*The management costs for the Fund are not negotiable.*

The following table sets out the fees and other costs that you may be charged. These fees and costs may be deducted from an Investor's Application Amount, from the returns on your investment, or from the Fund as a whole. An overview of the taxation implications is contained in section 12. Potential Investors should read all of the information about the fees as it is important to understand their impact on an investment in the Fund.

All fees are shown inclusive of tax (including GST) and net of any applicable reduced income tax credits.

Type of Fee or Cost	Amount	How and When Paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee:</b> This is the fee to set up your initial investment.	Nil	Not Applicable
<b>Contribution fee:</b> <sup>1</sup> This is the fee for the initial investment you make.	Up to 3.00% of an Investor's Application Amount.	The fee is deducted from the Application Amount by the Responsible Entity and paid to your nominated financial adviser on the Allotment Date.  The amount of this fee is negotiated with your nominated financial adviser and is payable directly to your financial adviser. Refer to the 'Additional Explanation of Fees and Costs' section below.
<b>Withdrawal fee:</b> This is the fee charged to a Unitholder who redeems Units.	Nil	Not Applicable
<b>Termination fee:</b> This is the fee charged to close your investment.	Nil	Not Applicable

<sup>1</sup> This fee includes an amount payable to an adviser (see 'Adviser remuneration' under the heading 'Additional Explanation of Fees and Costs').

## Section 08: Fees and Other Costs

Type of Fee or Cost	Amount	How and When Paid
<b>Management Costs:</b> The fees and costs for managing your investment		
<b>Administration costs:</b> The fees and costs for operating the Fund. They include custodian and registry fees and other expenses <sup>2</sup> including administration, audit and legal expenses.	Estimated to be 0.20% p.a. of NAV of the Fund.	Fees are payable to the Custodian and Unit registry monthly. Otherwise costs are payable as incurred.
<b>Management fee:</b> Payable to the Responsible Entity for the provision of investment management and administration services to the Fund.	1.33% p.a. of GAV of the Fund.	The management fee is accrued monthly and paid to HFA quarterly in arrears from the Fund <sup>3</sup> .
<b>Performance fee:</b> This is the fee payable to the Responsible Entity for managing the Fund's investment.	10.25% of the monthly increase in the Fund's NAV.	The performance fee accrues monthly and is payable to the Responsible Entity quarterly in arrears from the Fund.  The performance fee is subject to a "High Water Mark" limitation. Refer to the 'Additional Explanation of Fees and Costs' section below.
<b>Service Fees</b>		
<b>Investment Switching Fee:</b> The fee for changing investment options.	Nil	Not Applicable

- <sup>2</sup> Under the Constitution the Fund is liable for all proper and reasonable expenses incurred in relation to its operation. These expenses may be paid directly out of the Fund assets, or alternatively be paid by HFA and recovered from the Fund. Administration costs exclude any underwriting fees (see section 13.5) as the Responsible Entity does not expect any underwriting fees will be payable, either because more than \$30 million (or such other amount agreed by HFA and ANZ) will be raised or HFA will exercise its right to terminate the Underwriting Agreement if less than \$30 million is raised (or such other amount agreed by HFA and ANZ).
- <sup>3</sup> ANZ intends to make a distribution under the Swap to the Fund every quarter, equal in value to the management fee and performance fee described above. This forms an asset of the Fund and will be applied by the Fund to pay amounts due to HFA in accordance with the Constitution.

### 8.2 Additional Explanation of Fees and Costs

#### Worked Dollar Example

##### Example of annual fees and costs

This table gives an example of how the fees and costs for an investment in the Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE of annual fees and costs for an investment in the Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR <sup>1</sup>
Contribution Fee	0-3%	For every \$5,000 you put in, you will be charged between \$0 and \$150 <sup>2</sup>
PLUS Management Costs	3.07%	And for every \$50,000 you have in the Fund you will be charged \$1,533 <sup>3</sup> each year
EQUALS Cost of fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from: <b>\$1,533 to \$1,683<sup>4</sup></b>  What it costs you will depend on the fees you negotiate with the Fund and your nominated adviser <sup>5</sup>

- <sup>1</sup> It is a requirement of the Corporations Regulations that the above example assumes a balance of \$50,000 and an additional contribution of \$5,000. In practice it will not be possible to make additional contributions to the Fund in the ordinary course and therefore contribution fees will not be payable on an ongoing basis.
- <sup>2</sup> Up to 3.0% of the Application Amount may be charged as a fee for an initial investment. This fee may be negotiated with your nominated financial adviser up to the maximum of 3.0%.
- <sup>3</sup> Management fees of \$920, administration costs of \$100 and performance fees of \$513. Management costs exclude any underwriting fees as the Responsible Entity does not reasonably believe any underwriting fees will be payable (refer to section 13.5 and 'Establishment costs' below).
- <sup>4</sup> Investors should note that the contribution fee is a one off fee that is only charged in respect of each new amount invested in the Fund. Investors will only be charged management costs on an ongoing basis in respect of their existing investment in the Fund.
- <sup>5</sup> The management costs for the Fund are not negotiable.

## Section 08: Fees and Other Costs

### Calculation of management costs and underlying assumptions

The table below sets out the calculation of the management costs (excluding performance fees) included in the above worked dollar example.

Investment Amount	\$50,000
Assumed GAV of the investment	\$69,200
Management fee (1.33% of assumed GAV)	\$920
Administration costs (0.20% of investment amount)	\$100
Total Fees	\$1,020
Total as a % of the \$50,000 investment	2.04%
Total as a % of equivalent GAV of \$69,200	1.47%

### Assumptions

- 96% of the investment amount to be invested into the Swap and 4% is held in cash; and
- the GAV of the investment assumes leverage at 1.4 times the investment amount attributable to the Swap.

This example does not necessarily represent actual costs of the Fund.

### Calculation of performance fee

The following sets out the calculation of the performance fee included in the above worked dollar example.

Investment Amount	\$50,000
Fund performance	10%
Increase in Fund NAV	\$5,000
Performance fee at 10.25%	\$513
Performance fee as a % of \$50,000 investment	1.03%

This example does not necessarily represent the actual performance or performance fees of the Fund.

### Performance fee

The management costs include the performance fee as detailed in section 8.1.

HFA is entitled to a performance fee calculated as a percentage of the increase in the NAV of the Fund from month to month. Once a performance fee has been accrued, no further performance fee can be accrued or paid unless the Fund NAV increases above its previous high. If the NAV of the Fund falls below a previous high no further performance fee can be accrued or paid until the loss has been fully recovered. This is called the 'high water mark' restriction. Performance fees are accrued monthly and paid quarterly in arrears. This fee is deducted from the Fund.

### Adviser remuneration

#### (a) Contribution fee

A financial adviser who introduces an Investor to the Fund and whose details appear on the Application Form will be paid an adviser service fee of up to 3% (inclusive of GST) of the Application Amount in relation to a successful application.

For example, on an investment of \$50,000 the adviser service fee would be \$1,500 and the remaining \$48,500 will be applied in the allotment of Units. The adviser service fee is paid by the Responsible Entity directly to the nominated adviser and will equal the amount of the contribution fee payable to the Responsible Entity which will be deducted from the Application Amount prior to the Units being issued. You may negotiate a different adviser service fee with your nominated financial adviser.

#### (b) Marketing allowances

At the discretion of HFA, HFA may pay a financial adviser who introduces Investors to the Fund, who in aggregate invest greater than \$1 million, a total marketing allowance of 0.50% (inclusive of GST) of the dollar amount invested by those Investors. Those financial advisers may also be paid a marketing allowance by ANZ of 0.50% (inclusive of GST) of the dollar amount invested by Investors introduced by the adviser.

Any marketing allowances will be paid to the financial adviser or their dealer group by, as applicable, HFA or ANZ and not by the Fund or from the Application Amount.

#### (c) HFA trailing commissions

HFA may pay a nominated financial adviser a trailing commission of up to 0.25% p.a. (inclusive of GST) of the Fund's NAV attributable to the investment of a Unitholder introduced by that adviser. Any trailing commission will be paid semi-annually in arrears out of HFA's management fees and not by Unitholders or the Fund.

#### (d) ANZ Loan placement fee and trailing commissions

Where an Investor utilises the Loan offered by ANZ to fund their investment in the Fund, ANZ may pay a Loan placement fee of up to 0.50% (inclusive of GST) of the Loan amount and a semi-annual trailing commission of up to 0.50% p.a. (inclusive of GST) of the Loan Balance. ANZ will pay any Loan placement fee and trailing commissions to HFA who will then pay these moneys to your adviser.

### Establishment costs to the Responsible Entity

Establishment costs of approximately \$250,000 (including printing, legal, marketing, taxation and other advisory fees) are expected to be incurred by the Responsible Entity and will be recovered from the Fund over the first 3 years from the Allotment Date.

The establishment cost estimate above excludes any underwriting fees which may be payable to ANZ under the Underwriting Agreement (see section 13.5). The maximum underwriting fee which may be payable is \$300,000. However, HFA does not expect any underwriting fees will be payable, either because more than \$30 million (or such other amount agreed by HFA and ANZ) will be raised or HFA will exercise its right to terminate the Underwriting Agreement if less than \$30 million (or such other amount agreed by HFA and ANZ) is raised.



## Section 08: Fees and Other Costs

### Fee changes

The Responsible Entity will not change its fees during the first 12 months from the date of this PDS. Thereafter, the Responsible Entity reserves the right to change its fees, in accordance with the limits imposed by the Constitution (as described below). If the Responsible Entity increases its fees the Responsible Entity will provide reasonable notice to Unitholders prior to the increase and subject to the terms of the Constitution.

### Maximum fees

The following maximum fees are payable under the Fund's Constitution:

- (a) contribution fee of up to 3.25% of the Application Amount;
- (b) a management fee of up to 3% p.a. of the GAV;
- (c) a performance fee of up to 25% per month of the monthly increase in the NAV; and
- (d) a withdrawal fee of up to 3% of the value of the redeemed Units.

## 8.3 Other fees and costs information

### Swap Provider's fees

Investors should be aware ANZ is entitled to receive a Dynamic Management Fee of:

- (a) 1% p.a. of the Swap Value where the allocation to Underlying Fund Units is greater than zero; or
- (b) 0.10% p.a. of the Swap Value, where the allocation to Underlying Fund Units is zero.

This fee is deducted quarterly in arrears from the value of the Swap.

For example, if the Swap Value is \$48,000 the Dynamic Management Fee would be \$480 p.a. (under (a) above) or \$48 p.a. (under (b) above).

A Swap Leverage Cost will also be incurred on the amount of leverage provided within the Swap at a cost of 3 month USD LIBOR plus 1% p.a. which is deducted quarterly from the value of the Swap.

### Loan costs

Investors who obtain a Loan to invest in the Fund will, in addition to the fees and charges described in this section, be required to pay fees and charges to ANZ in connection with the Loan. These fees may include interest, Loan Break Costs and application fees. These are not costs associated with the Fund or Units and therefore are not management costs for the purposes of this section.

Loan Break Costs may be significant and depend on a number of factors including the difference between prevailing interest rates and the interest rate of the Loan, recovery of costs incurred by ANZ to establish and terminate the Loan and compensation for ANZ's loss of margin. Please see section 10.8 for further information.

Further details of the fees and charges payable in connection with the Loan are set out in section 10. However, Investors are advised to read the Loan Agreement set out in section 15 carefully and in its entirety, including regarding the fees and charges which may be payable, before deciding whether to apply for a Loan and, if necessary, seek independent professional advice.

### Protection Fee

Investors who purchase a Put Option must pay ANZ a Protection Fee. The Protection Fee is 0.25% of the Application Amount (adjusted for any redemptions of Units) and is payable annually in advance. For example, for an Application Amount of \$50,000, the Protection Fee would be \$125 p.a. (assuming no Units are redeemed).

Any Investor who utilises a Loan facility will be required to purchase a Put Option. A failure to pay the Protection Fee will mean that the Put Option will lapse and is also an Event of Default under the Loan (if any), meaning the Loan will become repayable immediately. See section 11 which has further details. Investors should also read the Put Option Agreement which is set out in section 16.

## Section 09: About the Swap Terms

HFA as the responsible entity of the Fund (via its Custodian), will purchase the Swap from ANZ pursuant to the Swap Agreement, which also comprises the terms of Dynamic Management. Under this agreement, ANZ will manage the returns on the Swap using the Dynamic Management technique.

### Swap Terms

The important terms of the Swap Agreement are:

- the Swap will commence on 30 June 2008;
- the Swap will be denominated in AUD and mature on 29 July 2016;
- upon the commencement of the Swap, the Fund will be required to pay to ANZ the initial investment amount of the Swap which is expected to be around 96% of the funds raised under this PDS (the remainder will be invested by the Fund in cash or cash equivalent investments);
- the value of the Swap at any point in time will be calculated as the value of Underlying Fund Units, cash or cash equivalent investments and FX hedging, less the value of the leverage and accrued fees (the **Swap Value**);
- upon the termination of the Swap, ANZ will be required to pay out an amount under the Swap equal to the Swap Value provided that the Swap Value is equal to or greater than zero; and
- the Swap may be terminated early at the discretion of ANZ if it considers that an extraordinary event (**Fund Event**) has occurred. Under the terms of the Swap Agreement, a Fund Event includes (but is not limited to):
  - (a) a violation or change of any material terms of the Underlying Fund's offer documents or other constitutional documents;
  - (b) a material change in asset allocation by the Underlying Fund, whether in strategy, choice of manager(s) or both;
  - (c) any restriction or limitation on, or suspension or deferment of, redemptions or subscriptions for shares in the Underlying Fund affecting ANZ;
  - (d) any material action taken as a result of a review or investigation of the activities of the Fund, its responsible entity, the Underlying Fund or its manager by a relevant regulator, in connection with suspected or alleged wrongdoing or breach of any rule or regulation, or other similar reason;
  - (e) a change in the tax or regulatory environment of the Underlying Fund or Lighthouse or the trustee, manager, investment manager or investment advisor of the Underlying Fund;
  - (f) any material change in the manager of the Underlying Fund;
  - (g) any event which prevents, hinders or materially impairs ANZ's ability to conduct its hedging activities in relation to its exposure under the Swap;
  - (h) any winding-up, liquidation of, or termination or loss of regulatory approval, licence or registration of Lighthouse or any merger, winding-up or liquidation of, or affecting, the Underlying Fund;
  - (i) any arrangements (including relating to redemptions or subscriptions) between ANZ and either Lighthouse or the Underlying Fund being changed or terminated;
  - (j) any change in the currency or denomination of the Underlying Fund Units or the net asset value of the Underlying Fund not being calculated or announced by Lighthouse within the time period ordinarily expected;
  - (k) any change in the responsible entity of the Fund;
  - (l) the loss of any regulatory approval or licence of the Responsible Entity; or
  - (m) any other material event or circumstance which causes the terms of the Swap transaction to no longer reflect the original commercial terms agreed by HFA and ANZ.

## Section 10: About the Loan Agreement

The key features of the Loan Agreement are summarised in this section. In the event of any inconsistency between this section and the Loan Agreement in section 15, the Loan Agreement will prevail. Investors are advised to read the Loan Agreement in section 15 before applying for a Loan. Capitalised terms in this section are defined in the Glossary in section 14, or otherwise in the Loan Agreement in section 15 and the Put Option Agreement in section 16.

### 10.1 Overview of the Loan facility

HFA has arranged for ANZ to offer approved Investors a Loan facility to finance their investment in the Fund. Approved Investors will be able to borrow 100% of the Application Amount, subject to certain credit conditions. The minimum amount that may be borrowed under the Loan facility is \$50,000 and in multiples of \$10,000 above that. The Loan facility will be secured by the Borrower's Mortgaged Unitholding (see section 15).

The Loan facility is a limited recourse loan to the Borrower for the Loan principal, meaning the Borrower's liability for the Loan principal is limited to the amount ANZ can recover from exercising its mortgage over the Mortgaged Unitholding, provided the Borrower holds the Loan until the Termination Date. The Borrower's liability for interest and other costs payable under the Loan Agreement is not limited.

If the Loan is repaid in whole or in part prior to the Termination Date, excluding where ANZ has applied distributions received toward repayment of the Loan, ANZ will have full recourse against the Borrower for all or that part of the Loan repaid, including annual interest payments and Loan Break Costs.

Borrowers with a Loan who redeem some or all of their Units prior to the Maturity Date will be liable to repay the same proportion of the amount outstanding under their Loan and any Loan Break Costs, regardless of the value of the Units, on the date of the redemption. Investors will also lose the benefit of limited recourse for any part of the Loan repaid prior to the Maturity Date.

Any Investor who obtains a Loan facility will be required to purchase a Put Option from ANZ (see sections 11 and 16 for a description of the Put Option).

A Borrower will lose the benefit of the Put Option for any Units acquired using a Loan which are redeemed by the Borrower prior to the Maturity Date (see section 11).

ANZ has the right to declare the Loan immediately due and payable before the Maturity Date if an Event of Default occurs under the Loan Agreement, in which case all other payments owed will immediately become due and payable. An Event of Default includes (but is not limited to) the following events (for a full list of the events that would constitute an Event of Default, Investors should refer to clause 11 of the Loan Agreement contained in section 15):

- (a) a failure by a Borrower or Guarantor to pay any money owing to ANZ (including principal and interest) under the Loan Agreement;
- (b) a failure by a Borrower to pay the Protection Fee under the Put Option Agreement;
- (c) a Borrower or Guarantor (if applicable) breaching its obligations under the Loan Agreement or Put Option Agreement;
- (d) a Borrower or Guarantor (if applicable) becomes bankrupt, insolvent, is wound up or has an administrator or receiver appointed;
- (e) a statement, representation or warranty made by a Borrower or Guarantor is incorrect or misleading in a material respect; and
- (f) the Borrower fails to agree to and accept a further offer of Units where directed to do so by ANZ.

If a HFA Event occurs under the Loan Agreement, ANZ may require the Borrower to repay the Loan within the earlier of 60 days or 5 business days after the Swap is settled. HFA Events are defined in clause 20 of the Loan Agreement, which is contained in section 15, and include:

- (a) where steps are taken either by Unitholders, under the Constitution or pursuant to the Corporations Act to commence winding up the Fund;
- (b) if the Responsible Entity fails to provide regular information about the Fund's financial position or such information contains a defect or error, where the failure, defect or error has a material adverse effect on the Fund or the value of the Mortgaged Unitholding;
- (c) the Responsible Entity ceases to be the responsible entity of the Fund without ANZ's prior consent;
- (d) if the Fund's assets are invested in assets other than the Swap and cash and cash equivalents;
- (e) the Responsible Entity does anything which ANZ reasonably believes has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (f) the Responsible Entity ceases to hold an Australian financial services licence authorising it to act as responsible entity of the Fund;
- (g) the Responsible Entity fails to comply with the conditions of its Australian financial services licence and the failure has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (h) the Responsible Entity fails to comply with the Constitution or any other obligations set out in the PDS, Corporations Act or under an agreement with ANZ, where such failure has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (i) the Swap Agreement is terminated, where such termination has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding; and
- (j) any action is taken as a result of a review or investigation of the activities of the Fund or Responsible Entity by a regulator where such action has a material adverse effect on the value of the Fund or on the value of the Mortgaged Unitholding or ANZ determines in its absolute discretion that the nature of such action is so material that it no longer wishes to participate in a transaction with the Fund.

The above is not a complete list of events which may constitute a HFA Event and Investors should read the full list of HFA Events in clause 20 of the Loan Agreement, which is set out in section 15. Investors must appreciate that HFA Events are beyond their control and the occurrence of a HFA Event may entitle ANZ to require repayment of the Loan, even though the Borrower has not defaulted on their obligations under the Loan Agreement.

If the Loan becomes due and payable prior to the Maturity Date and ANZ exercises its right to sell or redeem the Units, the Borrower will lose the benefit of the Put Option.

Investors who apply for a Loan are subject to ANZ's usual credit approval processes, and ANZ may accept or reject a Loan application in its absolute discretion. Investors who apply for a Loan and receive approval for a smaller amount will be taken to have applied for a reduced number of Units in the Fund pro rata to the approved Loan amount.

### 10.2 Interest payments

The Loan facility is an interest only facility, with each year's interest on the Loan being due and payable annually in advance. Investors have two choices of interest rate, fixed for the term or fixed annually, with the interest rate fixed each year at the prevailing annual fixed interest rate.

## Section 10: About the Loan Agreement

	Indicative Fixed Interest Rate
Fixed for Loan term	10.30% p.a.
Fixed for 1 year	10.60% p.a.

Investors should note that the rates set out above are indicative only. Updated indicative rates may be provided by ANZ during the term of the Offer and published on the HFA website at [www.hfaam.com.au](http://www.hfaam.com.au) and the ANZ website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments). The final full term fixed and one year fixed interest rates applicable to the Loan will be determined by ANZ on or about 16 June 2008 and published on the HFA website at [www.hfaam.com.au](http://www.hfaam.com.au) and the ANZ website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments).

Investors who apply for the Loan and are approved by ANZ agree to and are bound by the, as applicable, final full year fixed or one year fixed interest rate determined by ANZ. Global credit markets, which impact the interest rates at which ANZ will loan funds (including for the purpose of acquiring Units) are currently experiencing significant volatility and Investors must appreciate the final interest rates may be materially different to the indicative rates expressed above and, if relevant, any updated indicative rates published during the term of the Offer.

Investors who apply for and are approved for a Loan will be unable to withdraw their Application (including the Loan application) if the final interest rates are higher than the indicative rates. Those Investors may exercise their cooling-off rights to return Units (see section 13.7) in which case the Loan will be repayable. However, Investors will be responsible for any Loan Break Costs incurred by ANZ as a result of the early termination of the Loan. Loan Break Costs may be significant (see section 10.8 below).

Investors should consider the matters discussed above prior to applying for a Loan and seek professional advice if you are unsure of either whether a Loan is suitable for you or of the risks of obtaining a Loan.

HFA is not responsible for the interest rates determined by ANZ nor for any movement between any indicative interest rates published and the final interest rates.

### 10.3 Interest and Protection Fee payment periods

The following time periods apply to the calculation of each Loan interest payment and Protection Fee. Unitholders must provide bank account details to enable ANZ to direct debit these amounts on the relevant payment dates set out below (refer Appendix B of the Application Form).

*Payment dates for the Protection Fee and Loan interest payments payable annually in advance. If the payment date is not a Business Day, the payment will be debited on the next Business Day of that month or, if none, on the preceding Business Day.*

Payment period		Payment date* (by direct debit)
From	To	
30 June 2008	29 June 2009	16 June 2008
30 June 2009	29 June 2010	15 June 2009
30 June 2010	29 June 2011	15 June 2010
30 June 2011	29 June 2012	15 June 2011
30 June 2012	29 June 2013	14 June 2012
30 June 2013	29 June 2014	16 June 2013
30 June 2014	29 June 2015	15 June 2014
30 June 2015	29 July 2016	15 June 2015

### 10.4 Distributions

The Loan Agreement provides that, where distributions are paid by the Fund, ANZ may require the distribution amount to be reinvested in new Units which will form part of the Mortgaged Unitholding and be subject to the Put Option.

**Borrowers should note that distributions may not be paid on a regular basis or at all.**

### 10.5 Security arrangements

ANZ will take a mortgage over the Units and other related rights owned by the Borrower as security for the Borrower's obligations under the Loan Agreement. The security arrangements are set out in the Loan Agreement contained in section 15. The Borrower's Units will be held in the name of ANZ.

### 10.6 Loan repayment (including early repayment)

The Loan is repayable on 29 July 2016.

Under the Loan Agreement, the Loan may be terminated early by ANZ. ANZ has the right to declare the Loan due and payable prior to the Maturity Date if an Event of Default occurs (see clause 11.1 of the Loan Agreement), a HFA Event occurs (see clause 4.2 of the Loan Agreement) or if ANZ considers that there has been a change in the law that makes or will make the provision of the Loan by ANZ illegal (see clause 12.2 of the Loan Agreement). The Loan, or a proportion of the Loan, will also be immediately due and payable if all or some of the Borrower's Units are redeemed prior to the Maturity Date.

Borrowers should note that the value of the Borrower's Units prior to the Maturity Date might be less than the outstanding Loan Balance. The Borrower will have a full recourse obligation to repay the principal as well as the Loan Break Costs (if any) incurred by ANZ through the early termination of all or part of the Loan at any time. If an Investor chooses to sell or redeem Units in order to repay the Loan and there is a shortfall, ANZ will have full recourse to the Investor as an unsecured creditor.

When a Loan remains outstanding, ANZ may, on behalf of the Borrower, reinvest any distributions received in new Units, or apply any distributions towards full or partial repayment of the Loan Balance. Any new Units acquired will form part of the Mortgaged Unitholding, and any amount applied in reduction of the Loan Balance will be determined by ANZ after taking into account any costs and charges that may apply to an early repayment (refer to clause 5.2 of the Loan Agreement in section 15).

In case of a delay in payment of all or part of Unit redemption proceeds by the Fund at maturity, the Loan will be automatically extended from the Maturity Date. Specifically, the Loan will not be repayable until 5 Business Days after the Swap is settled, even if this is after the Maturity Date. This is intended to allow sufficient time for the Fund to receive the Swap Proceeds from ANZ, and then pay the Unit redemption proceeds to ANZ, on behalf of the Borrower, to be applied in repayment of the Loan.

Interest will be payable monthly in advance if the Loan is extended past the Maturity Date. Such interest may be recovered by ANZ from the Borrower's account pursuant to the direct debit facility.

Any settlement of amounts payable by ANZ under the Put Option Agreement will be similarly delayed.

# Section 10: About the Loan Agreement

## 10.7 Borrowing capacity

If an Investor is borrowing as a company or as a trustee (whether individual trustee or corporate trustee), ANZ will require an individual to guarantee the Loan.

If an Investor is borrowing as a trustee, ANZ will require a solicitor to confirm that the Investor has the power to enter into the arrangement, and to identify the settlor and the beneficiaries of the trust. Refer to Appendix A of the Application Form.

## 10.8 Loan Break Costs

ANZ incurs various costs in providing the Loan to approved Borrowers and seeks to recover those costs and its margin from the receipt of interest amounts over time. Additionally, in order to fix the interest rate for the term of the Loan or for each year during the term of the Loan (depending on the interest rate option chosen by the Borrower), ANZ will enter into interest rate swaps to hedge its interest rate risk on Loans.

If a Borrower decides to repay their Loan before it is due to mature, there may be costs (**Loan Break Costs**) which arise. These costs include:

- (a) costs associated with ANZ unwinding any risk management arrangements in place for the purposes of the Loan (including unwinding any interest rate hedge at the prevailing interest rates);
- (b) administration costs associated with processing the early Loan repayment and notification to holders and updating the registers;
- (c) any legal and ASIC fees (including amending or releasing company charges);
- (d) all other direct and indirect costs, expenses and taxes incurred due to the Loan being repaid early; and
- (e) any loss of expected profit arising from the early Loan repayment.

These costs will be charged to the Borrower when the Loan is terminated early.

Loan Break Costs may be significant and Borrowers should consider this when deciding whether or not to repay the Loan before it is due to mature.

All questions about the Loan Agreement should be directed to ANZ on the following:

**ANZ Structured Investments**

Email: [structuredinvestments@anz.com](mailto:structuredinvestments@anz.com)

Ph: 1800 204 693

## Section 11: About the Put Option

The Put Option provides Investors at the Put Date with protection against a fall in the value of their investment in the Fund below the Application Amount.

Investors are not required to purchase a Put Option unless they are applying for a Loan to fund the purchase of Units. Investors who are not applying for a Loan may choose to purchase a Put Option to protect their Application Amount at the Maturity Date, though they are not obliged to do so. Capitalised terms in this section are defined in the Glossary in section 14, or otherwise in the Put Option Agreement in section 16 and the Loan Agreement in section 15.

The Put Option gives Investors the right to sell their Units to ANZ on the scheduled Maturity Date, in exchange for ANZ paying them the Strike Price on the Put Date. The Put Option will be exercised automatically provided the Strike Price on the Put Date is more than the aggregate Redemption Value of the Units on the Put Date. If the Strike Price is less than the aggregate Redemption Value of the Units on the Maturity Date, the Put Option will not be exercised and will lapse.

If the Put Option is exercised, ANZ must pay the Strike Price to the Investor on the Put Date, being the later of the Maturity Date or 5 business days after the Swap is settled.

Where the Investor has obtained the Loan, the Strike Price payable to the Investor will be offset against the Loan Balance owed to ANZ. Where the Strike Price exceeds the Loan Balance, the difference will be payable to the Investor. Where the outstanding Loan principal exceeds the Strike Price, the Investor's obligation to repay the Loan Balance (to the extent it relates to the amount of the Loan held until the Maturity Date) will be limited to the amount of the Strike Price and the Investor will not be liable for the shortfall. However, the Investor will be liable for any outstanding interest or costs owing under the Loan Agreement.

