

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

Fee Reduction

As highlighted within our offers page, whilst most agribusiness schemes typically pay an entry fee of up to 8%. Applications lodged through Wealth Focus will receive a rebate of up to 8% in the form of a cheque once your application has been processed.

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

As such, we request that all new applications are sent with 'certified documentation'.

We have 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 A**

GUIDE TO COMPLETING THIS FORM

- Please contact us on 1300 55 98 69 if you have any queries.
- If you wish to apply in the name of a trust or company, please contact us for an alternative identification form.
SMSF's and retail superannuation applications do not need to provide ID (an online check will be performed for SMSFs)

Attach a certified copy of the ID documentation used as proof of identity. ID enclosed should verify your full name; and **EITHER** your 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.)

PART I – ACCEPTABLE PRIMARY ID DOCUMENTS

	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

	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
	AND ONE 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

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.

THE MACQUARIE ALMOND INVESTMENT 2011



IMPORTANT INFORMATION

A glossary of terms used in this Product Disclosure Statement ('PDS') appears on page 60.

Investments in the Macquarie Almond Investment 2011 are not deposits with, or other liabilities of, Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested.

None of Macquarie Bank Limited, Macquarie Alternative Assets Management Limited ABN 30 103 237 181, Macquarie Agricultural Services Pty Limited ABN 60 116 381 634, Macquarie Farm Assets and Resources Management Limited ABN 61 116 582 524 or other member companies of the Macquarie Group of companies guarantees any particular rate of return, the performance of, or the repayment of capital from this managed investment scheme.

This PDS is dated 28 April 2011.

This PDS invites you to apply for Interests in the Macquarie Almond Investment 2011 ARSN 150 304 993 (the 'Project'). This invitation is called the Offer.

The Offer is only available to Australian residents who receive this PDS in Australia. If you receive this PDS in electronic form, you are entitled to obtain a paper copy (including the Application Form and Finance Application Form) free of charge by calling 1800 080 033.

This PDS is available in paper form from MAAML at its address in the Directory at the back of this PDS and in electronic form on the Macquarie Almond Investment website at macquarie.com.au/almonds. Investors who wish to invest in Interests in the Project must complete and return an Application Form attached to this PDS or print, complete and return a copy of the Application Form accompanying this PDS on the Macquarie Almond Investment website. Interests will only be issued upon receipt of an Application Form which was attached to this PDS or which was printed from the Macquarie Almond Investment website.

The issuer of this PDS is Macquarie Alternative Assets Management Limited, being the responsible entity of the Project (the 'RE').

Almondco Australia Limited ABN 81 062 887 352 and Scholefield Robinson Horticultural Services Pty Ltd ABN 63 008 199 737, and their related bodies corporate are referred to in this PDS and in some instances their reports appear in this PDS. They are not issuers of this PDS and they take no responsibility for the contents of this PDS except for the statements made by or attributed to them respectively.

No person has been authorised by MAAML or any member of the Macquarie Group of companies to give any information or make any representations in connection with the Macquarie Almond Investment 2011 which is not in this PDS and if given or made, such information or representation must not be relied upon as having been authorised by MAAML or any member of the Macquarie Group of companies.

Before making an investment decision on the basis of this PDS, you should consider whether an investment in the Project is appropriate in view of your particular investment needs, objectives and financial and taxation circumstances. It is important that you read this entire PDS before making any decision to invest in the Project. In particular, in considering the prospects of the Project it is important that you consider the risk factors that could affect the financial performance of your investment. You should carefully consider these factors in light of your particular investment needs, objectives and financial and taxation circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risk factors that should be considered by prospective Investors are in Section 6 'Investment Risks'.

Information in this PDS may change from time to time. Updated information that is not materially adverse information may be provided on the Macquarie Almond Investment website at macquarie.com.au/almonds. A paper copy of the updated information is also available upon request and free of charge by contacting the RE (see the Corporate Directory at the back of this PDS for contact details). The issuer of this PDS may also be required to issue a supplementary PDS as a result of certain changes or to correct certain deficiencies, in particular where changes are materially adverse from the point of view of a reasonable person deciding as a retail investor whether to invest in Interests.