Where an Investor is issued Units as a result of a reinvestment of distributions from the Fund, those Units form part of the property subject to the Put Option.

If any Investor withdraws some or all of an investment in the Fund by redeeming Units before the Maturity Date, the Put Option will lapse as it relates to the redeemed Units. In addition, the Put Option will lapse in the circumstances set out in clause 1.4 of the Put Option Agreement, contained in section 16, including if the Investor ceases to hold Units, the Investor fails to pay the Protection Fee or the Investor fails to comply with any material obligation under the Put Option Agreement and, if a Borrower, the Loan Agreement.

ANZ may, at its discretion, refund to the Investor all or part of any Protection Fee paid in advance which relates to Units redeemed before the Maturity Date.

Investors who purchase a Put Option must pay ANZ a Protection Fee under the Put Option Agreement. The Protection Fee is 0.25% of the Investor's Application Amount (adjusted for any redemptions of Units), payable annually in advance.

Failure by an Investor to pay the Protection Fee in any given year will mean that the Put Option lapses and, if the Investor is a Borrower, ANZ has the right to declare the Loan immediately due and payable.

The Investor will be required to pay any costs and expenses of ANZ in relation to the Put Option Agreement or the exercise by ANZ of its rights under the Put Option Agreement.

HFA is not responsible for, and does not guarantee the performance of, ANZ's obligations under the Put Option.

All questions about the Put Option Agreement should be directed to ANZ on the following:

**ANZ Structured Investments**

Email: [structuredinvestments@anz.com](mailto:structuredinvestments@anz.com)

Ph: 1800 204 693

# Section 12: Taxation

## Seek Your Own Advice

Unitholders should note that Australian tax laws are complex and are subject to constant change. The views in this PDS are based on current law as at the date of this PDS.

This report is general in nature because the tax implications for each Investor may vary depending on their particular circumstances.

These taxation comments are not, and are not intended to be, taxation advice to any applicant for Units. They do not, for example, apply to potential Unitholders in the Fund who are non-residents or who carry on a business of trading in Units. Potential non-resident Investors or Investors who carry on a business of trading in Units will need to seek additional assistance in considering the tax impacts upon their own circumstances when considering whether to make an investment.

**Tax liabilities are the responsibility of each Unitholder and HFA is not responsible for taxation or penalties incurred by Unitholders. Unitholders should consult their taxation advisors on the tax implications of their own investment in the Fund.**

## Tax treatment of the Fund

The Fund is a resident of Australia for the purposes of Australian income tax. Division 6 of Part III of the *Income Tax Assessment Act 1936* applies to tax income of a trust unless the corporate unit trust provisions (Division 6B) or public unit trust provisions (Division 6C) apply. We consider that neither Division 6B nor Division 6C will apply to the Fund.

Investment trusts such as the Fund are not taxed on their income where Unitholders are presently entitled to the trust income. Where Unitholders are presently entitled to the trust income, the taxable income flows to Unitholders in proportion to their Unitholding in the trust.

## Tax treatment of Unitholders in the Fund

Australian resident Unitholders will be required to include in their assessable income, their share of the taxable income of the Fund to which they become presently entitled, in a particular income year. This includes all distributions of net income, whether received in cash or reinvested, except to the extent that a portion of the distribution constitutes tax-deferred or CGT concession income.

The assessable portion, as advised by the Fund on an annual basis, should be included in a Unitholder's assessable income in the year to which the distribution relates (i.e. the year in which the Fund derives the income, not when it is physically received by the Unitholder), and Unitholders will generally be subject to Australian tax at their relevant marginal tax rate. The timing and assessability of income distributed to Unitholders does not depend on whether the Unitholder holds their investment in the Fund on revenue or capital account.

Under tax legislation current at the date of this PDS, unit trusts cannot distribute to Unitholders any tax losses incurred by the Fund in an income year (i.e. where the Fund's assessable income is less than its allowable deductions). The benefit of such tax losses is not lost but may be offset by the Fund against its assessable income in a subsequent year provided certain tests are satisfied.

## Income to be derived by the Fund

Aside from cash or cash equivalent investments, the investment of the Fund is the Swap to be issued by ANZ, Singapore branch. This investment is discussed in more detail below.

The tax legislation contains rules which apply an accruals system of taxation to income accruing under certain types of securities, labelled "qualifying securities". The rules governing "qualifying securities" should not apply to the Swap. Accordingly, the Fund should not be taxed in relation to its interest in the Swap other than as a result of the settlement or early close out of the Swap. It is important to note that the rules regarding "qualifying securities" only affect the timing of recognition of income and should not increase or decrease the Fund's net income overall.

On settlement or early close out of the Swap any difference between the proceeds received and the face value of the Swap should be recognised as a gain or loss on disposal of a "traditional security". Traditional securities are deemed by tax legislation to be revenue in nature. These gains or losses will form part of the income of the Fund in the year in which they are derived and will be considered to be foreign-sourced. This means that any gains flowing from the settlement of the Swap will not receive the 50% CGT discount for which investment trusts such as the Fund are typically eligible.

ANZ will pay to the Fund a distribution on a quarterly basis which is dependent on the performance of the Swap. These distributions will be included in the income of the Fund as they are derived. Depending on the amount distributed by ANZ to the Fund, a portion of this income may be distributed to Unitholders, after the costs incurred in respect of the management of the Fund have been offset.

## Payment of the final distribution

On close out of the Swap, Investors will become entitled to a final distribution if the value of the Fund's assets exceeds the issue proceeds provided by Investors to the Fund, net of operating costs of the Fund.

In economic terms, the final distribution will represent the aggregate gain realised over the life of the Swap. As outlined above, it is expected that the whole of the final distribution will consist of assessable amounts.

## Taxation of Financial Arrangements

The Federal Government is currently in the process of finalising new tax legislation which deals with the Taxation of Financial Arrangements. The legislation dealing with the Taxation of Financial Arrangements Stages 3 and 4 was recently introduced into Parliament, but lapsed on the prorogation of Parliament as part of the recent Federal Election. To date this legislation has not yet been re-introduced into Parliament.

Based on the current proposed legislation, as the Fund will invest in the Swap prior to 1 July 2009, the existing tax treatment outlined above should continue to apply to the Fund, and the new legislation should not impact on the taxation of the Fund. HFA will seek further tax advice in relation to this issue once the new legislation has been enacted.

# Section 12: Taxation

## Disposal of Units

### Capital gains tax analysis - Disposal or Transfer of Units generally

Upon the disposal or transfer by a Unitholder of a Unit, CGT will apply. The application of CGT is affected by whether a Unitholder holds their Units on revenue account (as distinct from those who hold their Units on capital account). The taxation comments in this section do not apply to taxpayers who hold their investment in the Fund on revenue account.

A capital gain will arise where the proceeds on disposal of the Unit exceeds the Unitholder's CGT cost base in the Unit. In the event that a Unitholder realises a capital loss on disposal of their Unit, they may use the capital loss to offset capital gains derived from other sources, in either current or future years. Where the Unit disposed of by a Unitholder was held by the Unitholder for more than twelve months at the time of the disposal, the capital gain derived by the Unitholder will potentially be reduced by 50%. A Unitholder that is a complying Superannuation Fund may be entitled to claim a 33 $\frac{1}{3}$ % CGT discount separately. Corporate Unitholders are not eligible for the CGT discount and are required to include the full amount of the capital gain in their assessable income.

The receipt of tax deferred income or returns of capital by a Unitholder as part of a distribution will reduce the CGT cost base of Units held by a Unitholder. This will be important to the calculation of the CGT gain or loss that will arise to a Unitholder upon the future disposal of their Units.

If the cost base of a Unitholder's Units is reduced to 'nil' by non-taxable distributions, further non-taxable distributions received after that time will be assessable as a capital gain to the Unitholder.

### Capital gains tax analysis - Redemption of Units

The redemption of Units will constitute a CGT event and will have CGT consequences for Investors.

If Units are redeemed the Investor will receive redemption proceeds equal to the Redemption Value of the Units. Part of the redemption proceeds may constitute income for tax purposes. If this occurs, the Responsible Entity will notify the redeeming Investor that part of the Redemption Price includes an Income Distribution. Depending on the amount of this Income Distribution, the Investor may make a capital gain or loss equal to the difference between the redemption proceeds (after excluding any Income Distribution) and the cost base of the Units redeemed.

### Capital gains tax analysis - Disposal under the Put Option

If an Investor disposes of their Units by exercising the Put Option at maturity, the amount paid by ANZ for the Units will be equal to the Strike Price under the Put Option.

Investors generally should not realise a capital gain or a capital loss, assuming that the Fund has not made tax deferred distributions or any returns of capital during its life.

### Capital gains tax analysis - Expiry of the Put Option

The Put Option issued by ANZ will expire in certain circumstances, including when an Investor's Units are redeemed or if an Investor's Put Option remains unexercised at the Maturity Date. The expiry of the Put Option will constitute a CGT event for capital gains tax purposes and the Investor potentially will realise a capital loss on expiry of the Put Option. Any amounts paid by the Investor in relation to acquiring the

Put Option will be taken into account in calculating the capital loss.

## Borrowing costs

### Deductibility of borrowing costs incurred by Investors

Investors may borrow funds for the purpose of acquiring Units. In doing so, Investors may incur interest expenses and other costs associated with borrowing these funds. Interest costs are generally deductible where they are incurred for the purpose of deriving assessable income from an investment.

If an Investor acquires their Units for the purpose of capital growth only, then the interest costs would not be outright deductible. Rather, the interest costs would form part of the cost base of their investment.

Where Investors choose to purchase the Put Option available from ANZ, the Protection Fee payable by Investors to ANZ will not be tax deductible but should form part of the CGT cost base of the Put Option.

Investors should obtain professional advice on the appropriate tax treatment of any borrowing costs they incur, which takes into account their investment objectives and individual circumstances.

### Capital protected products

Where Investors choose to borrow funds under the Loan for the purpose of acquiring Units, the capital protected borrowing rules must be considered.

In accordance with the ongoing approach prescribed by the capital protected borrowings rules, the amount attributable to the capital protection on the loan, which is considered to be capital in nature and hence not tax deductible, is the excess of the total amount incurred by the borrower in an income year in relation to the capital protected borrowing over the interest that would have been charged in the income year if the same amount had been borrowed at a prescribed interest rate. For the purposes of these provisions the prescribed interest rate is the Reserve Bank of Australia's (RBA) Indicator Rate for Personal Unsecured Loans – Variable Rate.

As an example, for an Investor who borrows \$100,000 under the Loan and therefore also purchases a Put Option at an example interest rate of 10.30% p.a. for the Loan and 0.25% p.a. for the Put Option, the relevant calculation will be as follows (assuming the relevant RBA rate is 13.9% p.a.):

**Step 1:** Calculate the total cost of the borrowing, including any additional capital protection cost (i.e. Protection Fee):  
= Borrowed amount x (interest rate + Protection Fee)  
= \$100,000 x (10.30% + 0.25%)  
= \$10,550

**Step 2:** Calculate the ATO prescribed cost of borrowing:  
= Borrowed amount x relevant RBA rate  
(as described above)  
= \$100,000 x 13.9%  
= \$13,900

**Step 3:** Determine as to whether the actual cost of borrowing (per step 1) exceeds the ATO prescribed cost of borrowing (per step 2):  
= Excess of Step 1 over Step 2  
= Nil, therefore no additional amount is attributable to the cost of the capital protection.



## Section 12: Taxation

Accordingly, the \$10,300 incurred as interest will be deductible. However, the Protection Fee of \$250 will not be deductible but should form part of the CGT cost base of the Put Option (as discussed above).

It is important to note that both the RBA interest rate used above and the interest rate on the Loan are subject to change. Also, this comparison must be conducted in relation to each income year during which the Investor continues to have an outstanding debt.

### **Goods and Services Tax (GST)**

The issue and redemption of Units will not be subject to GST.

GST is not payable in respect of a transfer of Units by Unitholders. However, GST may be incurred on services acquired in relation to the acquisition, disposal or redemption of Units (such as legal or accounting advice). Unitholders should seek advice about whether they are entitled to claim input tax credits in respect of GST on those costs.

Fees and costs charged for management of the Fund by HFA will be inclusive of GST at 10%. Other fees (including custodian fees) may also be subject to GST. The Fund may be entitled to recover input tax credits or Reduced Input Tax Credits (RITCs) on these services.

GST will not be payable by the Fund for any disposal or acquisition of its investment in the Swap. The Fund will be entitled to claim input tax credits for GST on costs incurred in relation to the acquisition of the Swap. The Fund may be entitled to input tax credits or RITC's on other costs related to acquiring or selling investments or administration of the Fund.

GST is not payable on distributions made to Unitholders.

### **Pay As You Go ("PAYG") Withholding**

The collection of an Investor's Tax File Number (TFN) is authorised and its use is strictly regulated by law. Where an Investor does not quote their TFN or claim an exemption, HFA is required to deduct from their distributions, tax at the highest marginal rate, plus the Medicare levy (currently 46.5%). Business taxpayers may quote an ABN instead of a TFN.



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The Directors  
HFA Asset Management Limited  
GPO Box 1616  
Brisbane QLD 4001

19 March 2008

Dear Directors

### **ANZ Discovery Fund - Australian Tax Report**

We have reviewed the Tax Summary included in the Product Disclosure Statement dated on or about 19 March 2008 for the ANZ Discovery Asia Fund, based on current taxation law as at the date of this letter.

In our opinion, the Tax Summary accurately summarises the key Australian income tax and goods and services tax issues relevant to Australian resident investors who hold units in the ANZ Discovery Asia Fund on capital account.

We recommend that each investor seek their own professional advice regarding the taxation implications associated with holding units in the ANZ Discovery Asia Fund.

Our income tax advice is based on current taxation law as at the date our advice is provided. You will appreciate that the tax law is frequently being changed, both prospectively and retrospectively. A number of key tax reform measures have been implemented, a number of other key reforms have been deferred and the status of some key reforms remains unclear at this stage.

Unless special arrangements are made, this advice will not be updated to take account of subsequent changes to the tax legislation, case law, rulings and determinations issued by the Australian Commissioner of Taxation or other practices of taxation authorities. It is your responsibility to take further advice, if you are to rely on our advice at a later date.

We are, of course, unable to give any guarantee that our interpretation will ultimately be sustained in the event of challenge by the Australian Commissioner of Taxation.

KPMG Tax is not licensed to provide financial product advice under the Corporations Act and taxation is only one of the matters that must be considered when making a decision on a financial product. Investors should consider taking advice from an Australian Financial Service Licence holder before making any decision on a financial product.

Yours faithfully

Jim Mooney  
Partner

## Section 13: Additional Information

### 13.1 Applications for Units

You may invest in the Fund as either a direct Investor (i.e. a Unitholder) or as an Indirect Investor.

You may invest as a Unitholder by completing the Application Form attached to or forming part of this PDS. If you are investing in the Fund through a master trust, wrap account or investor directed portfolio service (IDPS), you will be an Indirect Investor. As an Indirect Investor, you should read the disclosure document for the IDPS through which you are investing together with this PDS prior to investing. When you invest in the Fund through an IDPS, you do not become a Unitholder and the operator of the IDPS acts as an intermediary between you and the Fund.

The information in this PDS relates to Unitholders in the Fund. The disclosure document for the IDPS will contain important information that outlines who may invest, minimum balances, additional investment, processing applications and the applicable fees for investing in the IDPS.

Indirect Investors should note that IDPS operators may not be subject to the minimum requirements for maintaining investment balances, making additional investments or withdrawals described throughout this PDS.

#### Subscriptions

Subscriptions in the Fund can only be made via the Application Form attached to, or forming part of, this PDS. The minimum initial subscription amount is \$10,000. Where an Investor utilises the Loan, the minimum Loan and subscription amount is \$50,000. Investors may enter into a Loan for 100% of the Application Amount.

Subscriptions must be received by the Offer Closing Date as detailed in section 1. Units will be issued on the basis of the Application Amount (less any contribution fee if applicable) at a subscription price of \$1.00 per Unit.

A statement confirming receipt of your Application Form will generally be posted within 3 Business Days of processing. A Unit certificate will not be issued but correspondence detailing your Unitholdings will be provided within one month of the issue of Units. The Units issued will be rounded to 3 decimal places.

#### Redemptions

Redemptions will not be available for a period of 12 months from the Allotment Date. Redemptions will be available quarterly thereafter on 31 March, 30 June, 30 September and 31 December each year (**Redemption Day**), with a 95 calendar day notice period.

Redemption requests can be made by Unitholders or by ANZ on behalf of Borrowers on either a redemption form or by writing to us and providing details of the number of Units to be redeemed or the dollar value required, the Unitholder number, Fund name and the name in which the investment is held. You will be able to obtain a redemption form by calling 1300 30 90 92 or visiting our website at: [www.hfaam.com.au](http://www.hfaam.com.au).

Subject to the Constitution, restrictions on minimum redemptions and minimum residual holdings in the Fund apply. The minimum redemption amount is 1,000 Units and the minimum residual holding is 5,000 Units. If your residual

holding of Units falls below the minimum residual holding, then the balance of your Unit holding may be processed by the Responsible Entity as a full redemption and forwarded to you.

If a Unitholder requests the redemption of Units having a total value greater than 5% of the value of the Fund, the Responsible Entity may redeem the Units over a period of up to 12 months at a Redemption Value applicable on each Business Day on which Units are redeemed.

Under the Constitution, the Responsible Entity, if it so determines, may notify a Unitholder who has redeemed Units that a portion of their redemption proceeds comprises a component of Income Distribution. The Responsible Entity will determine any Income Distribution component taking into account the impact of disposal of assets which may occur in order to fund redemption proceeds.

The redemption process and the Unit redemption price valuation described in this PDS apply while the Fund remains 'liquid' within the meaning of the Corporations Act. Under the Corporations Act, the Fund will be liquid if 'liquid assets' account for more than 80% of the value of the Fund's Portfolio ('liquid assets' can be cash, marketable securities, bank accepted bills or any other property whose value can be realised within the period specified in the Constitution for satisfying redemption requests).

If the Fund becomes illiquid, Units will only be redeemed in accordance with the Constitution and the Corporations Act whereby withdrawals must be facilitated by the Responsible Entity making a withdrawal offer to all Unitholders. The Responsible Entity is not obliged to pay any part of the Unit redemption price for the Fund out of its own funds.

Redemption requests must be received by 4:00pm (Melbourne time) on a Melbourne Business Day, a minimum of 95 calendar days before the Redemption Day. Redemption payments will usually be processed within 1 month after a Redemption Day, although under the Constitution, HFA may take up to 12 months to process a redemption request.

Redemption requests can be sent:

by facsimile to: **1300 365 601**

or by mail to:

**HFA Asset Management Limited**  
**C/- National Australia Bank Limited**  
**Registry Services**  
**PO Box 1406**  
**MELBOURNE VIC 3001**

The following terms and conditions apply for faxed redemption requests:

- (a) if a Unitholder wishes to use the faxed redemption facility, simply send us a fax to **1300 365 601**. By sending us a fax you signify acceptance of these terms and conditions;
- (b) if the redemption is not faxed to **1300 365 601** the request may not be processed;
- (c) redemption amounts are only able to be paid to a bank, building society or credit union account previously nominated by the Unitholder in writing or by cheque payable to the Unitholder and mailed to the address provided by the Unitholder to HFA;
- (d) we may refuse to process a faxed redemption request in accordance with the Constitution;

## Section 13: Additional Information

- (e) HFA may cancel this arrangement or vary these terms and conditions at any time after giving Unitholders written notice;
- (f) if we comply with a faxed redemption request made or purported to be made in accordance with these terms and conditions, then payment will be in satisfaction of all obligations of HFA and neither the Unitholder nor any other person will have any claim against the Fund or the Custodian even where the Unitholder had no knowledge of, or did not authorise, a transaction in relation to their investment; and
- (g) by sending us a faxed redemption request, Unitholders release, discharge and agree to indemnify HFA and the Custodian for all losses, liabilities, actions, proceedings, claims and demands in respect of any liabilities arising out of a request for a faxed redemption of their investment.

A redemption request form is available from the HFA Investments Client Service Team.

### Unit pricing

The Unit price is the NAV divided by the total number of Units on issue adjusted for transaction costs. Unit prices will be published on HFA's website, [www.hfaam.com.au](http://www.hfaam.com.au) and on ANZ's website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments), or can be obtained by phone on 1300 30 90 92.

A Unit price will be determined as of the last Business Day of each month.

The Responsible Entity has a policy for unit pricing discretions it uses for the Fund for the purpose of ASIC Class Order 05/26. Additional documents may be prepared for this purpose from time to time. The unit pricing policy and discretions exercised by the Responsible Entity are available from HFA free of charge upon request.

### Distributions

Income distributions, if available, are intended to be paid annually (commencing June 2009). Investor's entitlements to income distributions will be calculated as at 30 June each year.

If you have borrowed under the Loan Agreement, ANZ will, in accordance with the terms of the Loan Agreement and Put Option Agreement, require you to reinvest any distribution to acquire new Units which will form part of the Put Property and be subject to the Mortgage. If you are not a Borrower but you hold a Put Option, and you reinvest the distribution to acquire new Units, those new Units will form part of the Put Property.

Your distribution comprises your proportional entitlement to the Fund's net income. The Responsible Entity will only pay distributions if the Fund has sufficient income and the Responsible Entity considers it is in the best interests of Investors to do so. Accordingly, there is no guarantee that distributions will be paid. Unitholders should note that the majority of income is expected to be distributed at Maturity Date.

The amount of income you receive is calculated according to the number of Units you hold as a proportion of the total number of Units on issue as at the end of the distribution Period. This means that the Unit price will fall by an amount equal to the distribution per Unit as a result of the Fund making a distribution to Unitholders.

If an Investor has redeemed Units during the Distribution Period, the Responsible Entity may notify the redeeming Investor that their redemption proceeds includes a component of income distribution.

### Distribution reinvestment plan and mandatory distribution reinvestment

Where the payment of distributions in cash would cause the Fund to breach a De-Leverage Trigger under the Dynamic Management process or the Responsible Entity otherwise considers it in the best interests of Investors to do so, the distribution will be automatically invested in additional Units by HFA (Mandatory Distribution Reinvestment).

Distributions paid on Units held by Borrowers will, at the direction of ANZ, also be reinvested in additional Units by HFA and will form part of the security provided by the Borrower to ANZ.

Where distributions are reinvested by Unitholders under the distribution reinvestment plan or where a Mandatory Distribution Reinvestment occurs, the price paid for Units will be the Unit price applying on the first day of the month following the calculation of the distribution. Contribution fees are waived for Units issued under the distribution reinvestment plan or where a Mandatory Distribution Reinvestment occurs.

### Direct credit

By providing us with your bank account details we can deposit the proceeds of distributions and redemptions into your account. This allows distributions and redemptions to be processed more quickly.

### Transfers

You may transfer Units to another person with the prior consent of the Responsible Entity (and ANZ if you have used a Loan to purchase your Units). To transfer your Units you must:

- (a) deliver to the Responsible Entity a transfer notice in the form approved by the Responsible Entity. The transfer must be executed by the transferor and transferee and, if necessary, stamped to indicate that stamp duty has been paid;
- (b) deliver to the Responsible Entity any other document required by the Responsible Entity or any law; and
- (c) pay any relevant costs and disbursements and repay your Loan if applicable. Your Put Option will also lapse.

## 13.2 The Fund Constitution

The Fund is governed by the Constitution. The following is an outline of the main terms of the Constitution, apart from those provisions which are disclosed elsewhere in this PDS. Capitalised terms in this section, not defined in the Glossary, have the same meaning as in the Constitution.

### Responsible entity

HFA is the responsible entity for the Fund. HFA has all the powers of ownership as if it were the absolute and beneficial owner of the Portfolio.

### Permitted investments

HFA is authorised under the Constitution to invest in the Swap, cash and cash equivalent investments.

### Interests of Unitholders

The beneficial interest in the Fund is divided into Units. A Unitholder holds a Unit subject to the rights, restrictions and obligations attaching to the Unit. A Unit does not provide an interest in any particular part of the Fund or in any particular part of the Portfolio. Units may be issued in fractions and HFA may consolidate or split Units. HFA may issue Units with such

## Section 13: Additional Information

preferred, deferred or other special rights or restrictions as HFA determines from time to time.

### Term of the Fund

As soon as practicable prior to the Maturity Date, HFA will arrange for the Portfolio to be sold and wind up the Fund unless the Unitholders approve at a meeting of Unitholders, by a majority of 75% of the votes cast, to extend the term of the Fund by a further period, or to approve another proposal put by HFA. HFA will send a notice of meeting to Unitholders 7 months prior to the Maturity Date for the purpose of convening a meeting to vote on the extension of the term. HFA may also present an alternative proposal to Unitholders.

After the Portfolio has been liquidated and upon winding up of the Fund, HFA will distribute the proceeds of the liquidation of the Portfolio to Unitholders in proportion to the number of Units they hold. HFA will be entitled to deduct from the proceeds of the liquidation all expenses incurred in liquidating the Portfolio and winding up the Fund.

### Transfer

Unitholders are entitled to transfer their Units in accordance with the Constitution. All transfers must be in writing and approved by HFA (and ANZ if the Unitholder has used a Loan to acquire their Units).

HFA must register a transfer of Units as directed in writing by ANZ on behalf of a Unitholder who has used a Loan to acquire their Units.

### Limitation of liability

Except where the Corporations Act expressly provides otherwise:

- HFA is not liable to a Unitholder to any greater extent than the extent to which it is indemnified from the Fund; and
- HFA, and each director and officer of HFA, is not personally liable to a Unitholder or any other person in connection with the office of Responsible Entity or director or officer of HFA.

HFA is entitled to be indemnified from the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties. This indemnity is in addition to any indemnity allowed by law and continues to apply after HFA ceases to be the responsible entity of the Fund.

HFA is not liable to Borrowers for any loss they may suffer as a result of HFA following the proper directions of ANZ, nor is HFA bound to make any enquiries of ANZ in relation to any proper directions ANZ may give in relation to the Units of a Borrower.

### Distributions

Although HFA expects that Units will generate few distributions, any distribution of income (or any other amount deemed distributable by HFA) will be in proportion to the number of Units that an Investor holds.

The Responsible Entity may determine to pay distributions by allotting further Units.

### Unitholder liability

The Constitution seeks to limit the liability of Unitholders by providing that a Unitholder is not personally obliged to make any further contributions to the Fund beyond their Application Amount, or to indemnify the Responsible Entity, or any creditor of either or both of them, if there is a deficiency in the assets

of the Fund. However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee that Unitholders' liability will be limited in all circumstances is given by the Responsible Entity. The Constitution does not limit the liability of the Unitholders under either the Loan Agreement or Put Option Agreement.

### Responsible entity's remuneration

HFA is entitled to receive the fees as set out in section 8 of this PDS. HFA is also entitled to be reimbursed and paid out of the Fund for all costs, charges and expenses properly incurred in connection with the establishment and administration of the Fund. HFA may, in its absolute discretion, in lieu of payment of money, choose to be paid in Units.

### Retirement or removal of responsible entity

HFA may retire or be removed as responsible entity in accordance with the Corporations Act. Subject to the law, HFA may agree to be paid a benefit by another entity who proposes to be the responsible entity in consideration for retiring.

### Meetings

HFA may convene a meeting at any time. Unitholders may convene a meeting in accordance with the Corporations Act. A quorum for a meeting is two Unitholders. Not less than 21 days notice must be given for all meetings of Unitholders. For the purpose of meetings a special resolution is a resolution that has been passed by at least 75% of the votes cast by Unitholders entitled to vote on the resolution. Only those Unitholders that are entered on the register of Unitholders shall be entitled to vote at any meeting of Unitholders.

### Amendments to Constitution

Amendments to the Constitution require approval by Unitholders by a majority of 75% of the votes cast, unless HFA reasonably considers that the amendment will not adversely affect Unitholders' rights, in which case amendments may be made by HFA alone.

### Register of Unitholders

HFA must maintain an up-to-date register of Unitholders and the number of Units held. The register is available for inspection by Unitholders, at no charge.

## 13.3 The compliance plan, compliance committee and Custodian

HFA has prepared and lodged with ASIC a compliance plan for the Fund. The compliance plan sets out the procedures used by HFA to comply with the Corporations Act, this PDS and the Constitution. This includes procedures for ensuring that:

- (a) all assets of the Fund are identified as assets of the Fund;
- (b) the assets of the Fund are valued at appropriate regular intervals; and
- (c) adequate records of the Fund's operations are kept.

Each year, HFA's adherence with the compliance plan will be audited by an external compliance plan auditor and the audit report lodged with ASIC.

The compliance plan auditor must notify ASIC in writing if the auditor has reasonable grounds to suspect that a contravention of the Corporations Act has occurred and believes that the contravention has not been or will not be adequately dealt with.

## Section 13: Additional Information

An independent compliance committee has been established by HFA. The role of the compliance committee includes, among other things:

- (a) monitoring compliance by HFA with the compliance plan;
- (b) reporting any breaches of the Corporations Act and the Constitution to HFA; and
- (c) reporting to ASIC, if the compliance committee takes the view that HFA has not taken, or does not propose to take, appropriate action to deal with breaches reported to HFA.

National Australia Bank Limited (**NAB**) is the appointed custodian of the assets of the Fund. ASIC has established minimum standards that a custodian of property of a registered managed investment scheme must meet. The Custodian's role is limited to the holding of the assets of the Fund on behalf of its Unitholders. Under the custodian agreement, NAB is indemnified by the Responsible Entity in relation to its properly performed services as custodian for the Fund.

### 13.4 Product Creation and Distribution Deed

HFA and ANZ are parties to the Product Creation and Distribution Deed. The deed sets out each party's obligations regarding establishing and promoting the Fund and Offer, issuing the PDS and preparing the Swap Agreement, Loan Agreement and Put Option Agreement.

ANZ is appointed to distribute and market the offer of Units pursuant to the PDS and manage and process Loan applications and Put Option applications.

HFA agrees that it will not launch or establish any other managed investment scheme which invests directly or indirectly in the Underlying Fund during the period from 1 January 2008 to 30 June 2008 (or such later date as agreed by the parties). However, this does not prohibit HFA promoting offers or issuing units in managed investment schemes under offers open prior to 1 January 2008. Further, HFA is under no obligation to market or promote the Offer and is restricted from promoting any other HFA products through ANZ's distribution network prior to the close of the Offer under the PDS.

The deed also sets out commissions payable by HFA to an Investor's adviser and the commissions payable by ANZ in connection with the Loan. Details of these commissions are set out in section 8.

ANZ has granted HFA a non exclusive, worldwide, royalty free licence to use the ANZ business name in connection with the establishment, registration, marketing and promotion of the Fund, subject to HFA's compliance with ANZ's marketing protocols.

Either HFA or ANZ may terminate the Product Creation and Distribution Deed prior to the issue of Units on the occurrence of certain events specified in the deed, including if at least \$30 million or such other amount agreed by the parties is not raised under the Offer or where a party is in breach of its obligations and fails to remedy that breach. In either circumstance, the Offer will not proceed and Application Amounts will be returned to Investors in full without interest.

### 13.5 Underwriting Agreement

HFA and ANZ have entered into an Underwriting Agreement under which ANZ has agreed to underwrite the Offer up to a maximum of \$10 million. ANZ's underwriting obligations are subject to HFA raising, including from Units issued to ANZ or its nominees under the Underwriting Agreement, the minimum amount specified in the Product Creation and Distribution Deed. This amount is \$30 million or such other amount as agreed between HFA and ANZ (**Subscription Threshold**).

ANZ's underwriting obligation terminates if applications for the Subscription Threshold, including applications made by ANZ or its nominees in accordance with the Underwriting Agreement, are received. ANZ is entitled to receive an underwriting fee of 3% of the value of Units issued to it or its nominees pursuant to the Underwriting Agreement. No expense reimbursements are payable by HFA, the Fund or any other party to ANZ pursuant to the Underwriting Agreement.

HFA may terminate the Underwriting Agreement if applications (excluding applications arising from the issue of Units under the Underwriting Agreement) for the Subscription Threshold are not received by the Closing Date. If the Underwriting Agreement is terminated by HFA in this circumstance, no underwriting fee is payable to ANZ.

HFA provides various warranties, representations and undertakings in favour of ANZ and also indemnifies ANZ for any loss arising in connection with the Underwriting Agreement. However, HFA's liability is limited to the amount of the underwriting fee payable to ANZ (if any).

The Underwriting Agreement may also be terminated by ANZ upon the occurrence of any of the termination events listed in the Underwriting Agreement. Termination of the Underwriting Agreement does not require HFA to withdraw the Offer or PDS.

### 13.6 Disclosing entity

The Fund may, during its term, become a 'disclosing entity' and be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

You have a right to obtain various financial reports and continuous disclosure notices lodged with ASIC for the Fund from HFA upon request free of charge.

### 13.7 Cooling off period

For any investment by a Unitholder in the Fund, who is a retail client for the purposes of the Corporations Act, a 14 day cooling off period applies during which you may change your mind about your subscription for Units, and request return of your Application Amount in writing. Generally, the cooling off period runs for 14 days from the earlier of the time your subscription is confirmed, or the end of the fifth day after Units are issued.

A cooling-off period is not applicable to Units issued as a result of the reinvestment of distributions.

## Section 13: Additional Information

### 13.8 Reporting

#### Confirmation of subscription/redemption

Unitholders will receive a letter confirming each subscription or withdrawal from the Fund.

#### Transaction statement

After an issue or redemption of Units, a statement is sent to Unitholders confirming the transaction and the Unit price at which it was processed.

#### Distribution report

Unitholders will receive, annually, a distribution report detailing the amount of distributions paid if applicable.

#### Tax statement

Tax statements are sent to Unitholders detailing the income and tax information relevant to their Unitholding after the end of June each year, together with a statement showing the value of their Unitholding.

#### Performance update

Performance reports are updated monthly and are available by contacting HFA on 1300 30 90 92 or from our website at [www.hfaam.com.au](http://www.hfaam.com.au) and from ANZ's website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments).

#### Annual financial report

An annual financial report detailing the financial position of the Fund is sent to Unitholders after the end of June each year.

#### Indirect Investors

If you are an Indirect Investor you will not receive reports directly from the Responsible Entity, but from the IDPS through which you have invested.

### 13.9 Updated information

Information which is not materially adverse to Unitholders may be subject to change from time to time and will be updated on our website at [www.hfaam.com.au](http://www.hfaam.com.au) and on ANZ's website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments). If you do not have access to the internet, please contact ANZ on 1800 204 693 and a paper copy of any updated information will be provided without charge.

### 13.10 Privacy statement

This privacy statement applies to personal information you may provide to HFA.

Generally you have no obligation to provide HFA with personal information. However, if you choose to withhold requested information we may not be able to provide you with products and services that depend on the collection of the information. Protecting the privacy of our customers is a key part of our normal operations.

We take measures to protect personal information we collect from unauthorised access, loss, misuse, disclosure or alteration. We also take measures to destroy personal information when it is no longer required. The steps we take to protect your information vary depending on the type of information, how it is collected and how it is stored.

HFA will endeavour to keep your personal details up to date and complete. To the extent we are required to do so under the Privacy Act 1988 (Cth), we will provide you with access to your personal information. Should you wish to access or amend such details please contact HFA on 1300 30 90 92. For

most requests for access, information will be provided free of charge, but we may charge a reasonable fee if your request is unusual and requires a substantial effort on our part.

Generally, HFA will only use or disclose your personal information in conjunction with the provision and administration of the product or service you have requested and for the general monitoring and evaluation of the product or service. For example, we provide personal information to the provider of the Fund's administration and Unit registry services, to your bank to process any other transaction requests, to bulk mailing service providers and to other similar parties who provide outsourced functions to HFA.

### 13.11 Invalid Transactions

Applications and other transactions may be invalid for reasons including, but not restricted to:

- (a) an Application Amount below the minimum investment amount;
- (b) a withdrawal amount below the minimum withdrawal amount;
- (c) not including a cheque for an application;
- (d) not providing a completed and signed direct debit authorisation for an application (where an Investor applies for a Loan, Put Option or both);
- (e) not signing the Application Form or withdrawal request;
- (f) a direct debit not being processed due to insufficient funds;
- (g) not having the correct signatures with capacities stated;
- (h) the cheque amount not equalling the Application Amount; and
- (i) requested information not provided with the Application Form.

In these cases, the transaction will not be processed until valid documentation is received. In cases where documentation is invalid, we will aim to contact you generally within seven Business Days.

### 13.12 Complaints about the Fund

If you have a complaint about any aspect of your investment in the Fund, please write to us at:

**The Complaints Officer**  
HFA Asset Management Limited  
GPO Box 1616  
BRISBANE QLD 4001

Alternatively you can phone us on: 1300 30 90 92.

HFA is a member of and participates in the Financial Industry Complaints Service Ltd (FICS), an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved you are entitled to make a written complaint to FICS at the following address:

**Financial Industry Complaints Service Ltd**  
PO Box 579  
Collins St West  
MELBOURNE VIC 8007  
Telephone 1300 780 808  
Fax (03) 9621 2291

### 13.13 Complaints about the Put Option

If you have a complaint about your Put Option, please contact ANZ as follows:

**ANZ Structured Investments**  
Email: [structuredinvestments@anz.com](mailto:structuredinvestments@anz.com)  
Ph: 1800 204 693

## Section 13: Additional Information

If you feel your complaint is not satisfactorily resolved within 14 days of your first contact with ANZ Structured Investments, please contact ANZ's Compliance Manager, in writing with the details of your complaint, at:

**Head of Operational Risk and Compliance, Markets**  
ANZ  
Level 14, 530 Collins Street  
Melbourne, Victoria 3000  
Email: [Markets.Compliance@anz.com](mailto:Markets.Compliance@anz.com)

If, having contacted ANZ's Compliance Manager, you still feel that your complaint has not been satisfactorily resolved, you have the right to complain to:

**Banking & Financial Services Ombudsman**  
GPO Box 3  
Melbourne, Victoria, 3001  
Telephone: 1300 78 08 08 (Mon to Fri 9am-5pm AEST)  
Fax: +61 3 9613 7345  
Internet: <http://www.bfso.org.au>

### 13.14 Labour standards

The Fund does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of the investments of the Fund.

### 13.15 Custody agreement with National Australia Bank Limited (NAB)

HFA has entered into a service provider agreement with NAB to provide custody and investment administration services for the Fund. The agreement will be reviewed by HFA not less than annually. The investment administration services provided to the Fund include, amongst other things:

- (a) maintaining the accounts of the Fund;
- (b) tax reporting;
- (c) quarterly GST reporting;
- (d) preparing business activity statements; and
- (e) calculating Unit prices.

The custody agreement provides for, amongst other things:

- (a) that assets in the Portfolio are to be held in the name of the Custodian on trust for the Unitholders as agent for HFA; and
- (b) the duties and obligations of the Custodian and HFA.

The Custodian acts on the instructions of HFA in undertaking the purchasing, selling and holding of authorised investments of the Fund and the receiving, holding and disbursing of Fund money. The Custodian is indemnified by HFA, under the custody agreement, in relation to the services it properly performs for the Fund.

The Custodian is entitled to receive an annual custody fee of 0.01% of NAV (paid monthly) plus other transaction based fees at normal commercial rates.

### 13.16 Registry agreement with National Australia Bank Limited (NAB)

HFA has entered into a service provider agreement with NAB to provide registry services for the Fund and other administrative services. The agreement will be reviewed by HFA not less than annually. The various services provided to both HFA and the Fund include, amongst other things:

- (a) processing subscriptions, redemptions and distributions for the Fund;

- (b) distributing information to Unitholders;
- (c) managing commission payments to financial advisers; and
- (d) maintaining the register of Unitholders for the Fund.

Fees are on normal commercial terms.

### 13.17 Consents

#### ANZ

ANZ has given, and has not before publication of this PDS, withdrawn its consent to being named in this PDS as the provider of the Loan, Put Option and Swap and underwriter. ANZ has not caused the issue of this PDS and takes no responsibility for (i) any part of the PDS other than references to its name, the information about ANZ contained in section 3.8, the Loan Agreement set out in section 15, the Put Option Agreement set out in section 16 and the statements relating to the Swap, Loan and Put Option to the extent it has approved for HFA to include such statements in the PDS; or (ii) for the success or lack of success of an investment in the Fund by Investors or in the Swap by the Fund.

#### Lighthouse Investment Partners LLC

Lighthouse Investment Partners LLC has given, and has not before publication of this PDS, withdrawn its consent to being named in this PDS. It has not authorised or caused the issue of the PDS and takes no responsibility for any part of the PDS other than references to its name and the information about Lighthouse Investment Partners LLC and the Underlying Fund contained in this PDS.

#### National Australia Bank Limited

National Australia Bank Limited is named in its capacity as Custodian, administrator of the Fund and provider of registry services. NAB has given, and not withdrawn, its written consent to be named in the PDS as Custodian and the provider of administration and registry services in the manner set out in this PDS. NAB has not been involved in the preparation, and has not authorised or caused the issue of, and takes no responsibility for, any part of this PDS.

#### KPMG

KPMG is named in its capacity as auditor of the Fund. KPMG has given, and not withdrawn, its written consent to being named in this PDS as the auditor of the Fund. KPMG has not been involved in the preparation, and has not caused or authorised the issue of, and takes no responsibility for, any part of this PDS.

KPMG is named in its capacity as tax advisers to the Offer. KPMG has given and not withdrawn its written consent to being named as tax advisers in the form and context in which it is named. KPMG has not caused or authorised the issue of, and takes no responsibility for, any part of this PDS other than references to its name and the inclusion of its letter in section 12 of this PDS.

#### McCullough Robertson

McCullough Robertson is named in its capacity as solicitors to the Offer. McCullough Robertson has advised on the legal content of the PDS and on legal due diligence matters. McCullough Robertson has given and not withdrawn its written consent to being named as solicitor in the Corporate Directory in the form and context in which it is named. McCullough Robertson has not caused or authorised the issue of, and takes no responsibility for, any part of this PDS.



## Section 14: Glossary

### Definitions

**Allotment Date** means the date on which Units are expected to be issued under the Offer, being 30 June 2008;

**ANZ** means Australia and New Zealand Banking Group Limited ABN 11 005 357 522;

**Applicant** means a person who lodges an Application Form with HFA and includes a joint applicant;

**Application Amount** means the subscription amount received from an applicant in accordance with the PDS;

**Application Form** means the application form accompanying this PDS;

**ASIC** means the Australian Securities and Investments Commission;

**Auditor** means the auditor of the Fund. The initial auditor is KPMG;

**AUD** and **\$** mean Australian dollars;

**Borrower** means a Unitholder who has financed the acquisition of Units using a Loan;

**Business Days** means all weekdays that are not public or bank holidays in Brisbane and Sydney, Australia;

**Closing Date** means 13 June 2008 or as otherwise determined by HFA;

**Constitution** means the constitution of the Fund;

**“correlation”** is a statistic representing how closely two variables vary with each other. Correlation can vary from -1 (perfect negative correlation) to 0 (no correlation) to +1 (perfect positive correlation);

**Corporations Act** means the Corporations Act 2001 (Cth) as amended and associated regulations;

**Custodian** means National Australia Bank Limited ABN 12 004 044 937;

**De-Leverage Trigger** means, in the context of the Swap Agreement, the size of the buffer in the Swap at which ANZ will re-balance the composition of Underlying Fund Units, leverage and cash and cash equivalents through decreasing the leverage within the Swap (and therefore exposure to Underlying Fund Units) or, if there is no leverage in the Swap, reducing the allocation to Underlying Fund Units and increasing the allocation to cash and cash equivalents (see section 9 of this PDS);

**Directors** mean the directors of HFA;

**Distribution Period** means the last day of the financial year or such other day as determined by the Responsible Entity at its discretion;

**Dynamic Management** means an investment allocation mechanism within the Swap used by ANZ to manage exposure to the Underlying Fund;

**Dynamic Management Fee** means the fee payable by the Fund to ANZ for meeting its obligations under the Swap;

**Equity Long/Short** means strategies involving the purchase of undervalued shares (long) and the selling short (short) of overvalued shares. The strategy is flexible as to its constraints on a portfolio and as to the percentage held long versus the percentage held short;

**Fund** means ANZ Discovery Asia Fund ARSN 129 944 547;

**Fund Event** means those extraordinary events as set out in the Swap Agreement which will result in the Swap terminating;

**Fund of Funds** means a fund that invests in other managed funds;

**“futures”** mean an obligation to deliver or receive a specified asset at a specified time in the future and at a specified price;

**GAV** or **gross asset value** of the Fund is calculated as  $A + B$ , where:

$A =$  gross value of the amount invested in the Swap plus the amount of leverage which is applicable, plus any increase or less any decrease in the value of the Swap; and

$B =$  the fair value of all other assets in the Portfolio (e.g. cash and cash equivalent investments);

**Guarantor** means the person who has signed the Application Form as guarantor for the Applicant;

**HFA** or **Responsible Entity** means HFA Asset Management Limited ABN 25 082 852 364;

**IDPS** means an investor directed portfolio service;

**Indirect Investor** means an investor that invests in the Fund through an IDPS or other Portfolio Service;

**Investment Amount** means the amount of an Investor's subscription funds actually invested in Units, being the Application Amount less any contribution fee;

**Investor** means a Unitholder or an Indirect Investor;

**LIBOR** means the London Inter Bank Offer Rate which is a daily reference rate derived from the rate at which banks offer to lend unsecured funds to other banks in the London wholesale money market;

**Lighthouse** means Lighthouse Investment Partners LLC;

**Loan** means a loan granted by ANZ to a Borrower for investment in the Fund pursuant to the terms and conditions of the Loan Agreement (see sections 10 and 15);

**Loan Agreement** means the loan and security agreement to be entered into between ANZ, the Borrower and, if applicable, the Guarantor with terms as set out in section 15;

**Loan Balance** means the monies owing by a Borrower to ANZ under the Loan Agreement from time to time;

**Loan Break Costs** means the costs set out in the Loan Agreement incurred by the Borrower if the Loan Agreement is terminated prior to the Maturity Date and payable by the Borrower. The Loan Break Cost is payable because an interest rate hedge has to be unwound at the interest rates prevailing

## Section 14: Glossary

at that time. The amount payable varies depending on prevailing interest rates and the interest rate of the Loan. Please see section 10.8 for further information;

**Market Neutral Equity** strategies are similar to long/short strategies and involve purchasing undervalued securities long and selling short overvalued securities. It differs from long/short as it maintains a tight control over the percentage invested long versus the percentage invested short (+/- 10% range);

**Maturity Date** means 29 July 2016;

**MSCI All Countries Asia Gross USD Index** means the Morgan Stanley Capital International All Countries Asia Gross USD Index. The index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of Asian countries. The index consists of the following 12 developed and emerging market country indicies: China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan and Thailand;

**NAV** or **net asset value** means net asset value of the Fund being the market value of the assets less the liabilities of the Fund;

**NAV per Unit** means the NAV divided by the number of Units on issue;

**Offer** means the offer of Units pursuant to this PDS;

**options** mean an agreement which gives a party the right to either sell or buy a specified security at a specified price at a specified time;

**p.a.** means per annum;

**PDS** or **Product Disclosure Statement** means this product disclosure statement dated 19 March 2008;

**Portfolio** means all the assets of the Fund, including the Swap, and all income and accretions for them or any part thereof other than any assets set aside by the Fund;

**Portfolio Service** means an investor directed portfolio service (IDPS), IDPS-like service, wrap account, or custody or nominee service;

**Product Creation and Distribution Deed** means the deed of that name between HFA and ANZ summarised in section 13.4;

**Protection Fee** means the fee payable to obtain the Put Option, equal to 0.25% p.a. of the Application Amount (adjusted for any redemptions of Units);

**Put Option** means the put option granted by ANZ to Investors over their Units in accordance with the terms of the Put Option Agreement (see section 11);

**Put Option Agreement** means the agreement to be entered into between ANZ and the Investor who buys a Put Option with terms as set out in section 16;

**Recognised Exchange** means ASX or such other exchange as the Responsible Entity nominates;

**Redemption Day** means 31 March, 30 June, 30 September and 31 December each year or such other day which HFA notifies to Unitholders;

**Redemption Value** means the value of a Unit at the time of redemption as determined in accordance with the Constitution, being the NAV per Unit less transaction costs;

**Relative Value Arbitrage** is the pairing of one instrument that is believed to be overpriced with another closely related instrument that is believed to be under-priced;

**Responsible Entity** means HFA Asset Management Limited ABN 25 082 852 364;

**Special Resolution** means a resolution passed by Unitholders entitled to vote who vote in person or by proxy, and who hold 75% of the Units voted;

**Swap** means the instrument in which the Fund will invest, that provides a payoff to the Fund based on the performance of Class B Shares in the Underlying Fund and may potentially provide the Fund with greater exposure to the Class B Shares in the Underlying Fund than the Fund's investment in the Swap;

**Swap Agreement** means the Investment Linked Swap Agreement to be entered into between ANZ and HFA as responsible entity of the Fund, setting out the terms and conditions of the Swap as summarised in section 9;

**Swap Leverage Cost** means the cost payable to the Swap Provider for providing leverage within the Swap. The Swap Leverage Cost is estimated at 3 month USD LIBOR (which amount will vary in accordance with change in the 3 month USD LIBOR) plus 1.0% p.a.;

**Swap Proceeds** means the funds invested in the Swap, expected to be 96% of funds raised under this Offer;

**Swap Provider** means ANZ;

**Swap Value** means the value of the Underlying Fund Units, cash or cash equivalent investments and foreign exchange less the value of leverage and accrued fees;

**Term** means the period in which an Investor holds Units;

**Trading** strategies wrap trading formulas into automated order and execution systems. A trading strategy is governed by a set of rules that do not deviate based on anything other than market action;

**Underlying Fund** means Lighthouse Asian Strategies Fund Limited, the issuer of the Class B Shares to which the value of the Swap will be linked;

**Underlying Fund Units** has the meaning given in section 3.6;

**Underwriting Agreement** means the underwriting agreement between HFA and ANZ as summarised in section 13.5;

**Unit** means an ordinary unit in the Fund;

**Unit Registry** means NAB, or other entity appointed to provide unit registry services;

**Unitholder** means the holder of a Unit; and

**US\$** or **USD** means US dollars.

# Section 15: Loan Agreement

This Agreement set out the terms and conditions of the agreement between:

- (a) a Borrower;
- (b) a Guarantor (if applicable); and
- (c) Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

## Part A – Advance under the Loan Facility

### 1. Purpose

The amount advanced under the Loan Facility may only be applied to fund the Issue Price of Units that are issued to the Borrower and are subject to the Mortgage, and the payment of Broker Commissions in respect of those Units. Only one Advance in an amount equal to the Facility Limit may be made under the Loan Facility. The Borrower irrevocably directs that the proceeds of the Advance be paid directly to the Responsible Entity to be applied as the application payment (and related Broker Commissions) for those Units.

### 2. Obtaining the Advance

#### 2.1 Conditions precedent to the Advance

The obligation of ANZ to provide the Advance is subject to the satisfaction in ANZ's absolute discretion of the following conditions precedent:

- (a) ANZ has received each of the following items by 11.00am three Business Days (or such shorter period agreed by ANZ) before the requested Advance Date:
  - (i) confirmation, in form and substance satisfactory to it, that:
    - (A) each Obligor has completed and returned the Application Form in accordance with the directions in the PDS and the Borrower has been provided with an Application Acceptance; and
    - (B) there have been issued (or are to be issued contemporaneously with the making of the Advance), Units with an aggregate Issue Price equal to Invested Advance Amount, and that those Units have been (or will be contemporaneously with the making of the Advance) transferred to ANZ pursuant to the Mortgage;

*The Borrower should note that the aggregate initial value of the Units issued to it may be less than the amount of the Loan made available by ANZ, as a result of the application of part of the Loan in payment of Broker Commissions in respect of the Units acquired.*

  - (ii) if an Obligor is acting as the trustee of a trust referred to in the Application Form:
    - (A) a solicitor's certificate, in the form set out in the Application Form; or
    - (B) a certified copy of the trust deed of the trust in a form satisfactory to ANZ together with payment of the review fee set out in the Application Form;
  - (iii) each Document properly executed by each Obligor and, where applicable:
    - (A) in registrable form, together with all things (including documents) necessary to register the Documents in each relevant jurisdiction; and

- (B) having had all Taxes paid on it or, if not already paid, sufficient same day funds to enable the payment of any Taxes chargeable on it, together with all things (including documents) necessary to pay those Taxes; and

- (iv) satisfactory searches, enquiries and requisitions in respect of each Obligor; and
  - (v) with the exception of the Put Option, discharge of any existing Security Interest granted by the Borrower to the extent that it relates to the Mortgaged Unitholding;
- (b) the Advance:
    - (i) is made available on the Issue Date;
    - (ii) is for an amount equal to the Facility Limit (with the Invested Advance Amount to be applied in accordance with clause 2.1(a)(i)(B), and the Broker Commissions to be paid as directed by the Responsible Entity); and
    - (iii) otherwise complies with the provisions of this Agreement;
  - (c) no Default or Potential Default subsists or will result from the Advance being provided;
  - (d) each representation and warranty by the Borrower in the Documents is correct and not misleading as at the Advance Date, with reference to the facts and circumstances on that date; and
  - (e) all KYC Checks in respect of the Borrower have been completed.

#### 2.2 Waiver

The conditions precedent in this clause 2 are for ANZ's benefit, and may only be waived by notice from ANZ to each relevant Obligor.

## Part B – Loan Facility

### 3. Interest

#### 3.1 Accrual

Interest accrues daily at the Interest Rate on the Loan, and is calculated on the actual number of days from (and including) the first day of each Funding Period to (but excluding) the last day of that Funding Period.

#### 3.2 Payment

The Borrower must prepay interest in advance in respect of a Funding Period on or before the first day of that Funding Period.

### 4. Repayment

#### 4.1 Repayment upon early redemption

On each Early Redemption Date:

- (a) if the redemption is in respect of all of the Mortgaged Unitholding:
  - (i) ANZ must apply redemption proceeds received by it on behalf of the Borrower toward reduction of the Outstanding Amount;
  - (ii) where the Outstanding Amount is not fully discharged from the application of redemption proceeds pursuant to clause 4.1(a)(i), the Borrower must repay to ANZ all of the then remaining Outstanding Amount;
  - (iii) where the redemption proceeds received by ANZ under clause 4.1(a)(i) exceed the Outstanding Amount, ANZ must, after the application of redemption proceeds pursuant to clause 4.1(a)(i), pay to the Borrower any residual monies held by ANZ; and

## Section 15: Loan Agreement

- (iv) the Facility Limit will reduce permanently to zero; or
- (b) if the redemption is in respect of a proportion of the Mortgaged Unitholding (**Proportion**):
  - (i) ANZ must apply redemption proceeds received by it on behalf of the Borrower toward reduction of the same Proportion of the Outstanding Amount;
  - (ii) where the corresponding Proportion of the Outstanding Amount is not fully discharged from the application of redemption proceeds pursuant to clause 4.1(b)(i), the Borrower must repay to ANZ such funds as necessary so that the same Proportion of the Outstanding Amount has been repaid;
  - (iii) where the redemption proceeds received by ANZ under clause 4.1(b)(i) exceed the corresponding Proportion of the Outstanding Amount, ANZ must, after the application of redemption proceeds pursuant to clause 4.1(b)(i), pay to the Borrower any residual monies held by ANZ; and
  - (iv) the Facility Limit will reduce permanently by that same proportion.

### 4.2 Mandatory early repayment

If a HFA Event occurs (whether or not within the control of the Borrower), ANZ may give notice to the Borrower of a day (being the earlier of the Business Day falling not less than 60 days after the date of the notice and the fifth Business Day after the Cash Settlement Payment Date) on which:

- (a) the Borrower must repay to ANZ all of the Outstanding Amount; and
- (b) the Facility Limit will reduce permanently to zero.

### 4.3 Repayment at maturity

On the Termination Date:

- (a) the Borrower must repay to ANZ all of the Outstanding Amount; and
- (b) the Facility Limit will reduce permanently to zero.

## 5. Prepayment

### 5.1 Optional Prepayment

- (a) If the Borrower wishes to prepay all or part of the Loan, it must notify ANZ of the proposed prepayment not less than 10 Business Days before the proposed prepayment date.
- (b) The Borrower acknowledges that once a notice of a proposed prepayment is given by the Borrower, that notice is irrevocable and the Borrower is obliged to prepay the Loan or such amount of the Loan as is notified to ANZ under paragraph (a) above, on the relevant day.
- (c) Any amount of principal prepaid may not be reborrowed under this Agreement, and the Facility Limit will be reduced permanently by the amount of that prepayment.

### 5.2 Mandatory Prepayment

The Borrower agrees that ANZ may, at any time and in its absolute discretion, apply all Proceeds and other money to be received in respect of the Mortgaged Unitholding in prepayment of all or part of the Loan, provided that any amount applied toward an issue of Units under the DRP will not constitute a prepayment for the purpose of this clause.

### 5.3 Refund

If the Loan is repaid in full or part under this clause 5 or clause 12, ANZ may, in its absolute discretion, refund to the Borrower within 10 Business Days of such repayment all or part of any interest paid by the Borrower in advance, in respect of any period following the date the Loan is prepaid.

## Part C – Mortgage

## 6. Mortgage

### 6.1 Creation

The Borrower assigns the Mortgaged Unitholding to ANZ subject to the Borrower's right of redemption, as security for payment of the Outstanding Amount and for performance of the Borrower's obligations under the Documents.