An Investment Loan may be available from Macquarie Bank or its nominee (the 'Lender') to fund part of your Investment in the Project subject to the Lender's normal lending criteria. You are not required to obtain a loan to make an Investment and can use your own funds or other loan funds. If you consider a loan from the Lender, then prior to borrowing under an Investment Loan offered by the Lender, you should ensure that you understand your payment obligations under the Loan and Security Agreement and ensure that they are appropriate in view of your particular needs and circumstances. The Loan and Security Agreement and Notice of Mortgage for the Macquarie Bank Investment Loans are included in Appendix C of this PDS. None of Macquarie Bank, its related bodies corporate and their directors, officers or employees makes any recommendation as to the suitability of this investment, or a loan from the Lender, for any Investor.

This PDS contains forward looking statements. Forward looking statements are based on a number of estimates, assumptions and pro forma adjustments that are subject to business, economic and competitive risks, uncertainties and contingencies, which are subject to change and in many cases are outside the control of the Macquarie Group of companies. These risks, uncertainties and contingencies include specific factors and risks as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statements and such deviations are both normal and to be expected.

The photographs in this PDS do not necessarily represent current activities or assets of the Project.

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The Macquarie Almond Investment 2011

The Macquarie Almond Investment 2011 provides you with an opportunity to carry on a business of cultivating, harvesting and selling almonds for commercial gain. Your business will be on part of an Orchard established on land located near Robinvale in the Sunraysia district of north-west Victoria, Australia.

The Macquarie Almond Investment 2011 represents an exciting opportunity to participate in the Australian almond industry, which is the fastest growing almond industry in the world.¹ The Macquarie Group of companies has been managing agribusiness investments since 2003 and this is the fifth Macquarie almond project offered to retail investors.

YOUR ALMOND BUSINESS

When you participate in the Project:

- you carry on a business of cultivating, harvesting and selling almonds
- you grow your almonds on your identifiable ¼ hectare Almond Lot in the Orchard. You have a licence to use your Almond Lot and the trees and water infrastructure on your Almond Lot
- you appoint Macquarie Alternative Assets Management Limited ('MAAML') to manage your business.

LOCATION OF THE ORCHARD

The Orchard is located 13km from the Murray River, in Victoria and is adjacent to the orchards developed for previous Macquarie Almond projects. The Orchard is partly established with 170 hectares of Established Orchard consisting of two and three year old trees and up to 50 hectares of additional land available for new planting (subject to investor demand and subscriptions being accepted). At least 77 per cent of your Almond Lots will be in the Established Orchard.



WHO MAY BE INTERESTED IN THIS INVESTMENT?

The Project might interest those who:

- are looking to diversify their investment portfolio
- would benefit from potential tax efficiency
- have a long term investment horizon
- have adequate cashflow to meet ongoing payment obligations
- want potential for annual income.

As with any investment, particularly of an agricultural nature, there are a number of risks involved, and there is no guarantee that your Investment will generate any returns, or that your capital will be repaid. These risks are outlined in Section 6 *Investment Risks*.

FINANCE OPTIONS

Investors have the option to borrow up to 100 per cent of their Application Payment² (subject to approval) through an Investment Loan provided by Macquarie Bank Limited.³

KEY DATES

The key offer dates are currently as follows. Any changes will be made on the Macquarie Almond Investment website at macquarie.com.au/almonds

Applications open	28 April 2011
Applications close	For Early Growers, on 15 June 2011 (or earlier if over subscribed) For Late Growers, at the discretion of the Responsible Entity (RE).

These dates are indicative only. MAAML reserves the right to vary the dates of the Offer without prior notice. Applications will usually be processed and Interests issued monthly but Interests will not be issued between 15 June 2011 and 1 July 2011. Applications for Interests are to be made by completing the Application Form at the back of this PDS.