### 6.2 Ranking

The Mortgage ranks ahead of all other Security Interests over the Mortgaged Unitholding, other than a Security Interest preferred by law or as agreed by ANZ in writing.

### 6.3 Continuing security and obligations

The Mortgage is a continuing security until ANZ releases all the Mortgaged Unitholding from the Mortgage, despite any intermediate payment, discharge, settlement, release or other matter. The Borrower's obligations under this Agreement continue despite any full or partial release of the Mortgaged Unitholding.

### 6.4 Perfection of Mortgage

- (a) The Borrower authorises ANZ to direct the Responsible Entity and the Unit Registry to register the Units comprised in the Mortgaged Unitholding in the name of ANZ (or as ANZ otherwise directs).
- (b) ANZ may, without limiting its rights, power or remedies under or in connection with this Mortgage, after a Default has occurred, effect a transfer of the Mortgaged Unitholding into the name of any purchaser pursuant to a power of sale conferred by law or as referred to under clause 11.4.
- (c) The Borrower must immediately upon request by ANZ do such other acts, obtain consents, pay fees and execute deeds and other documents deemed necessary or desirable by ANZ to further perfect the Mortgage.

### 6.5 Release of Mortgaged Unitholding

The Borrower may require ANZ to re-assign all of the Units to the Borrower if ANZ is satisfied that:

- (a) the Outstanding Amount has been irrevocably paid in full and all commitments which might give rise to any Outstanding Amount have terminated; and
- (b) no amount will subsequently become an Outstanding Amount due to an Avoidance (as defined in clause 17.9).

### 6.6 Partial release of Mortgaged Unitholding

The Borrower may require ANZ to release part of the Mortgaged Unitholding from the Mortgage if ANZ is satisfied that:

- (a) a partial prepayment has or will contemporaneously with the release be made in accordance with clause 5.1 or clause 5.2;
- (b) no Default or Potential Default is subsisting;

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- (c) no amount will subsequently become an Outstanding Amount due to an Avoidance (as defined in clause 17.9).

## 6.7 Maximum prospective liability

If the Borrower is a company, the maximum 'prospective liability' (as defined in section 261(1) of the Corporations Act) secured by the Mortgage is an amount equal to three times the initial Facility Limit, as may be varied from time to time by ANZ lodging, on the Borrower's behalf, a notice under section 268(2) of the Corporations Act. Any maximum prospective liability amount and this clause 6.7 apply only to fix priority for the purposes of section 282(3) of the Corporations Act, and in no way fix a limit on the amount which may be secured by, or recoverable under, this Agreement.

## 6.8 Appointment of custodian

ANZ may from time to time appoint a Related Body to act as custodian or otherwise hold ANZ's interest in respect of the Mortgaged Property. ANZ undertakes to the Borrower to procure that each such party acts in accordance with instructions received from ANZ in respect of the Mortgaged Unitholding.

## 6.9 Indemnity

The Borrower indemnifies each Finance Party and its officers, employees and agents against, and must pay to the Finance Party on demand amounts equal to, any Loss (including loss of profit) arising as a result of or in connection with:

- (a) the Borrower failing to:
  - (i) pay any Outstanding Amount (or money which would be an Outstanding Amount if it were recoverable) on time; or
  - (ii) observe or perform its obligations under a Document on time;
- (b) an Insolvency Event in relation to the Borrower; or
- (c) any Outstanding Amount (or money which would be an Outstanding Amount if it were recoverable) not being recoverable from the Borrower or any obligation under a Document not being enforceable against the Borrower,

for any reason and whether or not the Borrower or a Finance Party knew or ought to have known anything about those matters, except, for paragraph (a) only, where the failure to pay the Outstanding Amount or observe or perform its Obligations arises as a result of, or in connection with, a failure by ANZ to perform its obligations pursuant to clause 4.1.

## 6.10 Exclusion of subrogation and other rights

Until there is no Outstanding Amount, and ANZ is satisfied that it will not have to repay any money received by it, the Borrower must not (either directly or indirectly):

- (a) claim, exercise or attempt to exercise a right of set-off or counterclaim or any other right or raise any defence which might reduce or discharge the Borrower's liability under this Agreement; or
- (b) claim or exercise a right of subrogation, marshalling or contribution or claim the benefit of a Security Interest.

## Part D – Guarantee and Indemnity

### 7.1 Guarantee and Indemnity

Each Guarantor acknowledges entering into this Agreement in return for ANZ agreeing to provide the Loan and for other valuable consideration, and that ANZ relies on the Guarantee and Indemnity.

### 7.2 Guarantee

Each Guarantor irrevocably and unconditionally guarantees to ANZ:

- (a) the payment of the Outstanding Amount in accordance with the Documents; and
- (b) the performance by the Borrower of all its other obligations under the Documents.

### 7.3 Non-payment or non-performance

If the Borrower does not:

- (a) pay any Outstanding Amount (or money which would be an Outstanding Amount if its payment was enforceable, valid and not illegal) in accordance with the Documents, each Guarantor must pay that money on demand as if it was the principal obligor; or
- (b) perform any of its other obligations under a Document, each Guarantor must perform, or procure the performance of, those obligations (without the need for demand by ANZ) in accordance with the Documents.

### 7.4 Indemnity

Each Guarantor indemnifies ANZ against, and must pay to ANZ on demand amounts equal to, any Loss of ANZ as a result of or in connection with:

- (a) any obligation or liability of, or obligation or liability guaranteed by, a Guarantor under this clause 7 (or which would be such an obligation or liability if enforceable, valid and not illegal) being or becoming unenforceable, invalid or illegal;
- (b) the Borrower failing, or being unable, to pay any Outstanding Amount or to perform any of its other obligations in accordance with the Documents;
- (c) any Outstanding Amount (or money which would be an Outstanding Amount if it were recoverable) not being recoverable from the Borrower; or
- (d) an Insolvency Event in respect of an Obligor,

in each case, for any reason and whether or not ANZ knew or ought to have known anything about those matters.

## 8. Other guarantee and indemnity provisions

### 8.1 Immediate recourse

Each Guarantor waives any right it may have to require ANZ to proceed against, or enforce any other rights or Security Interest or claim payment from, any other person before claiming from that Guarantor under the Guarantee and Indemnity. This waiver applies irrespective of any law or any provision of a Document to the contrary.

### 8.2 Continuing obligations

The Guarantee and Indemnity:

- (a) extends to the present and future balance of all the Outstanding Amounts (including in respect of any contingent liability of the Borrower in connection with the Documents);
- (b) is not wholly or partially discharged by the payment of any Outstanding Amount, the settlement of any account or anything else; and
- (c) continues until, subject to clause 17.9, all Outstanding Amounts have been paid in full.

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### 8.3 Liability not affected

Each Guarantor's liability under the Documents is not adversely affected by anything which would otherwise reduce or discharge that liability (whether or not any Obligor or ANZ is aware of it or consents to it and despite any legal rule to the contrary), including:

- (a) any time, waiver, concession or consent granted to, or composition with, any Obligor or other person;
- (b) any opening of further accounts in connection with, or any increase in, change or replacement of the type, amount or terms of, financial accommodation provided to any person;
- (c) any transaction or agreement, or variation, novation or assignment of a transaction or agreement (including any Document), between ANZ and another Obligor or another person;
- (d) an Insolvency Event in respect of an Obligor or another person;
- (e) any judgment or order being obtained or made against, or the conduct of any proceedings by, an Obligor or another person;
- (f) an Obligor's obligation or a Document (or any provision of a Document), being void, voidable, unenforceable, defective, released, waived, impaired, novated, enforced or impossible or illegal to perform;
- (g) the whole or partial discharge or release of, or the granting of, the Guarantee and Indemnity or the Mortgage;
- (h) the Outstanding Amount not being recoverable or the liability of an Obligor or any other person to ANZ ceasing or reducing (including due to a release or discharge by ANZ or by law);
- (i) the failure of any Obligor or other person to execute any Document;
- (j) the exercise or non-exercise of any Power (including any right to terminate a contract);
- (k) any set-off, combination of accounts or counterclaim;
- (l) any Mortgaged Unitholding being destroyed, forfeited, extinguished, surrendered or resumed;
- (m) any default, misrepresentation, negligence, breach of contract, misconduct, acquiescence, delay, waiver, mistake, failure to give notice or other action or inaction of any kind (whether or not prejudicial to the Obligor) by ANZ or any other person; or
- (n) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person.

### 8.4 Principal and independent obligation

Each guarantee, indemnity and other obligation of a Guarantor in this Part D is:

- (a) a principal and independent obligation and is not ancillary, collateral or limited by reference to any other obligation; and
- (b) is in addition to, and not prejudiced by, any other Guarantee or Mortgage now or later held by ANZ.

### 8.5 Deferral of certain rights

Until ANZ has received all the Outstanding Amounts and is satisfied that it will not have to repay any money received by it, no Guarantor may (either directly or indirectly) without ANZ's prior written consent:

- (a) claim, exercise or attempt to exercise a right of set-off, counterclaim or any other right or raise any defence:
  - (i) against an Obligor; or

- (ii) which another Obligor may have against ANZ, which might reduce or discharge the Guarantor's liability under the Guarantee and Indemnity;
- (b) claim or exercise a right of subrogation or contribution or otherwise claim the benefit of a Guarantee or the Mortgage relating to the Outstanding Amount; or
- (c) unless ANZ has given a direction to do so (in which case the Guarantor must do so in accordance with the direction as trustee for ANZ):
  - (i) prove, claim or exercise voting rights in an Obligor's Liquidation, or otherwise claim or receive the benefit of any distribution, dividend or payment arising out of an Obligor's Liquidation on any account; or
  - (ii) demand, or accept payment of, any money owed to the Guarantor by any Obligor, and any such money received in excess of what may be or become Outstanding Amounts will be held on trust for ANZ and must be paid promptly to ANZ.

### 8.6 Prove in Liquidation

Each Guarantor irrevocably authorises ANZ to prove in the Liquidation of the Borrower for all money that the Guarantor can claim against the Borrower on any account. ANZ need only account to the Guarantor for dividends it receives in excess of the Outstanding Amount, without interest.

### 8.7 Suspense account

- (a) ANZ may credit money received from any Guarantor or on account of any Guarantor's liability under the Guarantee and Indemnity (including dividends received in any Liquidation) to a suspense account, and keep the money in that account for as long as, and at whatever interest rate, ANZ thinks fit. ANZ may apply the money (including interest) to reduce the Outstanding Amount whenever it thinks fit.
- (b) If the Outstanding Amount has been fully and finally paid or discharged and ANZ is satisfied that such payment or discharge is not liable to be set aside, avoided or reversed, then the balance standing to the credit of the suspense account and any accrued interest will be paid to or for the account of the Borrower for distribution to the person entitled to it and ANZ will have no further liability in relation to it.

## Part E - Warranties, undertakings and Default

### 9. Representations and warranties

#### 9.1 General representations and warranties

Each Obligor represents and warrants to the Finance Parties that:

- (a) if it is a company:
  - (i) it is properly registered and incorporated as a corporation and validly exists in its jurisdiction of incorporation;
  - (ii) each Document to which it is expressed to be a party is (subject to equitable principles generally affecting creditors' rights and subject to applicable stamping and registration) valid, binding and enforceable against it in accordance with its terms, and the transactions contemplated by it are for its commercial benefit; and
  - (iii) it has the power, right and necessary corporate authority to carry on its current and contemplated business, and to enter into, and exercise its rights and observe and perform its obligations under, each Document to which it is expressed to be a party;

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- (b) no Default or Potential Default continues unremedied;
- (c) its execution and performance of each Document to which it is expressed to be a party does not and will not:
  - (i) conflict with or contravene any other law or a judgment, ruling, order, document or agreement applying to it or its assets, or any Authorisation, or its constitution; or
  - (ii) result in a Security Interest (other than the Mortgage and the Put Option) being created on, or crystallising over, any of its assets;
- (d) where that Obligor is the Borrower, subject to any trust referred to in the Application Form, it beneficially owns and has good title to all the Mortgaged Unitholding held by it or on its behalf, free from any Security Interest (other than the Mortgage and the Put Option);
- (e) where that Obligor is the Borrower, the Mortgage is an effective Security Interest and has the priority contemplated in clause 6.2;
- (f) it has complied with all laws and Authorisations applicable to it or its business and paid all Taxes due and payable by it;
- (g) if it is a company, it is solvent and there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable;
- (h) if it is an individual, no Insolvency Event within paragraph (i) of the definition of Insolvency Event has occurred;
- (i) where that Obligor is the Borrower, the financial accommodation provided by the Finance Parties under this Agreement will be applied wholly or predominantly for business or investment purposes (or for both purposes);
- (j) it has relied on its own investigations and enquiries regarding the transactions contemplated by the Documents and has not relied on any information, advice or opinion (including as to interest rates or exchange rates) given or offered by or on any Finance Party's behalf even if in answer to any enquiry by or for it;
- (k) there is no pending or threatened proceeding affecting it or any of its related bodies corporate or any of its or their assets before a court, Government Agency or arbitrator except those in which a decision against it would not be likely to have a Material Adverse Effect;
- (l) it is not in breach of a law or obligation affecting it or its assets in a way which is likely to have a Material Adverse Effect;
- (m) neither it nor any of its related bodies corporate has immunity from the jurisdiction of a court or from legal process; and
- (n) it does not enter into any Document in its capacity as trustee of a trust other than as specified in the Application Form.

### 9.2 Trust representations and warranties

If a trust is referred to in the Application Form in relation to an Obligor (for the purposes of this clause 9.2, such trust being the **Trust**), each relevant Obligor represents and warrants to the Finance Parties that:

- (a) it has the right to be indemnified out of, and a lien over, the assets of the Trust for all liabilities incurred by it under the Documents, and this right has not been limited in any way, and it has no liability which may be set off against that right of indemnity;

- (b) where that Obligor is the Borrower, each Finance Party has the benefit of its rights of indemnity against, and lien over, the Mortgaged Unitholding, and has recourse to the Mortgaged Unitholding to satisfy the Borrower's liabilities under each Document;
- (c) no Document to which it is a party conflicts with the operation or terms of the Trust;
- (d) it has full and valid power and authority under the Trust, and all necessary resolutions, consents, approvals and procedures have been obtained or duly satisfied, to enter into each Document to which it is a party and to carry out the transactions contemplated by those Documents;
- (e) it enters into each Document to which it is a party, and the transactions contemplated by those Documents, for the proper administration of the Trust and for the benefit of all of the beneficiaries of the Trust;
- (f) where that Obligor is the Borrower, the Trust has not been terminated and no beneficiary is presently entitled to any of the Mortgaged Unitholding;
- (g) it is the sole trustee of the Trust and no meeting has been called to remove it as trustee;
- (h) it is not in breach of the terms of the Trust;
- (i) where that Obligor is the Borrower, no part of the Mortgaged Unitholding has been re-settled or set aside or transferred to any other trust; and
- (j) the constituent documents of the Trust comply with all applicable laws.

### 9.3 Representations and warranties in relation to Mortgaged Unitholding

The Borrower represents and warrants to the Finance Parties that:

- (a) subject to clause 6.4(a), it is the sole legal owner and, subject to any trust which is specified in the Application Form, sole beneficial owner of the Mortgaged Unitholding; and
- (b) the Mortgaged Unitholding is free from any Security Interest (other than the Mortgage and the Put Option).

### 9.4 Repetition

Each Obligor repeats each representation and warranty made by it in this clause 9 on the Advance Date and each date on which any of a Outstanding Amount is paid or payable to the Finance Parties with reference to the facts and circumstances subsisting at that time.

### 9.5 Reliance and survival

Each Obligor acknowledges that:

- (a) the Finance Parties have entered into the Documents in reliance on the representations and warranties in this clause 9; and
- (b) those representations and warranties survive execution and delivery of the Documents and the provision of financial accommodation under them.

## 10. Undertakings

### 10.1 General undertakings

Each Obligor undertakes:

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- (a) if it is a company, to maintain its corporate existence and its registration in the place of its registration as at the date of this Agreement;
- (b) if it is a company, to not change its constituent documents in any way that may have a Material Adverse Effect;
- (c) to ensure no Default occurs;
- (d) unless ANZ otherwise agrees in writing:
  - (i) to notify ANZ if any representation or warranty made by that Obligor in connection with this Agreement is found to have been incorrect or misleading when made or repeated; and
  - (ii) if a Default or Potential Default occurs, to notify ANZ giving full details of the event and any step taken or proposed to remedy it;
- (e) to pay the Outstanding Amount at the times and in the way specified in the Documents, or if no time for payment is specified, on demand;
- (f) to not directly or indirectly claim, exercise or attempt to exercise a right of set-off or counterclaim (whether its or any other person's right) against the Finance Parties;
- (g) where that Obligor is the Borrower, to ensure that ANZ is promptly given whatever information ANZ reasonably requests from time to time about the Mortgaged Unitholding; and
- (h) to provide ANZ with all additional information and assistance that ANZ may reasonably request in order for ANZ, and, where necessary, to assist the Responsible Entity, to comply with any applicable laws or regulations (including AML/CTF Law) or any international convention or agreement.

### 10.2 Trust undertakings

If a trust is referred to in the Application Form in relation to an Obligor (for the purposes of this clause 10.2, such trust being the Trust), that Obligor must:

- (a) not resign or be removed as trustee of the Trust or appoint or allow a new or additional trustee of the Trust to be appointed;
- (b) maintain complete and correct records in relation to the Trust;
- (c) not:
  - (i) where that Obligor is the Borrower, vest, distribute or advance any of the Mortgaged Unitholding; or
  - (ii) distribute income of the Trust if a Default or Potential Default subsists;
- (d) where that Obligor is the Borrower, not re-settle, set aside or transfer any of the Mortgaged Unitholding;
- (e) not amend or revoke any of the terms of the Trust;
- (f) where that Obligor is the Borrower, not acquire property intended to form part of the Mortgaged Unitholding other than in its name;
- (g) where that Obligor is the Borrower, not permit a beneficiary of the Trust to use or possess the Mortgaged Unitholding;
- (h) not do anything, or permit or omit anything, which breaches the Trust or which would permit it to be removed as trustee of the Trust;
- (i) not do anything or permit anything to be done in relation to the Trust which could restrict or impair its ability to observe its obligations under the Documents to which it is a party;

- (j) not exercise a power, or allow a power to be exercised, to change the vesting date of the Trust or provide for the Trust to be terminated early (and must notify ANZ of any event which might cause the capital of the Trust to vest or to be distributed to a beneficiary, as soon as it becomes aware of the event);
- (k) ensure that:
  - (i) it has the right to be indemnified out of the assets of the Trust for all liabilities incurred by it under each Document to which it is a party;
  - (ii) there is no restriction or limitation on or derogation from its right of subrogation or indemnity (whether or not arising under the terms of the Trust); and
  - (iii) its lien over any property of the Trust at all times has priority over the rights of the beneficiaries of the Trust;
- (l) not create or allow to exist any Security Interest over its right of indemnity out of the assets of the Trust;
- (m) not delegate any powers conferred upon it by law or under the Trust (other than for management of the Trust assets or the granting of a power of attorney for that purpose or as required by the Documents);
- (n) not do anything which results in the assets of the Trust being mixed with other property; and
- (o) promptly give ANZ copies of all material documents and notices received by it from any beneficiary of the Trust or which it gives to a beneficiary or manager of the Trust.

### 10.3 Undertakings relating to Mortgaged Unitholding

The Borrower must:

- (a) comply with the terms of each Security Interest binding on it in respect of the Mortgaged Unitholding from time to time, and not create or permit to exist any Security Interest over any of the Mortgaged Unitholding (other than, for the avoidance of doubt, the Mortgage and the Put Option);
- (b) unless otherwise permitted by ANZ, not, and not agree or attempt to, sell, assign, transfer, dispose of or part with possession of, redeem or otherwise deal with, any of the Mortgaged Unitholding or any interest therein other than:
  - (i) pursuant to the Mortgage;
  - (ii) pursuant to the Put Option; or
  - (iii) in respect of the application of Proceeds by the Borrower in circumstances where ANZ has not exercised its rights under clause 5.2;
- (c) comply with all laws and requirements of any Government Agency in respect of the Mortgaged Unitholding;
- (d) unless ANZ agrees otherwise in writing, deposit with ANZ any documents ANZ requests relating to the Mortgaged Unitholding, as soon as they are available to the Borrower or its agents;
- (e) pay on time all Taxes, calls for payment, instalments and other amounts for which it is liable as owner of the Mortgaged Unitholding; and
- (f) immediately after being required to do so by ANZ, at the Borrower's cost, exercise or take up all Rights (other than for Proceeds) as directed by ANZ where, in ANZ's opinion, failure to do so may materially lessen the value of, or prejudicially affect, the Mortgaged Unitholding or the rights of the Finance Parties under the Mortgage.



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## 10.4 Voting powers

- (a) If no Default or Potential Default subsists, the Borrower may instruct and direct ANZ to exercise, to the extent capable, any voting powers ANZ has in respect of the Mortgaged Unitholding as it sees fit, provided that it does so prudently and does not otherwise cause or permit a breach of any of the Borrower's other obligations under the Documents.
- (b) If a Default or Potential Default subsists, the rights of the Borrower under the previous paragraph of this clause 10.4 immediately cease, and ANZ is entitled to exercise all voting rights in respect of all of the Mortgaged Unitholding to the exclusion of the Borrower.
- (c) Nothing in this clause 10.4 obliges ANZ to vote or exercise other rights in relation to the Mortgaged Unitholding or to obtain any Proceeds, and the Finance Parties will have no responsibility or liability for any Loss arising due to ANZ's failure or delay in so acting.

## 10.5 Further assurances

The Borrower must do (and must use its reasonable endeavours to procure that anyone else who has an interest in the Mortgaged Unitholding or who claims under or in trust for the Borrower does) whatever ANZ requires to better secure the Mortgaged Unitholding for payment of the Outstanding Amount, performance of the Borrower's other obligations under the Documents, to enable the better exercise of any Power and to enable ANZ to carry out and give full effect to this Agreement and any transaction contemplated by this Agreement. This includes paying any Taxes on and registering the Mortgage with the priority required by ANZ.

## 11. Default

### 11.1 Default

A Default occurs if any one or more of the following occurs (whether or not within the Borrower's control):

- (a) an Obligor fails to pay any of the Outstanding Amount payable by it, in the way and in the currency required, when due;
- (b) an Obligor fails to comply with any other obligation under a Document;
- (c) a statement, representation or warranty made or repeated by or on behalf of an Obligor in a Document, or in a document provided in connection with a Document, is incorrect or misleading in a material respect when made or repeated;
- (d) any of the following occurs or is alleged by the Obligor to have occurred:
  - (i) all or part of any Document is terminated or is or becomes void, avoided, illegal, invalid, unenforceable or limited in its effect;
  - (ii) it becomes impossible for the Obligor to perform a material obligation under a Document; or
  - (iii) any party has the right to terminate due to breach or to rescind or avoid all or part of any Document;
- (e) any judgment is obtained against an Obligor for an amount exceeding A\$50,000 or its equivalent and is not satisfied or stayed within seven Business Days;
- (f) subject to clause 6.4(a), the Borrower ceases for any reason to be the legal and, subject to any trust specified in the Application Form, beneficial owner of any part of the Mortgaged Unitholding, or a third party asserts a claim to that Mortgaged Unitholding;

- (g) the Mortgage ceases for any reason to have the priority ranking contemplated in clause 6.2 (other than solely due to the fraud, gross negligence or wilful misconduct of the Finance Parties);
- (h) a Rights Issue occurs and the Borrower fails to agree to and accept the terms of such Rights Issue within the time limits set down for such acceptance (where the Borrower has been so directed by ANZ);
- (i) an Insolvency Event occurs with respect to an Obligor;
- (j) there occurs an event which has, or in ANZ's opinion may have, a Material Adverse Effect;
- (k) the Borrower creates, or permits to exist, a Security Interest over any part of the Mortgaged Unitholding without ANZ's prior written agreement;
- (l) an Obligor ceases, for any reason, to be able lawfully to carry out all the transactions which this Agreement contemplates;
- (m) execution or distress takes place or is attempted or an order to execute a judgment (however described) is made against an Obligor or any of its assets and is not stayed or withdrawn within five Business Days;
- (n) any of the following occur:
  - (i) any Government Agency takes any action;
  - (ii) there is any claim or requirement of substantial expenditure or alteration of activity under, or breach of, any law; or
  - (iii) there is any breach or threatened breach of any Authorisation,in respect of any assets the subject of the Mortgage;
- (o) a Government Agency compulsorily acquires all or a material part of the Mortgaged Unitholding, orders the sale or divestiture of the Mortgaged Unitholding or takes a step for the purpose of doing, or proposes to do, any of those things;
- (p) an Obligor is an individual and:
  - (i) dies;
  - (ii) is unable to pay its debts as and when they become due;
  - (iii) is made bankrupt or declares bankruptcy or commits an act of bankruptcy;
  - (iv) is not or ceases to be *sui juris*; or
  - (v) is, or is declared to be, incompetent or unable to conduct his or her affairs;
- (q) if a trust is referred to in the Application Form in relation to an Obligor (for the purposes of this paragraph, such trust being the **Trust**), any of the following occurs without ANZ's prior consent:
  - (i) a new or additional trustee of the Trust is appointed or the relevant Obligor ceases to be the trustee of the Trust or any step is taken to appoint another trustee of the Trust;
  - (ii) the beneficiaries of the Trust resolve to wind up the Trust, or the trustee is required to wind up the Trust under the terms of the Trust or applicable law, or the winding up of the Trust commences;
  - (iii) an application or order is sought or made in any court for:
    - (A) removal of the Obligor as trustee of the Trust; or
    - (B) property of the Trust to be brought into court or administered by the court or under its control;

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- (iv) a notice is given or meeting summoned for the removal of the Obligor as trustee of the Trust or for the appointment of another person as trustee jointly with the Obligor;
- (v) any step is taken to wind up or terminate the Trust;
- (vi) the Trust is held or is conceded by the Obligor not to have been constituted or to have been imperfectly constituted;
- (vii) the Obligor fails to perform and observe its obligations under the constituent documents of the Trust;
- (viii) where that Obligor is the Borrower, it ceases to be authorised under the terms of the Trust to hold the Mortgaged Unitholding in its name and to perform its obligations under the Documents to which it is party; or
- (ix) the Obligor ceases to be entitled to be indemnified out of, or have a lien over, the assets of the Trust in respect of its obligations under the Documents;
- (r) ANZ determines in its absolute discretion that the Advance will be related to, or has been or will be applied to, any money laundering, terrorism financing or any other related activity; or
- (s) the Put Option is terminated (other than as a result of the exercise of the Put Option in accordance with its terms).

### 11.2 Effect of Default

If a Default occurs, ANZ may, without being obliged to do so and notwithstanding any waiver of any previous default, and in addition to any other rights or remedies conferred by a Document or by law, by notice to the Borrower, do one or more of the following:

- (a) declare that the Outstanding Amount (whether or not presently payable) is immediately due and payable without further demand, notice or other legal formality of any kind, in which case the Borrower must immediately pay the Outstanding Amount to ANZ;
- (b) terminate ANZ's obligations specified in the notice with immediate effect; and
- (c) cancel all or any part of the Facility Limit with immediate effect.

For the avoidance of doubt, ANZ may also do any of the other matters contemplated in this clause 11.

### 11.3 ANZ general powers

After a Default occurs, regardless of whether ANZ has appointed a Receiver, ANZ may, without demand or notice to anyone (unless notice is required as described in clause 17.1), do all things that a mortgagee or an absolute owner of the Mortgaged Unitholding can do, and exercise all rights, powers and remedies:

- (a) of a mortgagee or an absolute owner of the Mortgaged Unitholding;
- (b) given to a Receiver under the Corporations Act; and/or
- (c) specified in clause 11.4.

### 11.4 ANZ specific powers

After a Default occurs, ANZ may do everything it thinks necessary to do any or all of the following in connection with its Powers, whether in its or the Borrower's name or otherwise and whether or not it has possession of the Mortgaged Unitholding:

- (a) access, recover, manage, take or give up possession or control of, and surrender, redeem or release, any of the Mortgaged Unitholding;

- (b) receive the income and profits of the Mortgaged Unitholding;
- (c) redeem, sell, assign or help sell all or any of the Mortgaged Unitholding to any person or exchange it for any other property or rights, on terms ANZ thinks fit, with or without other property or receive proceeds from redemption of the Mortgaged Units or pursuant to the exercise of the Put Option;
- (d) complete and deal with any document deposited with ANZ relating to the Mortgaged Unitholding, including any transfer;
- (e) perform or observe the Borrower's obligations or enforce or exercise the Borrower's rights, powers, discretions or remedies (or refrain from doing so) under:
  - (i) a contract, instrument, arrangement or security forming part of the Mortgaged Unitholding (including voting and proxy rights); and
  - (ii) a Document (including to cure a Default) or other document entered into by a Finance Party or a Receiver in exercise of a Power,and vary, terminate or rescind any of them or novate or otherwise transfer to any person the Borrower's obligations under any of them;
- (f) initiate and participate in any Liquidation of any person (including voting at meetings and appointing proxies);
- (g) commence, prosecute, defend, discontinue, compromise, submit to arbitration and settle proceedings in connection with this Agreement or the Mortgaged Unitholding, whether in or before a Government Agency;
- (h) exercise the rights and powers of an absolute owner in connection with the Mortgaged Unitholding;
- (i) employ and discharge staff, professional advisers, consultants, contractors and agents for the purposes of this Agreement, and at the remuneration that ANZ thinks fit, and to delegate to any person any of its Powers (including this right of delegation);
- (j) apply for any Authorisation which is necessary or desirable in connection with the exercise of a Power; and
- (k) do anything expedient or incidental to exercise any of its Powers, without limiting those Powers.

### 11.5 Co-operation in exercise of power of sale

If ANZ or a Receiver wishes to exercise a right to sell or redeem any of the Mortgaged Unitholding, the Borrower must do or cause to be done all things necessary to enable an expeditious redemption, sale and transfer of the Mortgaged Unitholding to the purchaser, in the manner and on terms ANZ thinks fit.

### 11.6 Appoint Receivers

After a Default occurs, ANZ may do any one or more of the following:

- (a) appoint one or more persons (severally, unless specified otherwise in the instrument of appointment) to be a receiver or receiver and manager of all or any of the Mortgaged Unitholding;
- (b) fix and vary the Receiver's remuneration at an amount agreed between ANZ and the Receiver from time to time;
- (c) terminate a receivership or remove or replace a Receiver; and
- (d) appoint an additional Receiver.

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ANZ may do any of these things even if a resolution or order for the Liquidation of the Borrower has been passed or made.

## 11.7 Agency of Receiver

To the extent permitted by law, a Receiver is the agent of the Borrower and the Borrower alone is responsible for the Receiver's costs, expenses, remuneration, acts, omissions and defaults. To the extent that a Receiver is not, or ceases to be, the agent of the Borrower, the Receiver immediately becomes the agent of ANZ.

## 11.8 Receiver's powers

Unless the terms of a Receiver's appointment say otherwise, the Receiver has the following rights and powers over the Mortgaged Unitholding which the Receiver is appointed to deal with:

- (a) all the rights, powers, discretions or remedies given by law to mortgagees in possession, receivers or receivers and managers;
- (b) all of ANZ's Powers under this Agreement and at law (other than the power to appoint receivers or receivers and managers); and
- (c) power to obtain financial accommodation from ANZ and give guarantees on terms that the Receiver considers expedient in connection with the Mortgaged Unitholding, in each case whether alone or together with any other person, and with or without granting a Security Interest (regardless of priority ranking) over the Mortgaged Unitholding.

The Receiver may exercise these rights and powers in the name of the Borrower or otherwise.

## 11.9 Appointment of Attorney

Each Obligor for valuable consideration, to secure the performance of its respective obligations under each Document, irrevocably appoints ANZ, each Receiver and each of their officers, employees, agents and solicitors separately as its Attorney to do any or all of the following on the Obligor's behalf and in the Obligor's or the Attorney's name:

- (a) prove in the Liquidation of the Obligor;
- (b) anything which the Obligor must do under a Document or under law in connection with a Document;
- (c) where that Obligor is the Borrower, execute and deliver transfer forms or redemption requests in relation to any of the Mortgaged Unitholding;
- (d) where that Obligor is the Borrower, do all acts and things that the Borrower is necessary or desirable to give effect to the matters contemplated in the Put Option Agreement;
- (e) anything which the Attorney considers necessary or expedient to give effect to a Power or exercise of a Power, or to perfect any Document, including by signing any document for that purpose;
- (f) anything which an Attorney is expressly empowered to do under a Document on the Obligor's behalf; and
- (g) where that Obligor is the Borrower, exercise any Rights and voting rights in respect of the Mortgaged Unitholding, and direct payment of all Proceeds in accordance with this Agreement.

Each Obligor agrees to ratify anything done by its Attorney under this power of attorney. An Attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

## Part F - General provisions

### 12. Regulatory change and Illegality

#### 12.1 Increased costs

The Borrower must pay to ANZ on demand from time to time amounts certified by ANZ as being necessary to compensate ANZ or its related bodies corporate for a Regulatory Change that directly or indirectly has the effect of:

- (a) increasing or adding to the cost of providing, funding or maintaining the Loan Facility; and/or
- (b) reducing any amount received or receivable or reducing the effective return (including return or overall return on capital or allocation of capital) in connection with the Loan Facility or ANZ's observance or performance of its obligations under any Document.

ANZ may not make a demand under this clause 12.1 to the extent that the relevant increased cost or reduction is attributable to a Tax which is deducted or withheld and to which clause 15.3 applies.

#### 12.2 Suspension or cancellation for Illegality

If ANZ determines that it is or will be unlawful or not possible in practice (Illegality) for ANZ to provide, fund or maintain the Loan Facility or Facility Limit or otherwise observe or perform its obligations under any Document, then ANZ may, by notice to the Borrower:

- (a) suspend or cancel some or all of ANZ's obligations under the Documents to the extent necessary to prevent, remedy or avoid the Illegality; and
- (b) require the Borrower to prepay all or part of the Outstanding Amount by the earlier of the date the Illegality becomes effective or the date specified in the notice from ANZ.

### 13. Costs, Taxes and general indemnity

#### 13.1 Transaction expenses

The Borrower must pay or reimburse on demand all reasonable costs and expenses of a Finance Party, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

- (a) a variation, release or discharge of any Document and the production of any Title Document;
- (b) giving a consent or approval or waiving a requirement in connection with a Document;
- (c) enforcing a Document or exercising, enforcing or protecting a Power, or attempting to do so;
- (d) obtaining or receiving payment of, and distributing, any Outstanding Amount;
- (e) obtaining or procuring performance or satisfaction of the Borrower's obligations under any Document;
- (f) a Default or Potential Default;
- (g) any Government Agency enquiry concerning the Mortgaged Unitholding, the Borrower or its involvement in the Documents;
- (h) protecting the Mortgaged Unitholding;
- (i) reporting on the Mortgaged Unitholding; and

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- (j) obtaining professional advice from a person or consultant about any matter of concern to a Finance Party, a Receiver or an Attorney in connection with a Document.

This includes legal costs and expenses (on a full indemnity basis), any professional consultant's fees and the costs (calculated on a time employed basis) of in-house legal counsel.

### 13.2 Taxes, fees and charges

The Borrower must pay or reimburse a Finance Party on demand for all:

- (a) Taxes, fees and charges in connection with any Document or any payment, receipt, supply or other transaction carried out in accordance with, or contemplated by, any Document, including Taxes passed onto a Finance Party by another financial institution or supplier of goods and services; and
- (b) fines and penalties for late payment or non-payment of those amounts, except where the Borrower places ANZ in cleared funds to make the payment not less than five Business Days before the due date and ANZ fails to make the payment.

### 13.3 General indemnity

The Borrower indemnifies each Finance Party, any Receiver and any Attorney (and their respective officers, employees and agents) against, and must pay to a Finance Party on demand:

- (a) all costs and expenses of ANZ arising as a result of or in connection with ANZ terminating, reversing or varying any agreement, arrangement or transaction (including a derivative transaction) entered into to hedge, fix or limit its effective cost of funding or maintaining the Loan Facility, or the Advance or any other amount other than where the terminating, reversing or varying of any agreement, arrangement or transaction occurs as a result of a prepayment pursuant to either clause 5.2 or 15.6 unless a Default or a Potential Default occurs;
- (b) amounts equal to, any Loss arising as a result of or in connection with:
- (i) the Advance not being provided as requested under a Document for any reason (including any failure by the Borrower to fulfil any condition precedent other than in respect of the Application Acceptance referred to in clause 2.1(a)(i)(A)), but excluding Loss to the extent due to default by ANZ;
  - (ii) any costs associated with the Finance Party obtaining an appropriate form of risk management (or instrument of similar effect) in respect of this Agreement or the funding of the Loan Facility;
  - (iii) an indemnity given by a Finance Party to a Receiver or administrator of the Borrower;
  - (iv) the Mortgage or the Mortgaged Unitholding;
  - (v) a Default or Potential Default;
  - (vi) any payment required under a Document not being made on its due date;
  - (vii) the exercise or attempted exercise of any Power;
  - (viii) a Finance Party acting or relying in good faith on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (ix) a Finance Party acting or relying in good faith on any notice or other communication from, or genuinely believed to be from, the Borrower; and
  - (x) a Finance Party relying on information supplied by or on behalf of the Borrower which proves to be a

misrepresentation or to be misleading or deceptive (including by omission of other information),

including any legal costs and expenses (on a full indemnity basis) and any professional consultant's fees in connection with the above.

### 13.4 General release

Each Obligor releases ANZ from all actions, suits, claims, demands and losses in connection with the PDS other than in respect of such statements which the PDS states that ANZ has consented to be included in the PDS.

## 14. Interest on overdue amounts

### 14.1 Accrual and calculation

Interest accrues daily on each unpaid amount of the Outstanding Amount which is due and payable by the Borrower (including on unpaid interest under this clause 14):

- (a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and
- (b) subject to clause 14.2, at the Default Rate.

Interest payable under this clause 14 which is not paid on the due date for payment may be added to the Loan by ANZ at intervals which ANZ determines from time to time or, if no determination is made, every 30 days.

### 14.2 Judgment or order

If the Borrower's liability under a Document is the subject of a judgment or order:

- (a) its obligation to pay interest under clause 14.1 is separate from, and continues despite, the judgment or order; and
- (b) the interest accrues both before and after judgment at the higher of the rate determined under clause 14.1 and the rate payable under that judgment or order.

### 14.3 Payment

The Borrower must pay to the Finance Party accrued interest under this clause 14 on the last Business Day of each calendar month and on demand.

## 15. Payments

### 15.1 Payment requirements

All payments by the Borrower under a Document must be:

- (a) received by ANZ in cleared funds by 12.00 noon on the due date (or, if not a Business Day, on the next Business Day in the same calendar month or, if none, the preceding Business Day);
- (b) unless ANZ agrees otherwise, made by way of a direct debit from an account at a bank or financial institution acceptable to ANZ or by cheque;
- (c) made in Dollars and in full without set-off, counterclaim or, subject to clause 15.2, deduction or withholding; and
- (d) if no date for payment is specified in the relevant Document, made on demand by ANZ.

If ANZ directs the Borrower to pay a particular person or in a particular manner, the Borrower's payment obligation is only discharged when the person to whom payment is directed actually receives the relevant amount.

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### 15.2 Entitlement to payments

Unless expressly stated otherwise in a Document, the Borrower agrees to pay all amounts due under the Documents to ANZ. If the Borrower is to pay an amount for the account of a particular party, it is taken to have satisfied its obligation to that party by paying ANZ or its nominee.

### 15.3 Deduction or withholding by Borrower

If the Borrower is required by law to deduct or withhold Taxes from a payment to a Finance Party in connection with a Document, it must:

- (a) make that deduction or withholding (and any further deductions or withholdings contemplated by paragraph (b) below), pay to the appropriate Government Agency an amount equal to the full amount deducted or withheld as required by law, and give ANZ the original receipt for the payment; and
- (b) pay additional amounts to the Finance Party which will result in the relevant Finance Party receiving at the time the payment is due (after deduction or withholding of any Taxes in respect of any additional amount) the full amount which the Finance Party would have received if no deduction or withholding had been required.

### 15.4 Conduct of Finance Party's business

Nothing in this Agreement requires a Finance Party to:

- (a) arrange its affairs (tax or otherwise) in any way or disclose any information regarding those affairs or any computations in respect of Tax; or
- (b) investigate or claim any credit, relief, remission or repayment available to it or as to the extent, order or manner of any claim.

### 15.5 GST

The amounts set out in the Documents have been calculated without regard to GST. If GST is or becomes payable by a party (**payer**) in respect of any supply made by a party (**recipient**) under or in connection with a Loan Facility or the Documents, the payment for that supply shall be increased by the amount necessary so that each recipient actually receives what it would have been entitled to receive if there had not been GST in respect of that supply (after allowing for any input tax credit the recipient determines it is entitled to claim). Each party indemnifies the other against, and must pay to the recipient on demand amounts equal to, any Loss arising as a result of or in connection with the recipient failing to receive the amount of the increase in the payment.

### 15.6 Applying or appropriating money received

A Finance Party may apply or appropriate all Proceeds and other money received from the Borrower or the Responsible Entity under the Documents (even if insufficient to discharge all of the Borrower's obligations at that time) to reduce the Outstanding Amount in the order, and to satisfy any part of the Outstanding Amount, as the Finance Party sees fit. An application or appropriation by a Finance Party will override any appropriation made by the Borrower. For the avoidance of doubt, the Borrower authorises ANZ to apply any moneys held by it under or in connection with this Agreement or the Put Option Agreement in or towards satisfaction of any Outstanding Amount by the Borrower to ANZ.

### 15.7 Foreign Currency Amounts

Where a Finance Party receives or recovers any amount under or in relation to a Document in a currency other than Dollars (**Foreign Currency Amount**), the amount which the Finance

Party will be taken to have received or recovered for the purposes of the Documents will be the Dollar amount to which the Finance Party could have converted the Foreign Currency Amount (in accordance with its normal procedures) at the time of the receipt or recovery, less the costs of the conversion.

### 15.8 Credit of received payment

An Obligor is only credited with a payment of an Outstanding Amount from the date of actual receipt in cleared funds by the relevant Finance Party (whether received from the Borrower or a Receiver).

### 15.9 Suspense account

- (a) ANZ may credit money received in or towards satisfaction of the Outstanding Amount (including dividends received in any Liquidation) to a suspense account. ANZ may keep the money in that account for as long as, and at whatever interest rate, ANZ thinks fit (acting reasonably). ANZ may apply the money (including interest) to reduce the Outstanding Amount whenever ANZ thinks fit.
- (b) If the Outstanding Amount has been fully and finally paid or discharged and ANZ is satisfied that such payment or discharge is not liable to be set aside, avoided or reversed, then the balance standing to the credit of the suspense account and any accrued interest must be paid to or for the account of the Borrower and ANZ will not have any further liability in relation to it.

## 16. Assignment

### 16.1 By Obligor

No Obligor may assign, transfer or otherwise deal with its rights, interests or obligations under this Agreement without ANZ's prior written consent.

### 16.2 By ANZ

- (a) ANZ may assign or otherwise transfer all or any part of its rights and obligations under the Loan Facility.
- (b) ANZ may sub-participate its rights under the Loan Facility or transfer its rights under the Loan Facility to a securitisation vehicle without the consent or notification of any other party provided ANZ remains the lender of record in respect of the Loan Facility.
- (c) ANZ may disclose to a potential assignee, transferee, participant or sub-participant such information about each Obligor and this Agreement as lender considers appropriate.

### 16.3 Service

A notice, demand, consent, approval or communication given by a party in connection with a Document must be:

- (a) in writing, in English and signed by the party; and
- (b) hand delivered or sent by prepaid post (or airmail if applicable) or facsimile to:
  - (i) in respect of each Obligor, the address for notices specified in the Application Form or such other address as is notified to each other party from time to time; and
  - (ii) in respect of ANZ, ANZ Market Operations, Level 12, 530 Collins Street, Melbourne Victoria 3000 or such other address as is notified to each other party from time to time.

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### 16.4 Effective on receipt

A notice given in accordance with clause 16.3 takes effect when received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia); or
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire notice unless, within eight hours after the transmission (being counted as hours from 9.00am to 5.00pm on a Business Day), the recipient informs the sender that it has not received the entire notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm (addressee's time) on a Business Day, the notice is taken to be received at 9.00am (addressee's time) on the next Business Day.

### 17. Protection of Finance Parties

#### 17.1 Notice, demand or lapse of time required by law

If a notice, demand or lapse of time is required by law before a Finance Party can exercise a Power, then for the purposes of this Agreement:

- (a) that notice, demand or lapse of time is dispensed with to the extent allowed by that law; or
- (b) if not allowed to be dispensed with, but the period of notice, demand or lapse of time is allowed by that law to be shortened or fixed, it is shortened and fixed to one day.

#### 17.2 Amounts payable to Finance Parties

A certificate signed by ANZ stating any amount or rate for the purpose of this Agreement shall, prima facie, be binding on each Obligor.

#### 17.3 Finance Parties not restricted

The Finance Parties need not:

- (a) exercise a Power, give a consent or make a decision under a Document unless the Document expressly provides otherwise; or
- (b) resort to any Security Interest or Power before resorting to any other of them.

#### 17.4 Finance Parties not liable

To the extent permitted by law, a Finance Party and any Attorney will not be liable to anyone for any Loss in relation to an exercise or attempted exercise of a Power, or a failure or delay in exercising a Power.

#### 17.5 Finance Parties may set off

A Finance Party may (in addition to any general or banker's lien, right of set-off, right to combine accounts or any other right to which it may be entitled), without notice to the Borrower or any other person, set-off and apply any credit balance (or any part thereof in such amounts as a Finance Party may elect) on any account (whether such account is subject to notice or not and whether matured or not) of the Borrower, with the Finance Party and any other moneys owing by the Finance Party to the Borrower, against the Outstanding Amount.

### 17.6 Set off by Obligor

No Obligor may (either directly or indirectly) claim, exercise or attempt to exercise a right of set-off or counterclaim against a Finance Party (whether its or any other person's right) or any other right which might have the effect of reducing the Outstanding Amount.

### 17.7 ANZ as Attorney

Each Obligor irrevocably appoints ANZ and each executive director, division director and associate director of ANZ for the time being, severally, as the attorneys of the Obligor to do (either in the name of the Obligor or the attorney) all acts and things that the Obligor is obliged to do under this Agreement or which, in the opinion of ANZ, are necessary or desirable in connection with the Mortgaged Unitholding (where that Obligor is the Borrower), or the protection or perfection of a Finance Party's interests or the exercise of the rights, powers and remedies of any Finance Party.

### 17.8 Failure to act

- (a) The failure or delay of a Finance Party to exercise any right under this Agreement will not operate as a waiver of any right and the exercise of a single right or partial exercise of any right by the Finance Party under this Agreement will not prevent the Finance Party from exercising any other right. The rights of a Finance Party under this Agreement are cumulative and are not exclusive of any other rights provided by law.
- (b) If the performance by a Finance Party of any of its obligations under this Agreement or related arrangements is prevented or delayed in whole or in part due to any circumstance which the Finance Party is unable to control, this Agreement will nevertheless continue and remain in full force and effect, but the Finance Party will not be in default under this Agreement or otherwise liable for any loss, cost, expense or damage suffered by the Borrower for that reason only, and the Finance Party will be granted a reasonable extension of time to complete performance of its affected obligations.

### 17.9 Reinstating avoided transaction

Each Obligor agrees that if a payment or other transaction relating to the Outstanding Amount is void, voidable, unenforceable or defective for any reason or a related claim is upheld, conceded or settled (each an **Avoidance**), then even though a Finance Party knew or should have known of the Avoidance:

- (a) each Power and the Obligor's liability under each Document will be what it would have been, and will continue, as if the payment or transaction the subject of the Avoidance had not occurred; and
- (b) it will immediately execute and do anything necessary or required by ANZ to restore a Finance Party to its position immediately before the Avoidance (including reinstating any Document).

This clause 17.9 survives any termination or full or partial discharge or release of any Document.

# Section 15: Loan Agreement

## 18. General provisions

### 18.1 Prompt performance

If a time is not specified for the performance by an Obligor of an obligation under a Document, it must be performed promptly.

### 18.2 Performance by ANZ

ANZ may do anything which an Obligor fails to do as required by, or in accordance with, a Document. This does not limit or exclude ANZ's Powers in any way.

### 18.3 Completion of details

The parties hereby irrevocably authorise ANZ, and each of its officers, employees, agents and solicitors to complete any details and fill in any blanks in this Agreement.

### 18.4 Powers

Powers under the Documents are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power. No failure or delay in exercising a Power operates as a waiver or representation. Unless expressly provided in a Document, no Power or Document merges in, limits or excludes any other Power, Document or judgment which a Finance Party (or anyone claiming through it) may have or obtain.

### 18.5 Indemnities and reimbursement obligations

A Finance Party need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in a Document. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the party giving it, is absolute, irrevocable, unconditional and payable on demand and continues despite any settlement of account, termination of any Document or anything else.

### 18.6 Law and legislation

To the extent permitted by law:

- (a) each Document prevails to the extent of inconsistency with any law; and
- (b) any present or future legislation operating to reduce the Borrower's obligations under a Document or the effectiveness of the Powers is excluded.

### 18.7 Severability

A provision of a Document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of that Document in any jurisdiction.

### 18.8 Variation

A variation of this Agreement must be in writing and signed by or on behalf of each party to it.

### 18.9 Governing law and jurisdiction

This Agreement is governed by the laws of New South Wales. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

### 18.10 Counterparts

This Agreement may be executed in any number of counterparts.

### 18.11 Code of Banking Practice (2003)

The Borrower agrees that the Code of Banking Practice (2003) does not apply to the Documents, or to any transaction or service provided under them.

### 18.12 Inconsistency

If a provision of this Agreement is inconsistent with the terms of the PDS or the Application Form, then the terms of this Agreement prevail.

## 19. Recourse against Borrower

### 19.1 Limited recourse

- (a) Subject to clause 19.3, the Borrower's liability in connection with the repayment of principal under this Agreement may be discharged from, and the recourse of the Finance Parties is limited to, the Mortgaged Unitholding only (including, for the avoidance of doubt, the proceeds realised upon exercise of any Put Option over the Mortgage Unitholding).
- (b) The realisation of the Mortgaged Unitholding and its application towards the Outstanding Amount in accordance with the Documents constitutes a complete discharge of the Borrower's and each Guarantor's liability to the Finance Parties in connection with the Documents.

### 19.2 No proceedings

Subject to clause 19.3, for the avoidance of doubt, the Finance Parties may not seek to recover any shortfall in the amounts which would otherwise be owing by the Borrower in connection with the Documents if clause 19.1 did not apply (being the shortfall after the realisation of the Mortgaged Unitholding and its application towards the Outstanding Amount). This includes bringing proceedings against the Borrower or applying to have the Borrower wound-up.

However, a Finance Party or any person acting on their behalf may:

- (a) do anything necessary to enforce its rights in connection with the Mortgaged Unitholding; and
- (b) take proceedings to obtain:
  - (i) an injunction or other order to restrain any breach of the Documents by the Borrower; or
  - (ii) declaratory relief or other similar judgment or order as to the obligations of the Borrower under the Documents.

### 19.3 Full recourse

If the Borrower becomes obliged under clauses 4.1, 4.2, 5.1, 11 or 12 to repay any amount in respect of principal of the Loan prior to the Termination Date, clauses 19.1 and 19.2 will not apply to that part of the Loan and ANZ will have full recourse against the Borrower in respect of that part of the Loan. In addition, and for the avoidance of doubt, the provisions of clauses 19.1 and 19.2 do not apply in respect of any obligations of the Borrower other than, and only to the extent specified, in respect of principal repayment obligations.

# Section 15: Loan Agreement

## 20. Defined terms & interpretation

In this Agreement:

**Advance** means the provision of financial accommodation by ANZ under this Agreement.

**Advance Date** means the day on which the Advance is made available by ANZ to the Borrower under the Loan Facility.

**AML/CTF Law** means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and any regulations, rules or other instruments made under that Act, as amended from time to time.

**ANZ** means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

**Application Acceptance** means the acceptance of the executed Application Form and identity of the Guarantor(s) (if applicable), communicated by ANZ to the Responsible Entity and notified by the Responsible Entity to the Borrower.

**Application Form** means the application form for a Loan set out in the PDS.

**ASIC** means the Australian Securities and Investments Commission.

**Attorney** means an attorney appointed under a Document.

**Authorisation** means any consent, authorisation, registration, filing, agreement, notarisation, certificate, permit, licence, approval, authority or exemption of, from or required by, a Government Agency or required by law. Where intervention or action of a Government Agency within a specified period would fully or partly prohibit or restrict something by law, Authorisation includes the expiry of that period without that intervention or action.

**Bankruptcy Act** means *Bankruptcy Act 1966* (Cth).

**Borrower** means the person identified as the applicant in the Application Form, who has indicated in that Application Form that it requests that a Loan be made available to it by ANZ and who has been notified of an Application Acceptance.

**Broker Commissions** means any commissions, fees or similar payments payable to and by the Fund in respect of the Units to be issued to the Borrower.

**Business Day** means all weekdays that are not public or bank holidays in Brisbane and Sydney, Australia.

**Cash Settlement Payment Date** shall have the meaning given to that term in the ILSA.

*The cash settlement payment date is the date being 3 Business Days after the later of:*

(a) *the earlier of:*

(i) *29 July 2016; and*

(ii) *the date of such earlier termination of the ILSA in accordance with its terms; and*

(b) *the last date on which a hypothetical investor would have actually received the proceeds of disposing or otherwise realising into cash the value of all components (including*

*for the avoidance of doubt, disposing or otherwise realising any securities or other assets distributed in kind by the Underlying Fund (as that term is defined in the PDS) in respect of the redemption of any Underlying Fund units) of the Reference Basket if the hypothetical investor had actually disposed of or otherwise realised these investments on the relevant date referred to in paragraph (a) above or at the next opportunity to dispose of or otherwise realise the value of those investments after that date.*

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Default** means an event or circumstance specified in clause 11.1.

**Default Rate** means 2% per annum above the Interest Rate;

**Documents** means:

(a) this Agreement;

(b) the Put Option Agreement;

(c) the Application Form;

(d) a document that the Borrower and ANZ agree is a 'Document'; and

(e) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in (a) to (d) above.

**Dollars, \$ and A\$** mean the lawful currency of Australia.

**DRP** means a distribution reinvestment plan established or offered by the Responsible Entity to facilitate, or any requirement of the Responsible Entity to require the, application of distributions paid on Units toward the acquisition of additional Units.

**Early Redemption Date** means any day on which proceeds are received by ANZ in respect of the redemption of any part of the Mortgaged Unitholding.

**External Administrator** means an administrator, controller (as defined in the Corporations Act), receiver, receiver and manager, trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

**Facility Limit** means, in relation to the Borrower, the sum of:

(a) the Invested Advance Amount; and

(b) the Broker Commissions (provided that such amount is not more than 3% of the Facility Limit),

as reduced, cancelled or varied in accordance with this Agreement.

**Finance Party** means ANZ and any other person that the Borrower and ANZ agree is a "Finance Party" for the purposes of this Agreement.

**Fund** means the ANZ Discovery Asia Fund (ARSN 129 944 547), a managed investment scheme established by the Responsible Entity.

**Fund Event** means an event whereby the members of the Fund take any steps to commence the winding up of the Fund or any steps are otherwise taken to commence the winding up of the Fund pursuant to the Fund's constitution or the Corporations Act.



## Section 15: Loan Agreement

**Funding Period** means

- (a) in the period to (but excluding) the Maturity Date, each period of 12 months or such other period agreed to by ANZ, provided that:
  - (i) the first Funding Period in respect of such period commences on (and includes) the Issue Date and ends on (but excludes) the first anniversary of the Issue Date; and
  - (ii) the final Funding Period in respect of such period commences on (and includes) the seventh anniversary of the Issue Date and ends on (but excludes) the earlier of:
    - (A) the Maturity Date; and
    - (B) any other date on which the Loan Facility is terminated or cancelled in full under this Agreement or on which all the aggregate of any Outstanding Amount becomes due and payable under this Agreement; and
- (b) in respect of the period from (and including) the Maturity Date (if applicable), each period of one month or such other period agreed to by ANZ, provided that:
  - (i) the first Funding Period in respect of such period commences on (and includes) the Maturity Date; and
  - (ii) the final Funding Period in respect of such period ends on (but excludes) the Termination Date.

**Government Agency** means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

**Guarantee** means a guarantee, indemnity, letter of credit, legally binding letter of comfort or other obligation of any kind:

- (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;
- (b) to indemnify any person against the consequences of default in the payment of; or
- (c) to be responsible for, an obligation or monetary liability of another person or the assumption of any responsibility or obligation in respect of the solvency or financial condition of another person.

**Guarantee and Indemnity** means the guarantee and indemnity given in Part D of this Agreement.

**Guarantor** means each person identified as a guarantor in the Application Form for the Borrower, who has indicated in that Application Form that it will act as guarantor in respect of the Loan to be made available to the Borrower by ANZ.

**GST** has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**HFA Event** means any of the following occurs and ANZ determines that the event is a HFA Event:

- (a) there is a Fund Event;
- (b) the Responsible Entity:
  - (i) fails to provide a monthly valuation, quarterly accounts or annual audited accounts to ANZ containing all information on the Fund's position as has been agreed between the Responsible Entity and ANZ; or
  - (ii) ANZ reasonably believes that such valuation or accounts contain a defect or error,

where such failure, defect or error has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding, unless the Responsible Entity remedies the breach and ANZ agrees to waive the breach;

- (c) if an adverse or qualified compliance or financial audit by an external auditor is issued in respect of the Fund which ANZ reasonably considers to have a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (d) the Responsible Entity:
  - (i) ceases to be the responsible entity of the Fund without the prior written consent of ANZ;
  - (ii) grants or allows to subsist any mortgage, charge, security or other encumbrance in respect of the assets of the Fund, where the existence of such mortgage, charge, security or other encumbrance has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
  - (iii) invests the assets of the Fund other than by application in accordance with its obligations under the ISLA, or by investment in cash or equivalent securities, each as set out in the PDS; or
  - (iv) does anything which, in ANZ's reasonable opinion, has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (e) the Responsible Entity:
  - (i) ceases to hold an Australian Financial Services Licence (or any other applicable licence or authorisation) authorising it to fulfil its obligations as responsible entity as set out in the PDS;
  - (ii) fails to comply with the conditions of any licence or authorisation referred to above, where such failure has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding; or
  - (iii) fails to comply with its obligations under the constitution of the Fund and any applicable agreement or arrangements, any of their obligations as set out in the PDS, or the Corporations Act (or associated regulations) or relevant ASIC policy as they relate to the Fund, where such failure has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (f) there is a change of shareholders or a change in the relevant proportion of interests held by the shareholders, existing as at the Issue Date, of the Responsible Entity without the prior written consent of ANZ, where such change where has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (g) the ISLA is terminated, where such termination has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding;
- (h) in the reasonable opinion of ANZ, the PDS is or becomes "defective" within the meaning of section 1021B(1) of the Corporations Act;
- (i) the Responsible Entity fails to comply with the terms of any agreement with ANZ in relation to the Fund and its investors where such failure has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding; and
- (j) any action taken as a result of a review or investigation of the activities of the Fund, or its manager or responsible entity (as the case may be), by a relevant regulator, in connection with suspected or alleged wrongdoing or breach of any rule or regulation, or other similar reason, or any disciplinary action taken by such regulator in consequence thereof, where such

## Section 15: Loan Agreement

action has a material adverse effect on the Fund or on the value of the Mortgaged Unitholding, or ANZ determines in its absolute discretion that the nature of such action is so material that it no longer wishes to participate in a transaction associated with the Fund.

**ILSA** means the investment linked swap agreement to be entered into between ANZ and the Responsible Entity dated on or about the date of this Agreement.

**Insolvency Event** means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7B body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (b) except with ANZ's consent:
  - (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
  - (ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;
- (c) an External Administrator is appointed to it or any of its assets or a step is taken to do so;
- (d) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (e) any government, Government Agency, or other instrumentality seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the Mortgaged Unitholding;
- (f) only if the relevant person is the Borrower, any litigation, administrative proceeding or other procedure for the resolution of disputes is commenced in which its title to any of the Mortgaged Unitholding will or might be impaired or its enjoyment of, or a Finance Party's rights under this Agreement to, any of the Mortgaged Unitholding will or might be restrained or otherwise hindered, or any such proceedings are likely to have a Material Adverse Effect;
- (g) ANZ receives any notice from a credit reporting agency or any other credit provider to it, which indicates that the person is in default under any other financial, payment or performance obligation with any other party or that any of the events specified in the other paragraphs of this definition have occurred;
- (h) it stops or suspends payment to creditors generally;
- (i) if the party is an individual person or a partnership including an individual person:
  - (i) that party gives to the Official Receiver a proposal for a debt agreement under Part IX of the Bankruptcy Act;
  - (ii) that party makes a debt agreement under Part IX of the Bankruptcy Act;
  - (iii) that party appoints a controlling trustee under Part X of the Bankruptcy Act;
  - (iv) a meeting is convened of that person's creditors under Part X of the Bankruptcy Act;
  - (v) a "Personal Insolvency" document is executed in respect of that party under Part X of the Bankruptcy Act;

- (vi) that party has any attachment, distress, execution or other process made or levied against its assets;
- (vii) that party commits an act of Bankruptcy under section 40 of the Bankruptcy Act, a sequestration order is made against that person's estate, or an application is made to a court of competent jurisdiction for such an order; or
- (viii) an analogous or equivalent event to any listed above occurs in any jurisdiction.

**Interest Rate** means:

- (a) if the Borrower has elected the "Term Fixed Rate Option" in the Application Form, the rate determined by ANZ and notified by ANZ to the Borrower within 5 Business Days of the Issue Date; or
- (b) if the Borrower has elected the "Annual Reset Fixed Rate Option" in the Application Form, the rate determined by ANZ and notified by ANZ to the Borrower within 5 Business Days of the first day of each Funding Period.

**Invested Advance Amount** means the lesser of:

- (a) the amount specified in the Application Form of the Borrower;
- (b) the Issue Price multiplied by the number of Units in respect of which the Responsible Entity has agreed to accept as application for Units from the Borrower; and
- (c) the Issue Price multiplied by the number of Units in respect of which ANZ has agreed to provide funding to the Borrower.

**Issue Date** means the date of the initial issue of Units pursuant to the PDS, expected to be 30 June 2008.

**Issue Price** means \$1.00 per Unit.

**KYC Checks** means ANZ's 'know your customer' or similar identification checks or procedures carried out by ANZ in its own capacity or as administrative agent for the Responsible Entity required for ANZ or, as the case may be, to assist the Responsible Entity to comply with any law or regulation, including AML/CTF Law.

**Liquidation** means:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors generally or any class or group of them.

**Loan** means the loan made available under the Loan Facility.

**Loan Facility** means the cash advance facility described in Part A and Part B of this Agreement.

**Loss** means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

**Marketable Security** means:

- (a) a marketable security as defined in the Corporations Act;
- (b) a negotiable instrument; and
- (c) a unit or other interest in a trust or partnership.

## Section 15: Loan Agreement

**Material Adverse Effect** means an event which has a material adverse effect on the Borrower's assets, revenue or financial condition, or the Borrower's ability to perform its obligations under the Documents to which it is a party.

**Maturity Date** means 29 July 2016.

**Mortgage** means the mortgage created under Part C of this Agreement.

**Mortgaged Unitholding** means the Borrower's present and future right, title and interest in and to Units (including, for the avoidance of doubt, any units in the Fund issued to the Borrower pursuant to the DRP as a result of the application of distributions paid on those Units), including the Rights and the Proceeds in relation to those Units, and any certificate, registration or other evidence of ownership of, or rights to, those things, and all rights in respect of the Put Option Agreement.

**Obligor** means each of the Borrower and the Guarantor(s).

**Outstanding Amount** means all money and amounts (in any currency) that the Borrower is or may become liable at any time (presently, prospectively or contingently, whether alone or not and in any capacity) to pay to or for the account of any Finance Party (whether alone or not and in any capacity) under or in connection with a Document. It includes money and amounts:

- (a) in the nature of principal, interest, fees, costs, charges, expenses, duties, indemnities, Guarantee obligations or damages;
- (b) whether arising or contemplated before or after the date of this document or as a result of the assignment (with or without the Borrower's consent) of any debt, liability or Document; and
- (c) which a person would be liable to pay but for an Insolvency Event in respect of that person.

**PDS** means the product disclosure statement in relation to the Fund dated on or about 19 March 2008.

**Potential Default** means any event, thing or circumstance which ANZ considers, acting reasonably, would become a Default with the giving of notice, the making of a determination under a Document or the passage of time (or any combination of those things).

**Power** means any right, power, discretion or remedy of a Finance Party, a Receiver or an Attorney under any Document or applicable law.

**Proceeds** means all money (in whatever currency) and amounts payable to the Borrower or to which the Borrower is entitled now or in the future (whether alone or with any other person) on any account or in any way whatever under, or as holder of, any Marketable Securities or Rights, including distributions, dividends, bonuses, profits, returns of capital, interest and all proceeds of sale, redemption or disposal.

**Put Option** means the put option granted by ANZ to the Borrower with respect to the Mortgaged Unitholding in accordance with the terms of the Put Option Agreement.

**Put Option Agreement** means the form of put option agreement set out in the PDS entered into by ANZ and the Borrower.

**Receiver** means a receiver or receiver and manager appointed under this Agreement.

**Regulatory Change** means the occurrence, after the date of this Agreement, of the introduction or commencement of, change in, or change in a Government Agency's interpretation or administration of, any:

- (a) law or regulation (including in relation to Tax); or
- (b) order, treaty or official policy, ruling, directive, guideline or request of any central bank or other Government Agency, having either force of law or with which responsible banks or financial institutions in the applicable jurisdiction would comply.

**Related Body** means, regardless of any body's trustee or other capacity, a body corporate which would be related under section 50 of the Corporations Act on the basis that the term 'subsidiary' in that section had the meaning given in this Agreement.

**Responsible Entity** means HFA Asset Management Limited (ABN 25 082 852 364) or such other person as is the responsible entity of the Fund from time to time.

**Rights** means:

- (a) rights to acquire Marketable Securities arising because the Borrower has an interest in the Mortgaged Unitholding, including due to any allotment, offer, substitution, conversion, consolidation, reclassification, redemption, reconstruction, amalgamation, subdivision, reduction of capital, Liquidation or scheme of arrangement in relation to any of the Mortgaged Unitholding;
- (b) rights of the Borrower under the provisions of Part C of this Agreement relating to any of the Mortgaged Unitholding; and
- (c) any other rights of the Borrower of any kind in connection with the Mortgaged Unitholding, including in relation to any Proceeds.

**Rights Issue** means any option, agreement, arrangement or understanding under which further Units in the Fund may be offered to the Borrower.

**Security Interest** means any:

- (a) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangement); and
- (b) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset, and includes any agreement to create any of them or allow them to exist.

**Tax** means any tax, levy, duty, rate, impost or charge imposed, levied or assessed by a Government Agency, and any related penalty, fine, fee or interest. It includes stamp duty, GST and transaction taxes and duties.

## Section 15: Loan Agreement

**Termination Date** mean the later of:

- (a) the earlier of:
  - (i) the Maturity Date; and
  - (ii) any other date on which the Loan Facility is terminated or cancelled in full under this Agreement or on which all the aggregate of any Outstanding Amount becomes due and payable under this Agreement; and
- (b) the Business Day falling 5 Business Days after the Cash Settlement Payment Date.

**Title Documents** means all certificates, confirmations and other documents evidencing title to, or rights to possess or use, any of the Mortgaged Unitholding.

**Unit** means an ordinary fully paid unit in the Fund acquired by the Borrower through the provision of financial accommodation by ANZ under this Agreement, subject to any redemption pursuant to this Agreement.

**Unit Registry** means National Australia Bank Limited (ACN 004 044 937) or such other entity appointed to provide unit registry services to the Fund.

### 20.2 Interpretation

In this Agreement:

- (a) any undertaking, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (b) unless stated otherwise, all interest, amounts in the nature of interest and fees are to be calculated on a daily basis and 365 days;
- (c) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;
- (d) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting;
- (e) examples and use of the word **including** and similar expressions do not limit what else may be included; and
- (f) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day.

Unless the context requires otherwise, a reference in this Agreement to:

- (i) a party to any document includes that person's successors and permitted substitutes and assigns;
- (ii) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (iii) time is to Sydney time unless stated otherwise; and
- (iv) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement.

### 20.3 Obligor as trustee

If a trust is referred to in the Application Form in relation to an Obligor:

- (a) each Document to which that person is a party and each obligation it incurs under the Documents binds it in its personal capacity and as trustee of the relevant trust; and
- (b) where that Obligor is the Borrower, ANZ has recourse to the Mortgaged Unitholding when seeking to recover the Outstanding Amount, whether the Mortgaged Unitholding is owned by it beneficially or held by it as trustee.

# Section 16: Put Option Agreement

This Agreement set outs the terms and conditions of the agreement between:

- (a) a Put Purchaser;
- (b) if the Put Purchaser is a Borrower, a Guarantor (if applicable); and
- (c) Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

## Part A– Put Option

### 1. Put Option

#### 1.1 Put Option

- (a) ANZ grants the Put Option to the Put Purchaser in respect of the Put Property.
- (b) The Put Option constitutes an offer from ANZ to buy the Put Property from the Put Purchaser, on and subject to the terms of this Agreement.

#### 1.2 Put Premium

- (a) The Put Premium is payable by the Put Purchaser to ANZ in respect of the Put Option in advance in respect of each Premium Payment Period on the first day of that Premium Payment Period.
- (b) The amount of Put Premium payable in respect of a Premium Payment Period is calculated on the actual number of days from (and including) the first day of the Premium Payment Period to (but excluding) the first of the immediately following Premium Payment Period.
- (c) If all or any of the Units forming part of the Put Property are redeemed prior to the Put Date, ANZ may, in its absolute discretion, refund to the Put Purchaser within 10 Business Days of such redemption all or any part of any Put Premium paid by the Put Purchaser, in advance in respect of any period following that redemption date.

#### 1.3 Exercise of Put

- (a) Subject to clause 1.7 the Put Option is exercised automatically by the Put Purchaser, with settlement to occur on the Put Date in accordance with this clause 1.3, provided that the Strike Price at the opening of business in Sydney on the Put Date is more than the aggregate redemption price in respect of the Units comprising the Put Property at the opening of business in Sydney on the Put Date.

- (b) Accordingly, ANZ may, in its absolute discretion, direct (it being anticipated that such direction from ANZ will be provided not less than 12 months prior to the Maturity Date) that either:
    - (i) if the Put Purchaser is a Borrower, the Put Purchaser releases ANZ from its obligations in respect of the Put Purchaser's right of redemption of the mortgage in respect of the Put Property on the Put Date, such that ANZ may then, and the Borrower irrevocably authorises ANZ to, at its discretion, instruct the Responsible Entity to redeem the Put Property on the Put Date and pay the redemption proceeds to ANZ (in which case the Put Purchaser hereby so authorises ANZ) on the Put Date; or
    - (ii) if the Put Purchaser is a Non-Borrower:
      - (A) the Put Purchaser authorises ANZ to instruct the Responsible Entity to redeem the Put Property on the Put Date and pay the redemption proceeds to ANZ (in which case the Put Purchaser hereby so authorises ANZ) on the Put Date; or
      - (B) the Put Purchaser transfer the Put Property to ANZ on the Put Date, and for such purposes, the Put Purchaser must deliver to ANZ on or before the close of business on the Put Date (or such earlier time as ANZ may request):
        - (I) a valid transfer of the Put Property; and
        - (II) evidence as ANZ may reasonably require to satisfy ANZ that such Put Purchaser has unencumbered title to the Put Property (other than to the extent provided in this Agreement).
- Contemporaneously with:
- (x) the receipt by ANZ of the redemption proceeds as referred to in clause 1.3(b)(i) or clause 1.3(b)(ii)(A) (as the case may be); or
  - (y) the transfer to ANZ of the Put Property referred to in clause 1.3(b)(ii)(B),
- ANZ will pay the Strike Price in respect of the Put Property to the Put Purchaser (subject to clause 1.5).

#### 1.4 Termination

The Put Option will terminate automatically if:

- (a) without limitation to the provisions of this Agreement:
  - (i) if the Put Purchaser is a Borrower, ANZ ceases to hold any Put Property pursuant to and subject to the mortgage contained in the Loan Agreement entered into by the Borrower, except where ANZ ceases to hold any Put Property as a result of the Units being held in the name of the Put Purchaser due to the mortgage contained in the Loan Agreement being released upon the repayment of all monies owed under the Loan Agreement (in which case the Put Purchaser will be a Non-Borrower under clause 1.4(a)(ii)); or
  - (ii) if the Put Purchaser is a Non-Borrower, the Put Purchaser ceases to hold any Put Property;

## Section 16: Put Option Agreement

- (b) the Put Purchaser fails to pay any Put Premium payable by it, in the manner and in the currency required, when due and payable;
- (c) an Insolvency Event occurs in relation to the Put Purchaser (or, if applicable in respect of a Put Purchaser that is a Borrower, the Guarantor); or
- (d) the Put Purchaser (or, if applicable in respect of a Put Purchaser that is a Borrower, the Guarantor) fails to comply with any material obligation under a Document (for the avoidance of doubt, the obligations of a Put Purchaser to deliver a transfer to ANZ pursuant to clause 1.3(b)(ii)(B)(i) is not a material obligation under this Agreement) or, if the Put Purchaser is a Borrower, the Loan Agreement; or
- (e) a statement made or repeated by or on behalf of the Put Purchaser (or, if applicable in respect of a Put Purchaser that is a Borrower, the Guarantor) in a Document, or in a document provided in connection with a Document, is incorrect or misleading in a material respect when made or repeated.

### 1.5 Additional matters

Where the Put Purchaser is a Borrower, any amounts in respect of Strike Price payable by ANZ to the Put Purchaser under this Agreement may be set off against any amount payable by the Put Purchaser to ANZ under the Loan Agreement.

### 1.6 Partial Redemption of Units

If the Put Purchaser redeems some but not all of the Put Property prior to the Put Date (including, for the avoidance of doubt, where the Put Purchaser is a Borrower, as a result of any redemption in connection with the repayment of the Loan), the Put Property shall be reduced by the same percentage as the percentage of Units comprised in the Put Property that is redeemed.

### 1.7 Exercise of Put Option not effective in certain circumstances

If, at the opening of business in Sydney on the Put Date, the Strike Price is less than or equal to the aggregate redemption price in respect of the Units comprising the Put Property at the opening of business in Sydney on the Put Date, then any exercise of the Put Option by or on behalf of the Put Purchaser in accordance with clause 1.3 (and any requirement to act on the basis of the exercise of that Put Option) shall be null and void and of no effect. Each party agrees to give all necessary directions to ensure that effect is given to this clause in the specified circumstances. The Put Purchaser releases ANZ from any liability arising as a result of a direction given pursuant to clause 1.3 which is no longer given effect to as a result of this clause 1.7.

## Part B – Terms of application to Borrowers only

### 2. Application to Borrowers only

The provisions of this Part B only apply in relation to Put Purchasers that are Borrowers.

### 3. Common terms

The parties agree that clauses 9.1, 9.2, 9.3, 9.4, 10.1, 10.2, 10.3, 10.5, 12, 13, 15.1, 15.2, 15.3, 15.4, 17.5, 17.6 and 18.12 of the Loan Agreement are incorporated into this Agreement as if references to the "Loan" were references to the "Put Option", references to the "Loan Agreement" or "this Agreement" were references to this Agreement, references to "the Borrower" were references to "the Put Purchaser" and references to "Mortgaged Unitholding" were references to "Put Property" (unless the context clearly indicates otherwise).

## Part C – Terms of application to Non-Borrowers only

### 4. Application to Non-Borrowers only

The provisions of this Part C only apply in relation to Put Purchasers that are Non-Borrowers.

### 5. Payments

#### 5.1 Payment requirements

All payments by any Non-Borrower under an Agreement must be:

- (a) received by ANZ in cleared funds by 12.00 noon on the due date (or, if not a Business Day, on the next Business Day in the same calendar month or, if none, the preceding Business Day);
- (b) unless ANZ agrees otherwise, made by way of a direct debit from an account at a bank or financial institution acceptable to ANZ or by cheque;
- (c) made in Dollars and in full without set-off, counterclaim or, subject to clause 5.2, deduction or withholding; and
- (d) if no date for payment is specified in the relevant Document, made on demand by ANZ.

If ANZ directs the Non-Borrower to pay a particular person or in a particular manner, the Non-Borrower's payment obligation is only discharged when the person to whom payment is directed actually receives the relevant amount.

#### 5.2 Entitlement to payments

Unless expressly stated otherwise in a Document, the Put Purchaser agrees to pay all amounts due under the Documents to ANZ. If the Put Purchaser is to pay an amount for the account of a particular party, it is taken to have satisfied its obligation to that party by paying ANZ or its nominee.

# Section 16: Put Option Agreement

## 5.3 Deduction or withholding by the Non-Borrower

If the Non-Borrower is required by law to deduct or withhold Taxes from a payment to ANZ in connection with a Document, it must:

- (a) make that deduction or withholding (and any further deductions or withholdings contemplated by paragraph (b) below), pay to the appropriate Government Agency an amount equal to the full amount deducted or withheld as required by law, and give ANZ the original receipt for the payment; and
- (b) pay additional amounts to ANZ which will result in the ANZ receiving at the time the payment is due (after deduction or withholding of any Taxes in respect of any additional amount) the full amount which ANZ would have received if no deduction or withholding had been required.

## 5.4 Inconsistency

If a provision of this Agreement is inconsistent with the terms of the PDS or the Application Form, then the terms of this Agreement prevail.

## Part D - Other general provisions

### 6. Power of attorney

The Put Purchaser for valuable consideration irrevocably appoints ANZ and each of its officers, employees, agents and solicitors separately as its Attorney to do any or all of the following on the behalf of the Put Purchaser, and in the name of the Put Purchaser or the Attorney:

- (a) anything which the Put Purchaser must do under a Document or under law in connection with a Document;
- (b) execute and deliver transfer forms or redemption requests in relation to any of the Put Property;
- (c) do all acts and things that the ANZ considers is necessary or desirable to give effect to the matters contemplated in this Agreement;
- (d) anything which the Attorney considers necessary or expedient to give effect to a Power or exercise of a Power, including by signing any document for that purpose; and
- (e) anything which an Attorney is expressly empowered to do under a Document on the Put Purchaser's behalf.

The Put Purchaser agrees to ratify anything done by its Attorney under this power of attorney. An Attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

### 7. GST

The amounts set out in the Documents have been calculated without regard to GST. If GST is or becomes payable by a party (**payer**) in respect of any supply made by a party (**recipient**) under or in connection with the Documents, the payment for that supply shall be increased by the amount necessary so that the recipient actually receives what it would have been entitled to receive if there had not been GST in respect of that supply (after allowing for any input tax credit the recipient determines it is entitled to claim). The payer indemnifies the recipient against, and must pay to a recipient on demand amounts equal to, any Loss arising as a result of or in connection with the recipient failing to receive the amount of the increase in the payment.

### 8. Assignment

#### 8.1 By the Put Purchaser and the Guarantor (if applicable)

The Put Purchaser (and the Guarantor (if applicable)) may not assign, transfer or otherwise deal with its rights, interests or obligations under this Agreement without the prior written consent of each other party to this document.

#### 8.2 By ANZ

- (a) ANZ may assign or otherwise transfer all or any part of its rights and obligations under this Agreement.
- (b) ANZ may disclose to a potential assignee or transferee such information about the Put Purchaser and this Agreement, as ANZ considers appropriate.

### 9. Miscellaneous

#### 9.1 Costs

The Put Purchaser agrees to, on demand, pay or reimburse ANZ for all costs, charges and expenses (including stamp duty, any tax on goods and services, value added tax, registration fees and legal fees, if any) incurred or payable by ANZ under the Agreement and the contemplated or actual enforcement of, or preservation of rights under, this Agreement.

#### 9.2 Prompt performance

If a time is not specified for the performance by the Put Purchaser of an obligation under a Document, it must be performed promptly.

#### 9.3 Performance by ANZ

ANZ may do anything which the Put Purchaser fails to do as required by, or in accordance with, a Document. This does not limit or exclude ANZ's Powers in any way.

#### 9.4 Completion of details

The parties hereby irrevocably authorise ANZ, and each of its officers, employees, agents and solicitors to complete any details and fill in any blanks in this Agreement.

## Section 16: Put Option Agreement

### 9.5 Recording

The Put Purchaser acknowledges that all conversations with ANZ may be tape recorded and consent to that recording being made and its use in any proceedings which may be commenced in connection with this Agreement.

### 9.6 Powers

Powers under the Documents are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power. No failure or delay in exercising a Power operates as a waiver or representation. Unless expressly provided in a Document, no Power or Document merges in, limits or excludes any other Power, Document or judgment which ANZ (or anyone claiming through it) may have or obtain.

### 9.7 Law and legislation

To the extent permitted by law:

- (a) each Document prevails to the extent of inconsistency with any law; and
- (b) any present or future legislation operating to reduce the Put Purchaser's obligations under a Document or the effectiveness of the Powers is excluded.

### 9.8 Severability

A provision of a Document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of that Document in any jurisdiction.

### 9.9 Variation

A variation of this Agreement must be in writing and signed by or on behalf of each party to it.

### 9.10 Governing law and jurisdiction

This Agreement is governed by the laws of New South Wales. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

### 9.11 Counterparts

This Agreement may be executed in any number of counterparts.

## 10. Defined terms & interpretation

### 10.1 Defined terms

In this Agreement:

**Adjustment Event** means any allotment, offer, substitution, conversion, consolidation, reclassification, redemption, reconstruction, amalgamation, subdivision, reduction of capital, Liquidation or scheme of arrangement (which, for the avoidance of doubt, shall include any issue of units pursuant to the DRP in respect of any Put Property).

**ANZ** means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

**Application Acceptance** means the acceptance of the Application Form in respect of the relevant Put Purchaser, communicated by ANZ to the Put Purchaser.

**Application Form** means the application form set out in the PDS.

**Attorney** means an attorney appointed under a Document.

**Borrower** means a person in respect of whom amounts are outstanding under a Loan Agreement.

**Business Day** means all weekdays that are not public or bank holidays in Brisbane and Sydney, Australia.

**Cash Settlement Payment Date** has the meaning given to that term in the ILSA.

The cash settlement payment date is the date being 3 Business Days after the later of:

- (a) the earlier of:
  - (i) 29 July 2016; and
  - (ii) the date of such earlier termination of the ILSA in accordance with its terms; and
- (b) the last date on which a hypothetical investor would have actually received the proceeds of disposing or otherwise realising into cash the value of all the components (including, for the avoidance of doubt, disposing or otherwise realising any securities or other assets distributed in kind by the Underlying Fund (as that term is defined in the PDS) in respect of the redemption of any Underlying Fund units) of the Reference Basket if the hypothetical investor had actually disposed of or otherwise realised those investments on the relevant date referred to in paragraph (a) above or at the next opportunity to dispose of or otherwise realise the value of those investments after that date.



# Section 16: Put Option Agreement

**Corporations Act** means the Corporations Act 2001 (Cth).

**Documents** means:

- (a) this Agreement;
- (b) the Application Form;
- (c) a document that the Put Purchaser, the Guarantor (if applicable) and ANZ agree is a 'Document'; and
- (d) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in paragraphs (a) to (c) above.

**Dollars, \$ and A\$** mean the lawful currency of Australia.

**DRP** means a distribution reinvestment plan established or offered by the Responsible Entity to facilitate, or any requirement of the Responsible Entity to require the, application of distributions paid on Units toward the acquisition of additional Units.

**External Administrator** means an administrator, controller (as defined in the Corporations Act), receiver, receiver and manager, trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

**Fund** means the ANZ Discovery Asia Fund (ARSN 129 944 547), a managed investment scheme established by the Responsible Entity.

**Government Agency** means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

**GST** has the meaning given in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**ILSA** means the investment linked swap agreement to be entered into between ANZ and the Responsible Entity dated on or about the date of this Agreement.

**Insolvency Event** means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7B body, is taken to be unable to pay its debts under section 585, of the Corporations Act;

(b) except with ANZ's consent:

- (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
- (ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;

(c) an External Administrator is appointed to it or any of its assets or a step is taken to do so;

(d) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;

(e) it stops or suspends payment to creditors generally;

(f) if the party is an individual person or a partnership including an individual person:

- (i) that party gives to the Official Receiver a proposal for a debt agreement under Part IX of the Bankruptcy Act;
- (ii) that party makes a debt agreement under Part IX of the Bankruptcy Act;
- (iii) that party appoints a controlling trustee under Part X of the Bankruptcy Act;
- (iv) a meeting is convened of that person's creditors under Part X of the Bankruptcy Act;
- (v) a "Personal Insolvency" document is executed in respect of that party under Part X of the Bankruptcy Act;
- (vi) that party has any attachment, distress, execution or other process made or levied against its assets;
- (vii) that party commits an act of Bankruptcy under section 40 of the Bankruptcy Act, a sequestration order is made against that person's estate, or an application is made to a court of competent jurisdiction for such an order; or

(g) an analogous or equivalent event to any listed above occurs in any jurisdiction.

**Issue Date** means the date of the initial issue of Units pursuant to the PDS, expected to be 30 June 2008.

**Issue Price** means:

- (a) for Units issued pursuant to the PDS which form part of the Put Property, \$1.00 per Unit; and
- (b) for Units not covered by paragraph (a) which form part of the Put Property, the price at which Units are issued under the Fund constitution as determined by the Responsible Entity.

**Liquidation** means:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors generally or any class or group of them.

## Section 16: Put Option Agreement

**Loan** means the financial accommodation (if any) provided by ANZ to a Put Purchaser to enable the Put Purchaser to purchase Units in the Fund pursuant to a Loan Agreement.

**Loan Agreement** means a loan agreement in the form set out in the PDS entered into by ANZ, the Borrower, and the Guarantor (if applicable) in respect of the Loan.

**Loss** means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

**Marketable Security** means:

- (a) a marketable security as defined in the Corporations Act;
- (b) a negotiable instrument; and
- (c) a unit or other interest in a trust or partnership.

**Maturity Date** means 29 July 2016.

**Non-Borrower** means a holder of Units in the Fund other than a Borrower.

**PDS** means the product disclosure statement in relation to the Fund dated on or about 19 March 2008.

**Power** means any right, power, discretion or remedy of:

- (a) if the Put Purchaser is a Borrower, ANZ, a Receiver or an Attorney under any Document, the Loan Agreement or applicable law; or
- (b) if the Put Purchaser is a Non-Borrower, ANZ or an Attorney under any Document or applicable law.

**Premium Payment Period** means:

- (a) in the period to (and including) the Maturity Date, each period of 12 months or such other period agreed to by ANZ, provided that:
  - (i) the first Premium Payment Period in respect of such period commences on (and includes) the Issue Date; and
  - (ii) the final Premium Payment Period in respect of such period commences on (and includes) the seventh anniversary of the Issue Date and ends on (but excludes) the Maturity Date; and
- (b) in respect of the period from (and including) the Maturity Date (if applicable), each period of one month or such other period agreed to by ANZ, provided that:
  - (i) the first Premium Payment Period in respect of such period commences on (and includes) the Maturity Date; and
  - (ii) the final Premium Payment Period in respect of such period ends on (but excludes) the Put Date.

**Proceeds** means all money (in whatever currency) and amounts payable to a Put Purchaser or to which the Put Purchaser is entitled now or in the future (whether alone or with any other person) on any account or in any way whatever under, or as holder of, any Marketable Securities or Rights, including distributions, dividends, bonuses, profits, returns of capital, interest and all proceeds of sale, redemption or disposal.

**Put Date** means the later of:

- (a) the Maturity Date; and
- (b) the Business Day falling 5 Business Days after the Cash Settlement Payment Date.

**Put Option** means a put option granted by ANZ to the Put Purchaser to require ANZ to purchase the Put Property of the Put Purchaser on the Put Date for an amount equal to the Strike Price.

**Put Premium** means an amount equal to:

$$0.25\% \text{ per annum } \times A \times (B/C)$$

where A = the amount specified in the Application Form of the Put Purchaser (or such lesser amount the Responsible Entity accepted as payment from or on behalf of the Put Purchaser in respect of the application for Units pursuant to the PDS);

where B = the number of Units that comprised the Put Property on the Issue Date and which continue to comprise part of the Put Property at the beginning of the relevant Premium Payment Period (calculated on a last in, first out basis); and

where C = the number of Units that comprised the Put Property on the Issue Date.

**Put Property** means the Units that are specified in the Application Acceptance in respect of the Put Purchaser to be subject to the Put Option, including the Rights in relation to those Units (and including, for the avoidance of doubt, any Units issued to the Put Purchaser pursuant to the DRP as a result of the application of distributions paid on those Units), that are in existence at the Put Date, and any certificate, registration or other evidence of ownership of, or rights to, those things, each as reduced in accordance with this Agreement.

**Put Purchaser** means the person identified as the applicant in the Application Form, who has indicated in that Application Form that it requests that the Put Option be made available to it by ANZ and who has been notified by ANZ that ANZ agrees to make the Put Option available to it.

**Receiver** means a receiver or receiver and manager appointed under the Loan Agreement.

## Section 16: Put Option Agreement

**Responsible Entity** means HFA Asset Management Limited (ABN 25 082 852 364) or such other person as is the responsible entity of the Fund from time to time.

**Rights** means:

- (a) rights to acquire Marketable Securities arising because the Put Purchaser has an interest in the Put Property, including due to any Adjustment Event in relation to any of the Put Property;
- (b) if the Put Purchaser is a Borrower, the rights of the Put Purchaser under the provisions of Part C of the Loan Agreement relating to any of the Put Property; and
- (c) any other rights of a Put Purchaser of any kind in connection with the Put Property, including in relation to any Proceeds.

**Strike Price** means:

$$A \times (B/C)$$

where A = the amount specified in the Application Form of the Put Purchaser (or such lesser amount the Responsible Entity accepted as payment from or on behalf of the Put Purchaser in respect of the application for Units pursuant to the PDS);

where B = the number of Units that comprised the Put Property on the Issue Date and which continue to comprise part of the Put Property on the Put Date (calculated on a last in, first out basis); and

where C = the number of Units that comprised the Put Property on the Issue Date.

**Tax** means any tax, levy, duty, rate, impost or charge imposed, levied or assessed by a Government Agency, and any related penalty, fine, fee or interest. It includes stamp duty, GST and transaction taxes and duties.

**Units** an ordinary fully paid unit in the Fund acquired by the Put Purchaser and to which the Put Option relates (including, for the avoidance of doubt, Units in the Fund issued pursuant to the DRP as a result of the application of distributions paid on Units to which this Put Option relates).

### 10.2 Interpretation

In this Agreement:

- (a) any undertaking, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (b) unless stated otherwise, all interest, amounts in the nature of interest and fees are to be calculated on a daily basis and 365 days;
- (c) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;
- (d) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting;
- (e) examples and use of the word **including** and similar expressions do not limit what else may be included; and
- (f) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day.

Unless the context requires otherwise, a reference in this Agreement to:

- (i) a party to any document includes that person's successors and permitted substitutes and assigns;
- (ii) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (iii) time is to Sydney time unless stated otherwise; and
- (iv) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement.

### 10.3 Put Purchaser as trustee

If a trust is referred to in the Application Form in relation to the Put Purchaser, each Document to which that person is a party and each obligation it incurs under the Documents binds it in its personal capacity and as trustee of the relevant trust.

### 10.4 Guarantor

References in this document to the Guarantor only have application if there is a Guarantor in respect of the relevant Put Purchaser (in its capacity as a Borrower).



# *Section 17*

## *Application Form*



# Application Form Checklist

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747

Please complete and send to:

ANZ Discovery Asia Fund

Reply Paid 12366

A'Beckett Street VIC 8006

### Application checklist

In addition to completing the Application Form it is necessary to provide HFA and ANZ with additional information and documentation to assist with customer verification procedures with regard to the AML/CTF Act and Rules. Please complete the checklist below for the relevant Investor Type you specify in part 2 of the Application Form, and the Investment Funding alternative you select in part 1 of the Application Form. Ensuring the following information is provided will enable a smooth application process.

Please note that it may be necessary to complete more than one part of the Application Form depending on the structure of your holding. For example, a Trustee Company lodging a loan application will need to complete each of the following parts: Loan Applicant, Trust AND Company. If you are unable to provide the documentation specified below please contact Australia and New Zealand Banking Group Limited (ANZ) on **1800 204 693** for alternative documentation which may be accepted.

HFA and ANZ reserve the right to request further documentation and have absolute discretion to accept or reject any application subject to the receipt of full documentation. Where any document is in a language that is not English it must be accompanied by an English translation prepared by an accredited translator.

Please send the original Application Form with original signatures (faxes are not acceptable) and all additional supporting documents to the address provided on the Application Form.

### Individual

- Complete parts 1, 2, 3, 4(a), 5, 6, 7 and sign at the end of part 10 (please also see additional parts to complete if you select a Loan and/or Put Option in part 7); and
- Certified copy of a valid passport or driver's licence (with clear image, current residential address details (if drivers licence) and expiry date); and
- Original or certified copy of a utility bill or bank statement no more than 3 months old; and
- A certified copy of Power of Attorney is required if any other person is acting on your behalf in addition to a certified copy of a valid passport, or driver's licence, for that same person.

### Joint

- Complete parts 1, 2, 3, 4(a), 4(b), 5, 6, 7 and provide all signatures at the end of part 10 (please also see additional parts to complete if you select a loan and/or put option in part 7); and
- Certified copy of a valid passport or driver's licence (with clear image, current residential address details (if drivers licence) and expiry date) for each individual; and
- Original or certified copy of a utility bill or bank statement, no more than 3 months old for each individual; and
- A certified copy of Power of Attorney is required if any other person(s) is(are) acting on your behalf(s) and certified copy of valid passport or driver's licence for that person.

### Company

- Complete parts 1, 2, 3, 4(a), 4(b), 4(c), 5, 6, 7 and provide signatures at the end of part 10 (please also see additional parts to complete if you select a loan and/or put option in part 7); and
- Tick the box to identify the director(s) nominated as guarantor in part 4(a) and/or 4(b); and
- A certified list of your authorised signatories, otherwise instructions will only be accepted if signed by the signatories in part 10; and
- Certified copies of valid passports or driver's licence for 2 directors (or director and company secretary, or sole director) and all beneficial owners (i.e. persons holding 25% or more of the shares in the company).

# Application Form Checklist

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747  
Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

### Trusts

- Individual Trustees - Complete parts 1, 2, 3, 4(a), 4(b), 4(d), 5, 6, 7 and provide signatures at the end of part 10 (please also see additional parts to complete if you select a loan and/or put option in part 7); and
- Corporate Trustees - Complete parts 1, 2, 3, 4(a), 4(b), 4(c), 4(d), 5, 6, 7 and provide signatures at the end of part 10 (please also see additional parts to complete if you select a loan and/or put option in part 7); and
- Tick the box to identify the individual trustee(s) or director(s) who are nominated as guarantor in section 4(a) and/or 4(b); and
- Certified copies of valid passports or driver's licence for all individual trustees and original or certified copies of utility bills or bank statements. If a Corporate Trustee, certified copies of valid passports or driver's licence for 2 directors (or director and company secretary) and all beneficial owners (i.e. persons holding 25% or more of the shares in the corporate trustee); and
- In relation to the name of the Trust, an original, certified copy or certified extract of the Trust Deed or a Notice (such as a Notice of Assessment) issued by the Australian Taxation Office within the last 12 months, and the full name of each beneficiary.

### Partnership/Incorporated and Unincorporated Association/Registered Co-operative/Governments Body

- Complete part 1, 2, 3, 4(a), 4(b), 4(e), 5, 6, 7 and provide signatures at the end of part 10 (please also see additional parts to complete if you select a loan and/or put option in part 7); and
- Tick the box to identify the person(s) nominated as guarantor in Part 4(a) and/or 4(b); and
- A certified list of your authorised signatories, otherwise instructions will only be accepted if signed by the signatories to the Application; and
- Certified copy of partnership agreement, certificate of registration of Co-operative and certificate of registration of association; and
- Certified copies of valid passports, or drivers licence for the person(s) identified in Part 4(a) and 4(b) and all beneficial owners (i.e. persons holding 25% or more of the shares in the company) if any.

**Note:** If your business is unregistered please complete this Application as an individual.

### Guarantor

- For all company applications, at least one of the directors of the company is required to act as guarantor for the applicant. If the Applicant is a Trust, at least one individual trustee, or one of the directors of the Corporate Trustee will be required to act as guarantor for the applicant. Please specify the guarantor by ticking the relevant box in either 4(a) or 4(b); and
- The guarantor must sign the application form in the specified section on the signatures page (i.e. in addition to signing in their capacity as director or trustee of the Applicant).

### All Loan Applicants

- Complete part 9 and provide the most recent payslip or tax return (and if applicable, guarantor's payslip or tax return), and
- Complete and sign the ANZ direct debit authorization in part 8 (please do not send a cheque).

### All Applicants applying with their own funds (including superannuation funds)

- Complete and sign the HFA direct debit authorization in Appendix C, or provide a cheque for payment made payable to NNL OCA HFA Application A/C.

# Application Form Checklist

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747  
Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

### All Put Applicants

Complete and sign the ANZ direct debit authorisation in part 8 (please do not send a cheque).

### Other

Please contact ANZ on **1800 204 693** for a specific list of the additional information and documentation requirements particular to your circumstances prior to completing the application form.

### Certification of documents:

Copies of documentation can be certified as true copies of the original by any of the following with at least two years experience in their profession:

- an Attorney, Lawyer, Accountant, Justice of Peace or Notary Public; or
- your financial advisor or private banker.

Please note that the above individuals can not certify their own documents (e.g. you can not certify your own driver's licence, passport or utility bill).

The certification should state:

*"This is a true copy of the seen original".*

and include the following detail about the person certifying on each certified copy:

- Name of certifying person
- Firm
- Position of person at the firm
- Representative number (in case of a financial advisor)
- Contact phone number of certifying person
- Signature of certifying person
- Date

# Application Form

## ANZ Discovery Asia Fund

By affixing their Adviser Stamp, Advisers verify the acknowledgements and representations listed under part 10 of this Application Form.

HFA Asset Management Limited  
Australian Financial Services Licence 246747

Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

Wealth Focus Pty Ltd  
AFSL 314872  
PO Box 760, Manly NSW 1655  
Adviser Stamp

Tel: 1300 55 98 69

This Application Form is used to apply for Units only, Units and a Put Option, or Units, Loan and Put Option offered under the ANZ Discovery Asia Fund Product Disclosure Statement (PDS) dated 19 March 2008. It is advisable to read the PDS before applying for Units. An incomplete Application Form will not be accepted.

### Instructions to complete

- Please complete the application form using **BLUE INK** and print within boxes in CAPITAL LETTERS.

### 1. Account Designation

Please specify the name in which Units will be registered. This should correspond to and contain the name of the Applicant in Section 4. Maximum 38 Characters.

Please indicate below your Application Amount (minimum application of \$10,000 with increments of \$1,000 thereafter OR if you are borrowing from ANZ, the minimum Loan application is \$50,000 with increments of \$10,000 thereafter):

- How will you be funding this investment?:
- Obtaining a loan from ANZ, or  
 Cash Investment

### 2. Investor type

#### (a) Are you a new investor or an existing investor in a HFA fund?

New investor  Existing investor  Give details of your existing investor number below

Existing investor number (Please leave blank if this is a first application):

Existing investor name:

Are you an existing customer of ANZ?

Yes  Please provide details:

#### (b) What type of investor are you? (must be completed)

- Individual  Go to part 4(a)  
Joint individuals  Go to part 4(a) and 4(b)  
Company  Go to part 4(a), 4(b) & 4(c)  
Trust (other than superannuation)  Go to part 4(a) and/or 4(b), 4(c) & 4(d)  
Superannuation  Go to part 4(a) and/or 4(b), 4(c) & 4(d)  
Other – please specify  Go to part 4(a), 4(b) & 4(c)

### 3. Adviser Details

Adviser Company Name:

Adviser name:

Dealer group:  AFSL number:

Mailing address: Unit no:  Street no:  Street name:

Suburb:  State:  Postcode:

Telephone number:  Fax number:

Email address:

HFA Adviser Number:  Adviser Commission:  or

(if you do not have a HFA Adviser Number, please write 'TBA' and a HFA Adviser Number will automatically be generated for you.)



# Application Form

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747  
Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

### 4. Applicant details

(a) Applicant details 1 Tick box if this is the guarantor for a company and trust applicant

Select one of the following options:

- |  |  |
|--|--|
| <input type="checkbox"/> Individual Applicant                                      | <input type="checkbox"/> Individual Trustee Applicant            |
| <input type="checkbox"/> Sole Director of Corporate Applicant or Corporate Trustee | <input type="checkbox"/> Director of Corporate Trustee           |
| <input type="checkbox"/> Director of Corporate Applicant                           | <input type="checkbox"/> Authorised Officer (for part 4(e) only) |

Title:   
Surname:   
Given name(s):

Residential street address: (This must be a physical street address and cannot be a post office box).

Unit no:  Street no:  Street name:   
Suburb:  State:  Postcode:

Time spent at current address:  If less than 18 months – previous address and duration:

Tax File Number:  Or exemption:

Date of Birth:  /  /  Place of Birth(town/city):

Place of Birth(country):  Passport No.:  Nationality:

Driver's Licence No.:  Occupation:  Employer:

Length of current employment:  If less than 18 months – previous employment and duration:

Source of Wealth:

Employment:  Personal investments:  Other(please specify):

(b) Applicant details 2 Tick box if this is the guarantor for a company and trust applicant

Select one of the following options:

- |  |  |
|--|--|
| <input type="checkbox"/> Joint Individual Applicant              | <input type="checkbox"/> Joint Individual Trustee Applicant    |
| <input type="checkbox"/> Joint Director of Corporate Trustee     | <input type="checkbox"/> Joint Director of Corporate Applicant |
| <input type="checkbox"/> Authorised Officer (for part 4(e) only) |  |

Title:   
Surname:   
Given name(s):

Residential street address: (This must be a physical street address and cannot be a post office box).

Unit no:  Street no:  Street name:   
Suburb:  State:  Postcode:

Time spent at current address:  If less than 18 months – previous address and duration:

Tax File Number:  Or exemption:

Date of Birth:  /  /  Place of Birth(town/city):

Place of Birth(country):  Passport No.:  Nationality:

Driver's Licence No.:  Occupation:  Employer:

Length of current employment:  If less than 18 months – previous employment and duration:

Source of Wealth:

Employment:  Personal investments:  Other(please specify):

# Application Form

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872  
PO Box 760  
Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747  
Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

### (c) Company details

Please ensure company directors details are completed in 4(a) and 4(b).

Select one of the following:  Company Applicant  Trustee for  
 Responsible entity for  Custodian for  
 Other, please specify: \_\_\_\_\_

Full company name: \_\_\_\_\_

Full registered business name (if applicable):  
\_\_\_\_\_

Full street address of registered office: (This must be a physical street address and cannot be a post office box.)

Unit no: \_\_\_\_\_ Street no: \_\_\_\_\_ Street name: \_\_\_\_\_

Suburb: \_\_\_\_\_ State: \_\_\_\_\_ Postcode: \_\_\_\_\_

(This must be a physical street address and cannot be a post office box.)

Full street address of principal place of business:

Unit no: \_\_\_\_\_ Street no: \_\_\_\_\_ Street name: \_\_\_\_\_

Suburb: \_\_\_\_\_ State: \_\_\_\_\_ Postcode: \_\_\_\_\_

Tax File Number<sup>T</sup>: \_\_\_\_\_

ABN: \_\_\_\_\_ OR ACN/ARBN: \_\_\_\_\_

Country of registration/establishment:  Australia  Foreign<sup>^</sup>, please specify \_\_\_\_\_

Are you a regulated company:  Yes<sup>^</sup>  No

Name of regulator/Registration body: \_\_\_\_\_

Details of relevant licence: \_\_\_\_\_

<sup>^</sup> HFA reserves the right to request further documentation.

Source of Wealth:

Employment:  Personal investments:  Other(please specify): \_\_\_\_\_

### Declaration of Beneficial Ownership

This section must be completed by the beneficial owners of the company or corporate trustee. Beneficial owners are persons who control 25% or more of the shares in the company or corporate trustee. For the purpose of this declaration a beneficial owner is the person(s) who owns or benefits from this account. The beneficial owner(s) of this account is/are:

Person identified as Applicant 1:  Person identified as Applicant 2:  Other person(s) identified below:

**(i) Beneficial Owner 1** (In addition to, or instead of persons identified in 4(a) or 4(b) above)

Title: \_\_\_\_\_

Surname: \_\_\_\_\_

Given name(s): \_\_\_\_\_

Residential street address: (This must be a physical street address and cannot be a post office box.)

Unit no: \_\_\_\_\_ Street no: \_\_\_\_\_ Street name: \_\_\_\_\_

Suburb: \_\_\_\_\_ State: \_\_\_\_\_ Postcode: \_\_\_\_\_

Tax File Number<sup>T</sup>: \_\_\_\_\_ Or exemption: \_\_\_\_\_

Date of Birth: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Place of Birth(town/city): \_\_\_\_\_

Place of Birth(country): \_\_\_\_\_ Passport No.: \_\_\_\_\_ Nationality: \_\_\_\_\_

Driver's Licence No.: \_\_\_\_\_ Occupation: \_\_\_\_\_ Employer: \_\_\_\_\_

Source of Wealth:

Employment:  Personal investments:  Other(please specify): \_\_\_\_\_

# Application Form

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

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Reply Paid 12366

A'Beckett Street VIC 8006

### (ii) Beneficial Owner 2 (In addition to, or instead of persons identified in 4(a) or 4(b) above)

Title:

Surname:

Given name(s):

Residential street address: (This must be a physical street address and cannot be a post office box).

Unit no:  Street no:  Street name:

Suburb:  State:  Postcode:

Tax File Number<sup>T</sup>:         Or exemption:

Date of Birth:   /   /   Place of Birth(town/city):

Place of Birth(country):  Passport No.:  Nationality:

Driver's Licence No.:  Occupation:  Employer:

Source of Wealth:

Employment:  Personal investments:  Other(please specify):  \_\_\_\_\_

### (d) Trust

Please ensure corporate trustee details are completed in 4(c) and individual trustee details are completed in 4(a) and 4(b).

Type of trust (must be completed)

- Registered managed investment scheme
- Regulated trust/Superannuation fund
- Government superannuation fund
- Wholesale trust
- Any other trust, please specify \_\_\_\_\_

Name of trust:

ABN:         Tax File Number<sup>T</sup>:

Superannuation Fund Number:

ARSN for registered scheme:

Country of establishment:  Australia  Other, please specify \_\_\_\_\_

Source of Wealth:

Employment:  Personal investments:  Other(please specify):  \_\_\_\_\_

If you are a trust applicant AND you intend to borrow from ANZ to finance the purchase of Units, ANZ will need to confirm your ability to borrow and grant a mortgage under your trust deed. Consequently, you must either:

- a) arrange for your solicitor to complete the declaration set out in Appendix A, and submit that signed declaration with your Application Form; OR
- b) provide a complete and current copy of your trust deed to ANZ, who will arrange for a review of the relevant terms for a fee of A\$250, to be direct debited from your account specified in part 8.

This requirement is **not** applicable to superannuation funds or trust applicants who are only buying Units or Units and a Put Option.

- Please tick this box if you would like ANZ to arrange for a review of your trust deed. The fee of \$250 will be deducted from your account specified in part 8.



# Application Form

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### 6. Other Investor Information

#### (a) Annual Financial Report

If you elect to receive a copy of the Fund's annual report, we are required by law to provide a copy to you free of charge (which will be sent to your specified email address). If you do not elect to receive a copy, then you may access the Annual Report on our website at [www.hfaam.com.au](http://www.hfaam.com.au) (we will notify you of the website address each year).

Please mark if you would like to receive a copy of the Annual Report each year.

I wish to receive a copy of the Annual Report each year

#### (b) Account Operating Instructions

##### • Joint Applicants:

If you do not cross a box below we will assume "Both to sign together".

Either to sign  Both to sign together

##### • Company Applicants:

If you do not complete this section, all future written instructions regarding your investment must be executed by two directors or by a director and company secretary.

Any one officer to sign  All directors or director and company secretary to sign

#### (c) Correspondence

All correspondence is to be mailed/emailed to the investors and the Financial Adviser.

#### (d) Distribution Reinvestment Plan and Distributions

##### • Loan and /or Put Option Investors

ANZ require that the Distribution Reinvestment Plan is mandatory for Investors who have borrowed under the Loan Agreement and/or have purchased a Put Option. Any distributions will be automatically invested in new Units.

##### • Direct Investors (with no Loan or Put Option)

HFA may require that any distributions are reinvested in new Units (see section 13.2 of the PDS). In the event that distributions are able to be paid as cash please indicate if you would prefer your distributions\*:

- reinvested in the ANZ Discovery Asia Fund; or
- directly deposited to your bank account (as in part 8).

\* If a preference is not indicated your distribution will be reinvested in the Fund. Any cost incurred by HFA in paying distributions may be payable by the Investor.

#### Other Distributions to Investors

In the event of an amount being due to you from ANZ or HFA, the amount will be direct credited to the account nominated in part 8 of this Application Form.

# Application Form

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### 7. Investment Funding Alternatives

#### 7.1 ANZ Loan

If you are funding your investment amount (as specified in part 1 of this Application Form) by a principal Loan from ANZ please select one of the following interest options:

Pay interest in advance:

- Annual Reset Fixed Rate Option – interest rate fixed for 1 year
- Term Fixed Rate Option – interest rate fixed for term of Loan

**If you selected one of these options please complete parts 8 & 9 of this Application Form.**

**Note:** if you do not select an option ANZ will assume you want to fix your rate for the term.

#### 7.2 Cash Investors

- Payment out of my own funds, to be deducted by HFA from my nominated account specified in Appendix C, pursuant to the HFA Direct Debit Service Agreement. **(Please complete Appendix C)**
- Payment by Cheque

If you are not drawing down a Loan from ANZ to fund your investment in the ANZ Discovery Asia Fund, you may still acquire a Put Option from ANZ to protect the value of your investment. Please indicate below if you would like to purchase a Put Option from ANZ **(this box need not be selected if you are drawing down a Loan from ANZ because the Put Option is mandatory for borrowers).**

**Would you like to purchase a Put Option from ANZ?**

- Yes, I DO want to purchase a Put Option from ANZ. (Please complete Appendix B and Part 8).**

If you are not a Borrower and you do not select this box, ANZ will assume that you DO NOT want to purchase a Put Option from ANZ to protect your investment. If you are borrowing funds from ANZ you are required to purchase a Put Option from ANZ (i.e. you are deemed to have selected "yes").

# Application Form

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### 8. ANZ Direct Debit Request Service Agreement

Interest rates in relation to your Loan will be set by ANZ on or around 16 June 2008, and will be posted on the **ANZ website at [www.anz.com/Structured-Investments](http://www.anz.com/Structured-Investments)**.

ANZ will direct debit interest due under your Loan as well as the Protection Fee for Applicants buying a Put Option from the bank account specified below if and when your application is accepted.

ANZ will also direct debit a fee of A\$250 from the following account for trust applicants who have requested a review of their trust deed (refer part 4(d)).

Direct debits are expected to be processed from 16 June 2008 to 25 June 2008 upon your Application Acceptance but may be processed on any other date in accordance with the terms of the Direct Debit Request.

**An amount sufficient to cover your total payment obligations must be in the specified account by no later than 15 June 2008.**

**PLEASE NOTE THAT YOU CANNOT SUPPLY A THIRD PARTY BANK ACCOUNT. THIS MEANS THAT THE BANK ACCOUNT BELOW MUST BE IN THE NAME OF THE INVESTOR MAKING THIS APPLICATION.**

*Request and Authority to debit the account named below to pay ANZ*

<b>Request and Authority to debit</b>	<b>Applicant name</b> _____ <b>ACN / ARBN</b> _____ ("YOU") request and authorise <b>ANZ</b> to arrange, through its own financial institution, for any ANZ branch (user ID number 144263 or 144301) to debit or charge you to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified below and paid to ANZ subject to the terms and conditions of the Direct Debit Request Service Agreement. ANZ will only arrange for funds to be debited from your account if we have notified you or your financial adviser of the amount payable by you and when it is due. Such notification can be given verbally, by email or in writing.
<b>Insert the name and address of financial institution at which account is held</b>	<b>Financial institution name:</b> _____ <b>Address:</b> _____ _____
<b>Insert details of account to be debited</b>	<b>Name of account:</b> _____  <b>BSB number:</b> _____ <b>A/C Number</b> _____
<b>Acknowledgment</b>	By signing this Direct Debit Request you acknowledge having read and understood the terms and conditions governing the debit arrangements between you and ANZ as set out in this Request and in your Direct Debit Request Service Agreement (refer to Appendix B of this Application Form).
<b>Insert your signature and address</b>	<b>All persons in the account name must sign. If using a joint account both signatures are required, even if you have authorised your bank to operate with one signature.</b> <b>Signature:</b> _____ <b>Signature:</b> _____ <b>Name (please print)</b> _____ <b>Name (please print)</b> _____ <small>(If signing for a company, sign and print full name and capacity for signing eg. Director)</small> <b>Address:</b> _____ _____ <b>Date:</b> _____

# Application Form

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### 9. Loan Details

To enable ANZ to make an assessment of your Loan application, please provide:

- (a) a copy of the most recent payslip or tax return for the applicant and the guarantor (if applicable); and
- (b) the following information in respect of the applicant and the guarantor (if applicable). Financial data should be provided by reference to the applicant's current status, without including the Loan and/or Put Option being applied for in this application.

Applicant's asset and income details – In the case of joint applicants, please provide aggregate asset and income information. In the case of a company, trust, or other applicant, please provide asset and income information for the company or the trust respectively.

#### Assets

Cash	\$	_____
Shares	\$	_____
Managed Funds and Other liquid investments	\$	_____
Residential property	\$	_____
Investment Property	\$	_____
Other Assets (please specify)	\$	_____
<b>Total Assets</b>	<b>\$</b>	<b>_____ (A)</b>

#### Liabilities

Loans secured against shares and managed funds	\$	_____
Loans secured against residential property	\$	_____
Loans secured against investment property	\$	_____
Personal unsecured loans (e.g. leases, credit cards)	\$	_____
Guarantees granted	\$	_____
Other Liabilities (please specify)	\$	_____
<b>Total Liabilities</b>	<b>\$</b>	<b>_____ (B)</b>
<b>NET ASSETS (= A - B):</b>	<b>\$</b>	<b>_____</b>

#### Annual Income

Salary (gross)	\$	_____
Rental and dividend income	\$	_____
Other income	\$	_____
<b>Total Gross income</b>	<b>\$</b>	<b>_____</b>
Tax payable	\$	_____
<b>Total After Tax Income</b>	<b>\$</b>	<b>_____ (C)</b>

#### Annual Expenditure

Mortgage and interest payments on secured loans detailed above	\$	_____
Interest payment on unsecured loans detailed above	\$	_____
Living expenses and school fees	\$	_____
Other expenses	\$	_____
<b>Total Expenditure</b>	<b>\$</b>	<b>_____ (D)</b>
<b>NET INCOME AVAILABLE (= C - D):</b>	<b>\$</b>	<b>_____</b>



# Application Form

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### Guarantor's asset and income details

#### Assets

Cash	\$	_____
Shares	\$	_____
Managed Funds and Other liquid investments	\$	_____
Residential property	\$	_____
Investment Property	\$	_____
Other Assets (please specify)	\$	_____
.....		_____
<b>Total Assets</b>	<b>\$</b>	<b>_____ (A)</b>

#### Liabilities

Loans secured against shares and managed funds	\$	_____
Loans secured against residential property	\$	_____
Loans secured against investment property	\$	_____
Personal unsecured loans (e.g. leases, credit cards)	\$	_____
Guarantees granted	\$	_____
Other Liabilities (please specify)	\$	_____
<b>Total liabilities</b>	<b>\$</b>	<b>_____ (B)</b>

**NET ASSETS (= A - B):** \$

#### Annual Income

Salary (gross)	\$	_____
Rental and dividend income	\$	_____
Other income	\$	_____
<b>Total Gross income</b>	<b>\$</b>	<b>_____</b>
Tax payable	\$	_____
<b>Total After Tax Income</b>	<b>\$</b>	<b>_____ (C)</b>

#### Annual Expenditure

Mortgage and interest payments on secured loans detailed above	\$	_____
Interest payment on unsecured loans detailed above	\$	_____
Living expenses and school fees	\$	_____
Other expenses	\$	_____
<b>Total Expenditure</b>	<b>\$</b>	<b>_____ (D)</b>

**NET INCOME AVAILABLE (= C - D):** \$

# Application Form

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### 10. Declaration and signature

#### All Applicants

All applicants, by signing this Application Form:

(a) acknowledge that:

- i. until Units are allocated to me on the Allocation Date, HFA may accept or reject my/our application for Units in the ANZ Discovery Asia Fund at its complete discretion and may with my/our consent amend my/our Application Form; and
- ii. until any Units are allocated to me I will have no interest in the ANZ Discovery Asia Fund;

(b) declare that:

- i. if signing as an attorney, the power of attorney authorises the signing of this Application Form and no notice of revocation has been received;
- ii. I/we am/are not minor(s) and do not suffer from any other legal disability preventing the execution of this Application Form;
- iii. if signing in a capacity other than a personal capacity, in addition to being bound in that other capacity, I/we agree to be bound in an unlimited personal capacity, and
- iv. I/we have full legal capacity to complete and lodge this Application Form and be bound by the Loan Agreement and Put Option Agreement (if applicable) and have taken all action that is necessary to authorise this Application and be bound by the Loan Agreement and Put Option Agreement (if applicable);

(c) declare that before completing this Application Form, I/we have received a copy of the PDS inviting subscriptions for Units in the ANZ Discovery Asia Fund and I/we have fully read and understood the PDS;

(d) represent that I/we have reviewed the PDS and Application Form to the extent that I/we consider necessary, and have made my/our own independent investigation and appraisal of the taxation, legal, economic and credit aspects associated with this investment, including obtaining independent advice where I/we deem necessary;

(e) represent that I/we have not relied in any way whatsoever on any statements made by, or purported to be made by, HFA or ANZ or their related entities or any of their respective servants, agents, employees or representatives in relation to this investment, other than as set out in the PDS and Application Form, and acknowledge that HFA and ANZ have not made any representations to me/us with regard to the suitability or appropriateness of this investment to my/our individual circumstances or the tax consequences of making this investment or drawing down the Loan or purchasing the Put Option;

(f) declare that all information provided in this Application Form is true and correct to the best of my/our knowledge, acknowledge that HFA and ANZ may and will rely on this information, and I/we agree to indemnify ANZ against any loss or claim of or against HFA and ANZ to the extent that the loss or claim arises from or is connected with any breach of any of the representations contained in this Application Form;

(g) agree to accept the issuance of Units in the ANZ Discovery Asia Fund on the terms and conditions of the constitution of the ANZ Discovery Asia Fund (and be bound by such constitution) and the PDS to which this Application Form is attached;

(h) acknowledge that neither HFA or ANZ or their related bodies corporate, affiliates, associates or officers:

- i. guarantees the performance of the ANZ Discovery Asia Fund;
- ii. guarantees that the ANZ Discovery Asia Fund will achieve a particular rate of return; or
- iii. guarantees the repayment of capital from an investment in the ANZ Discovery Asia Fund;

(i) understand that nothing in the PDS or Application Form can be considered investment advice or a recommendation to invest in Units or to obtain the Loan and/or Put Option;

(j) acknowledge that investments in the ANZ Discovery Asia Fund are not deposits with or other liabilities of ANZ, HFA Asset Management Limited ABN 25 082 852 364 or related bodies corporate, affiliates, associates or officers of any of the above entities and are subject to investment risk, including possible delays in repayment and loss of income and capital invested;

(k) offer to acquire Units, and enter into the Loan Agreement and the Put Option Agreement (if applicable), on the terms set out in this Application Form and the PDS, and acknowledge that such offers may be accepted by HFA and/or ANZ (as the case may be) in the manner and on the terms set out in this Application Form;

# Application Form

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**IMPORTANT – You should NOT sign this declaration unless this Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.**

- (l) declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for business or investment purposes (or for both purposes);
- (m) acknowledge that my/our application for Units may be accepted by HFA or ANZ notifying me/us or my/our adviser of such acceptance and I/we acknowledge that I/we shall be bound by the terms of the constitution of the ANZ Discovery Asia Fund and the PDS to which the Application Form is attached;
- (n) represent that I/we am/are Australian resident(s) for tax purposes;
- (o) By signing this Application Form, I/we acknowledge and agree that:
  - I/we are not aware and have no reason to suspect that the advance under the Loan Agreement will be related or applied to any money laundering, terrorism financing or similar activity illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement (AML/CTF);
  - I/we will provide HFA, ANZ and their Service Providers with all additional information and assistance they may request in order for them to comply with any AML/CTF Law; and
  - HFA, ANZ and their Service Providers may decide to delay or refuse any request or transaction if they are concerned that the request or transaction may breach any obligation, or cause them to commit or participate in an offence, under any AML/CTF Law, and they will incur no liability to you if they do so.

### Put Option Applicants

Applicants who have applied for a Put Option also:

- (p) represent I/we have read and understood the Put Option Agreement in section 16 of this PDS to which this Application Form is attached and agree to be bound by, and in the case of joint Applicants, agree to be jointly and severally bound by, the provisions of the Put Option Agreement;
- (q) acknowledge the Put Option will be granted subject to the terms and conditions of the Put Option Agreement;
- (r) acknowledge ANZ may accept or reject my/our application for a Put Option at its complete discretion and may with my/our consent amend my/our Application Form; and
- (s) acknowledge the Put Option Agreement is deemed to be entered into between myself/ourselves, the Guarantor (if any) and ANZ and I/we will be bound by the terms of the Put Option as relevant, upon ANZ communicating its acceptance to HFA, and HFA and/or ANZ advising we/us in accordance with paragraph (m).

### Loan Applicants (including Guarantors)

Applicants who have applied for a Loan (which for such purposes will include each Guarantor) also:

- (t) represent they have read and understood the Loan Agreement in section 15 of this PDS to which this Application Form is attached, and agree to be bound by, and in the case of joint Applicants, agree to be jointly and severally bound by, the provisions of the Loan Agreement;
- (u) acknowledge the Loan will be granted subject to the terms and conditions of the Loan Agreement;
- (v) acknowledge ANZ may accept or reject my/our application for a Loan and Put Option at its complete discretion and may with my/our consent amend my/our Application Form;
- (w) acknowledge that my/our obligations under the Loan Agreement including my/our obligation to repay the Loan and pay interest costs, break costs and any other fees and charges that may apply are not affected by:
  - i. the success or failure of ANZ or HFA;
  - ii. the level of return from or loss of money from an investment in Units in the ANZ Discovery Asia Fund; or
  - iii. any illegality in connection with ANZ, HFA or the PDS offering inviting subscription for Units in the ANZ Discovery Asia Fund; and
- (x) acknowledge that if my/our application for a Loan is accepted, the Loan Agreement is deemed to be entered into between myself/ourselves, the Guarantor (if any) and ANZ, and I/we shall become bound by the terms of the Loan Agreement and Mortgage referred to in the Loan Agreement upon ANZ communicating its acceptance to HFA, and HFA and/or ANZ advising me/us in accordance with paragraph (m).

### Guarantors

- (y) In addition to the matters set out in paragraph 10(s) to (w), Guarantors by signing this Application Form agree that where more than one Guarantor signs this form:
  - i. each Guarantor agrees to be bound by the terms of the Loan Agreement as a Guarantor;
  - ii. the obligations of each Guarantor under the Loan Agreement are joint and several;
  - iii. the Loan Agreement binds each Guarantor notwithstanding that one or more of them may not be or may cease to be bound by the terms of the Loan Agreement;

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- iv. the obligations of each Guarantor under the Loan Agreement will not be affected by any obligation of any one or more of them being or becoming wholly or partially illegal, voidable or unenforceable for any reason whatsoever (whether or not ANZ knew or ought to have known of such reason); and
- v. each reference to the Guarantor in the Loan Agreement shall include each Guarantor.

### Advisers

- (z) Advisers by adding their Adviser Stamp to this Application Form:
- i. acknowledge that I am either an Australian Financial Services Licensee or an authorised representatives of an Australian Financial Services Licensee and that, in relation to this application, I have only provided financial services that are within the scope of the Australian Financial Services Licence applicable to me;
  - ii. acknowledge that I have complied with the relevant disclosure requirements, including all relevant requirements in relation to the disclosure of fees, and any requirement to provide Product Disclosure Statements, Financial Services Guides, Statements of Advice or any other disclosures required by the Corporations Act;
  - iii. represent that I have taken adequate steps to check and verify the Applicant's identity (including the directors, beneficial owners and trustees listed in the Application) by checking and verifying the identity, nationality, residential address and signature of the Applicant;
  - iv. represent that I have taken adequate steps to assist in the prevention of money laundering activities which steps may include, without limitation identifying the Applicant's source of wealth and monitoring of any unusual transactions;
  - v. represent that I have, in relation to Loan Applicants, assessed and confirmed their capacity to pay all present and future interest and principal amounts; and
  - vi. represent that I have assessed the suitability of this product and other relevant factors for the Applicant and have only recommended or distributed it as I consider it suitable for the Applicant, taking into account the Applicant's investment objectives, financial situation and particular needs.

### Privacy

The personal information we ask you to supply in this Application Form is not required by law but we may not be able to accept your application if the information is not supplied. The personal information collected from you will not be used or disclosed except for a purpose set out below, in accordance with an authority given by you, for a purpose you would reasonably expect, or where required or permitted by law. If at any time you wish to access the personal information held about you by ANZ and/or HFA, you are welcome to request that information.

- 1) I/We acknowledge that the personal information about me/us provided to ANZ and HFA in this Application Form is collected and used for the following purposes (as relevant):
  - to assess whether to accept my/our application and to provide and administer the Loan and Put Option (if applicable) or whether to accept me as Guarantor;
  - to prepare any documentation relevant to and to maintain the Loan, Units or Put Option under the Loan and Put Option Agreements;
  - to effect investments in Units in my/our name(s);
  - to communicate with me/us in relation to the Units, Loan and Put Option (if applicable);
  - to comply with legislative or regulatory requirements; and
  - to perform ANZ's and HFA's administrative operations.
- 2) I/We agree that ANZ and/or HFA:
  - may give certain information about me/us to a credit reporting agency in order to obtain a credit report about me/us. The information which may be given is covered by s18E(1) of the Privacy Act 1988 (Cth) (the "Act") and may include, as relevant, identity particulars and the fact that I/we applied for credit or have offered to act as a Guarantor;
  - may, in assessing whether to accept my application and to provide the Loan and Put Option (if applicable) to me or to accept me as a Guarantor, seek and obtain information about me from a credit reporting agency or another credit provider and give information about me to another credit provider including, in each case, information about credit worthiness, history, standing or capacity which credit providers are permitted by the Act to obtain or receive;
  - (for Applicants only) may give such information about me to any of ANZ's or HFA's related bodies corporate or any person proposing to be a Guarantor or who is a Guarantor for purposes of managing the investment or any returns on the investment held on my/our behalf;
  - may give personal information about me/us to:
    - a) ANZ's and HFA's agents, contractors and external advisers;
    - b) regulatory bodies, government agencies, law enforcement bodies and courts; and
    - c) the entities in which investments are made and/or to any agents or contractors for the purpose of administering or enforcing the Loan and/or Put Option (if applicable);
  - may collect personal information about me/us from, and give it to, my/our executor, administrator, trustee, guardian or attorney and my/our agents and representatives (including my finance broker, legal and financial adviser).

even if the disclosure of my/our personal information is to an organisation overseas which is not subject to privacy obligations equivalent to those which apply to ANZ.

# Application Form

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747

Please complete and send to:

ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

- 3) I/We represent that, if at any time I/we supply ANZ and HFA with personal information about another individual, I am/we are authorised to do so and agree to inform that individual of who ANZ and HFA are and of the matters set out in this section of the Application Form.

### ONLY PERSONS WITHIN AUSTRALIA MAY APPLY UNDER THIS PDS.

Dated: \_\_\_\_\_

### SIGNED, SEALED AND DELIVERED by:

#### (Individual Applicant, Joint Applicants or Individual Trustee Applicant)

X \_\_\_\_\_  
First Applicant's Signature

X \_\_\_\_\_  
Second Applicant's Signature

X \_\_\_\_\_  
First Applicant's Name

X \_\_\_\_\_  
Second Applicant's Name

### ADDITIONAL DECLARATION – INDIVIDUAL APPLICANTS ONLY

In addition, Applicants that are individuals acknowledge and agree by signing this Loan Application Form that:

– I/we declare that the credit provided to me/us by the credit provider is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

**IMPORTANT:** You should **not** sign this declaration unless this loan is wholly or predominantly for business or investment purposes. By signing this declaration you may **lose** your protection under the Consumer Credit Code.

X \_\_\_\_\_  
First Applicant's Signature

X \_\_\_\_\_  
Second Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

### (Company Applicant or Corporate Trustee Applicant) Executed by:

\_\_\_\_\_  
Company Name

Affix Company Seal (if you have one):

X \_\_\_\_\_  
Director's Signature

X \_\_\_\_\_  
Director / Secretary's Signature

X \_\_\_\_\_  
Director's Name

X \_\_\_\_\_  
Director / Secretary's Name

### (Guarantor for Company or Trust Applicants)

X \_\_\_\_\_  
Guarantor's Signature

X \_\_\_\_\_  
Guarantor's Name

### For office use only

Loan Agreement and Put Option Agreement dated: \_\_\_\_\_

OR

Put Option Agreement dated: \_\_\_\_\_

SIGNED for ANZ by its authorised representatives: \_\_\_\_\_

# Appendix A

## ANZ Discovery Asia Fund

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747

Please complete and send to:

ANZ Discovery Asia Fund

Reply Paid 12366

A'Beckett Street VIC 8006

### THIS SECTION IS TO BE COMPLETED BY THE TRUSTEE APPLICANT'S SOLICITOR

I, \_\_\_\_\_, am a solicitor holding an unrestricted practising certificate.

[ insert name of solicitor ]

I act for \_\_\_\_\_ (the "Trustee")

and the \_\_\_\_\_ (the "Trust"),

[ insert name of trust ]

for which the settlor is \_\_\_\_\_,

[ insert name of settlor ]

and the beneficiaries are: \_\_\_\_\_

\_\_\_\_\_ [ insert name(s) ]

I have examined the following documents:

1. this Product Disclosure Statement and any supplemental product disclosure statements relating to the ANZ Discovery Asia Fund (together the "Product Disclosure Statement"), including the Loan Agreement and Put Option Agreement set out therein;
2. the application by the Trustee in its capacity as trustee of the Trust for Units in the ANZ Discovery Asia Fund, and for the Loan and Put Option or Put Option as applicable (the "Application");
3. the trust deed establishing the Trust (the "Trust Deed"); and
4. all other documents necessary for me to give the opinion in this letter.

Based on my examination of those documents, it is my opinion that the Trustee:

1. has full legal capacity and power under the Trust Deed to:
  - (a) lodge the Application; and
  - (b) carry out the transactions that the Application, Product Disclosure Statement, Loan Agreement and Put Option Agreement contemplate;
2. has taken all action that is necessary or desirable under the Trust Deed or at law to:
  - (a) authorise the Application;
  - (b) carry out the transactions that the Application, Product Disclosure Statement, Loan Agreement and Put Option Agreement contemplate; and
  - (c) ensure that the Application, Loan Agreement and Put Option Agreement are legal, valid and binding on it; and
3. has the right to be fully indemnified out of the assets of the Trust to satisfy any liability arising under, or in connection with, the transactions that the Application, Product Disclosure Statement, Loan Agreement and Put Option Agreement contemplate.

I have not advised on the commerciality of the transactions that the Application and Product Disclosure Statement contemplate.

This letter is for the sole benefit of ANZ, Australia Branch and its related entities (together "ANZ"), and ANZ may rely on this letter in deciding whether to accept the Application and may do so whether or not it has been given or seen a copy of the Trust Deed.

\_\_\_\_\_

Solicitor Name

\_\_\_\_\_

Solicitor Firm

\_\_\_\_\_

Street Number & Name or PO Box

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Suburb / City

State

Postcode

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature

Print Name

Date

# Appendix B

## ANZ Discovery Asia Fund

### ANZ Direct Debit Request – Customer Service Agreement

HFA Asset Management Limited  
Australian Financial Services Licence 246747  
Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

#### **Our commitment to you,**

##### **Drawing arrangements:**

We will advise you, in writing, the details of the ANZ direct debit drawing arrangements at least 2 calendar days prior to the first drawing.

Where the due date falls on a non-business day, we will draw the amount on the next business day.

We will not change the amount or frequency of drawing arrangements without giving you at least fourteen (14) days written notice.

We reserve the right to cancel the ANZ direct debit drawing arrangements if three or more drawings are returned unpaid by your nominated Financial Institution and to arrange with you an alternate payment method.

We will keep all information pertaining to your nominated account at the Financial Institution, private and confidential.

##### **Your rights:**

You may terminate the direct debit drawing arrangement or stop payment of a drawing under the ANZ direct debit drawing arrangement at any time by giving written notice directly to us, or through your nominated Financial Institution. Notification of your intention to terminate the direct debit drawing arrangements must be received at least 7 business days prior to the due date.

You may request changes to the drawing arrangements by contacting us and advising your requirements no less than 7 business days prior to the due date.

Where you consider that a drawing has been initiated incorrectly (that is, outside the ANZ direct debit drawing arrangements) you may take the matter up directly with us, or lodge a Direct Debit Claim through your nominated Financial Institution.

#### **Your commitment to us,**

##### **Your responsibilities:**

It is your responsibility to ensure that sufficient funds are available in the nominated account to meet a drawing on its due date.

It is your responsibility to ensure that the authorisation given to draw on the nominated account is identical to the account signing instruction held by the Financial Institution where the account is based.

It is your responsibility to advise us if the account nominated by you to receive the ANZ direct debit drawings is transferred or closed.

It is your responsibility to arrange with us a suitable alternate payment method if the ANZ direct debit drawing arrangements are cancelled either by yourselves or the nominated Financial Institution.

# Appendix C

## ANZ Discovery Asia Fund

### HFA Direct Debit Request & Service Agreement

#### ONLY FOR CASH INVESTORS

HFA Asset Management Limited  
 Australian Financial Services Licence 246747  
 Please complete and send to:  
 ANZ Discovery Asia Fund  
 Reply Paid 12366  
 1 Beckett Street VIC 8006

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

Request and Authority to debit the account named below to pay	
HFA Asset Management Limited	
Request and Authority to debit	Surname or company name _____ Given Names or ACN / ARBN _____ ("YOU") request and authorise <b>HFA Asset Management Limited (Direct Debit ID 338844)</b> to arrange, through its own financial institution, for any amount HFA Asset Management Limited has deemed payable by you. This debit or charge will be made through the Bulk Electronic Clearing System (BECS) from your account held at the financial institution you have nominated below and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.
Details of Direct Debit -Application amount	Single Direct Debit of your nominated account in favour of the ANZ Discovery Asia Fund Applications Account. <div style="border: 1px solid black; width: 100px; height: 20px; margin-left: 100px; text-align: center;">\$</div>
Insert the name and address of financial institution at which account is held	Financial institution name: _____ Address: _____ _____
Insert details of account to be debited	Note: If also purchasing a Put Option this bank account must be the same as that provided in Section 6 Name of account: _____ BSB number: _____ A/C Number _____
Acknowledgment	By signing <i>and/or</i> providing us with a <b>valid instruction</b> in respect to <i>your</i> Direct Debit Request, you have understood and agreed to the terms and conditions governing the debit arrangements between you and <b>HFA Asset Management Limited</b> as set out in this Request and in your Direct Debit Request Service Agreement.
Insert your signature and address	Signature: _____ (If signing for a company, sign and print full name and capacity for signing eg. Director) Address: _____ Date: _____
Insert your signature and address	Signature: _____ (If signing for a company, sign and print full name and capacity for signing eg. Director) Address: _____ Date: _____



# Appendix C

## ANZ Discovery Asia Fund

### HFA Direct Debit Request & Service Agreement

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747  
Please complete and send to:  
ANZ Discovery Asia Fund  
Reply Paid 12366  
A'Beckett Street VIC 8006

The following is your Direct Debit Service Agreement with HFA Asset Management Limited. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your DDR form.

#### Definitions

**account** means the account held at *your financial institution* from which we are authorised to arrange for funds to be debited.

**agreement** means this Direct Debit Request Service Agreement between *you* and *us*.

**banking day** means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

**debit day** means the day that payment by *you* to *us* is due.

**debit payment** means a particular transaction where a debit is made.

**direct debit request** means the Direct Debit Request between *us* and *you*.

**us** or **we** means **HFA Asset Management Limited**, (the Debit User) *you* have authorised by signing a *direct debit request*.

**you** means the customer who signed the *Direct Debit Request*.

**your financial institution** means the financial institution nominated by *you* on the DDR at which the *account* is maintained.

#### 1. Debiting your account

1.1 By signing a *Direct Debit Request*, *you* have authorised *us* to arrange for funds to be debited from *your account*. *You* should refer to the *Direct Debit Request* and this *agreement* for the terms of the arrangement between *us* and *you*.

1.2 We will only arrange for funds to be debited from *your account* as authorised in the *Direct Debit Request*.

or

We will only arrange for funds to be debited from *your account* if *we* have sent to the address nominated by *you* in the *Direct Debit Request*, a billing advice which specifies the amount payable by *you* to *us* and when it is due.

1.3 If the *debit day* falls on a day that is not a *banking day*, *we* may direct *your financial institution* to debit *your account* on the following *banking day*.

If *you* are unsure about which day *your account* has or will be debited *you* should ask *your financial institution*.

#### 2. Amendments by us

2.1 We may vary any details of this *agreement* or a *Direct Debit Request* at any time by giving *you* at least fourteen (14) days' written notice.

#### 3. Amendments by you

3.1 *You* may change, stop or defer a debit payment, or terminate this *agreement* by providing *us* with at least fourteen (14) days' notification by writing to: HFA Asset Management Limited, GPO Box 1616, Brisbane QLD 4001, or by telephoning *us* on 1300 30 90 92 during business hours; or by arranging it through *your own financial institution*.

#### 4. Your obligations

4.1 It is *your* responsibility to ensure that there are sufficient clear funds available in *your account* to allow a *debit payment* to be made in accordance with the *Direct Debit Request*.

# Appendix C

## ANZ Discovery Asia Fund

### HFA Direct Debit Request & Service Agreement

Wealth Focus Pty Ltd AFSL 314872

PO Box 760

Manly NSW 1655 Tel: 1300 55 98 69

HFA Asset Management Limited  
Australian Financial Services Licence 246747

Please complete and send to:

ANZ Discovery Asia Fund  
Reply Paid 12366

1 Beckett Street VIC 8006

- 4.2 If there are insufficient clear funds in *your account* to meet a *debit payment*:
- (a) *you* may be charged a fee and/or interest by *your financial institution*;
  - (b) *you* may also incur fees or charges imposed or incurred by *us*; and
  - (c) *you* must arrange for the *debit payment* to be made by another method or arrange for sufficient clear funds to be in *your account* by an agreed time so that we can process the *debit payment*.
- 4.3 *You* should check *your account* statement to verify that the amounts debited from *your account* are correct.
- 4.4 If HFA Asset Management Limited is liable to pay goods and services tax ("GST") on a supply made in connection with this *agreement*, then *you* agree to pay HFA Asset Management Limited on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

#### 5. Dispute

- 5.1 If *you* believe that there has been an error in debiting *your account*, *you* should notify us directly on 1300 30 90 92 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively *you* can take it up with your financial institution direct.
- 5.2 If we conclude as a result of our investigations that *your account* has been incorrectly debited we will respond to *your query* by arranging for *your financial institution* to adjust *your account* (including interest and charges) accordingly. We will also notify *you* in writing of the amount by which *your account* has been adjusted.
- 5.3 If we conclude as a result of our investigations that *your account* has not been incorrectly debited we will respond to *your query* by providing *you* with reasons and any evidence for this finding in writing.

#### 6. Accounts

*You* should check:

- (a) with *your financial institution* whether direct debiting is available from *your account* as direct debiting is not available on all accounts offered by financial institutions.
- (b) *your account* details which *you* have provided to *us* are correct by checking them against a recent *account* statement; and
- (c) with *your financial institution* before completing the *Direct Debit Request* if *you* have any queries about how to complete the *Direct Debit Request*.

#### 7. Confidentiality

- 7.1 We will keep any information (including *your account* details) in *your Direct Debit Request* confidential. We will make reasonable efforts to keep any such information that we have about *you* secure and to ensure that any of our employees or agents who have access to information about *you* do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about *you*:
- (a) to the extent specifically required by law; or
  - (b) for the purposes of this *agreement* (including disclosing information in connection with any query or claim).

#### 8. Notice

- 8.1 If *you* wish to notify *us* in writing about anything relating to this *agreement*, *you* should write to HFA Asset Management Limited, GPO Box 1616 Brisbane QLD 4001.
- 8.2 We will notify *you* by sending a notice in the ordinary post to the address *you* have given *us* in the *Direct Debit Request*.
- 8.3 Any notice will be deemed to have been received on the third *banking day* after posting.

# Notes

## Section 18: Corporate Directory

<b>Directors of HFA:</b>	Robert White Jonathan Pain Oscar Martinis
<b>Registered Office:</b>	Level 5 151 Macquarie Street Sydney NSW 2000
<b>Manager:</b>	HFA Asset Management Limited ABN 25 082 852 364 Phone: 1300 30 90 92 Fax: (07) 3229-7580 Post: GPO Box 1616 Brisbane Qld 4001 Email: <a href="mailto:contact@hfainvestments.com.au">contact@hfainvestments.com.au</a> Web: <a href="http://www.hfaam.com.au">www.hfaam.com.au</a>  Level 5 151 Macquarie Street Sydney NSW 2000  Level 27 101 Collins Street Melbourne VIC 3000  Level 14 10 Eagle Street Brisbane QLD 4000
<b>Custodian, Administrator &amp; Registry Provider:</b>	National Australia Bank Limited Level 21 500 Bourke Street Melbourne VIC 3000
<b>Fund Auditor:</b>	KPMG Riparian Plaza 71 Eagle Street Brisbane QLD 4000
<b>Solicitors to the Offer:</b>	McCullough Robertson Lawyers Level 11 66 Eagle Street Brisbane QLD 4000
<b>Tax Advisers:</b>	KPMG 147 Collins Street Melbourne VIC 3000
<b>Loan &amp; Put Option Provider:</b>	Australia and New Zealand Banking Group Limited Level 6 100 Queen Street Melbourne VIC 3000