1 On a percentage basis.

2 Application Payment inclusive of the GST amount.

3 You do not have to borrow to fund your Investment using the Investment Loan. You can use your own funds or other loan funds.



1 / Key
features of your
investment

This section of the PDS refers to some of the key features of the Macquarie Almond Investment 2011 and indicates where you can find further information in this PDS. You should read this entire PDS before deciding to invest in the Project.

TOPIC	SUMMARY	MORE INFORMATION
The Offer	<p>You are invited to apply for one or more Interests in the Macquarie Almond Investment 2011.</p> <p>Each Interest gives you a licence to grow Almonds on a ¼ hectare Almond Lot in the Orchard for the Project Term. You appoint Macquarie Alternative Assets Management Limited (the Project's responsible entity) to manage your Almond growing business for you by cultivating the Almonds and arranging for their harvest and sale.</p>	Section 4.1: How the Project works
Application Payment	<p>If your Application is accepted on or before 15 June 2011, you are an 'Early Grower'. The Application Payment by an Early Grower is \$8,910 (including \$810.00 GST) per Interest. Otherwise, you may apply to be issued with Interests after 30 June 2011 as a 'Late Grower' and pay an Application Payment of \$12,870 (including \$1,170.00 GST).</p> <p>Both Early Growers and Late Growers pay a total of \$16,280 per Interest (including \$1,480.00 GST) over the period ending 30 June 2013 (not including any variable management fees (described in Section 7 of this PDS) and will be responsible for various ongoing costs for the life of the Project.</p> <p>A default in payment of any fees or costs may have serious consequences, as described in Section 7.4 <i>Default in payment of fees</i>.</p>	Section 7: Fees and other costs
Term	<p>The Project Term is approximately 22 years with the first harvest on the Established Orchard expected in the first year. Following receipt of all your sale proceeds (if any) from Almonds harvested in the year ending 30 June 2032, all rights under the Project will terminate. After such termination, you have no entitlement to any Project assets (such as Almond trees or infrastructure) and you will have no further obligations.</p> <p>You should note that there is no right to withdraw from the Project. Furthermore, the Interests are not listed or intended to be listed on any stock exchange and it is unlikely that the Interests will be liquid or that there will be a secondary market for Interests.</p>	Section 4.1: How the Project works Section 6: Investment risks Appendix B: Material Contracts
Responsible Entity	<p>Macquarie Alternative Assets Management Limited ('MAAML') which is a wholly owned member of the Macquarie group of companies is the responsible entity ('RE') of the Project.</p>	Section 3.1: Responsible Entity
Why invest in Almonds?	<p>Almonds are a versatile nut and have a number of health benefits. Almonds are used in a wide variety of foods and the market for Australian almonds has been expanding in recent years and there has been strong demand for almonds from Asian countries.</p> <p>Although the Australian industry represents approximately four per cent of global production, it has grown rapidly in recent years, and Australia enjoys a number of advantages over other producing countries, such as a more reliable climate, consistent and higher nut quality and seasonal advantages.</p> <p>For further information about the almond industry, please see Section 2 <i>Why invest in almonds?</i> Please note, there is no assurance about the future levels of market size, demand or prices.</p>	Section 2: Why invest in Almonds?
Management team	<p>Your Almond business investment will be managed by an experienced team with expertise in horticulture and funds management. The Macquarie Almond Investment team currently comprises:</p> <ul style="list-style-type: none"> ■ MAAML – RE ■ Macquarie Agricultural Services Pty Limited – Orchard Manager ■ Scholefield Robinson Horticultural Services Pty Ltd – Independent Horticulturalist ■ Almondco Australia Limited – Processor and Marketer. 	Section 3: The Macquarie Almond Investment team

TOPIC	SUMMARY	MORE INFORMATION
An Almond business	<p>Your ¼ hectare Almond Lot allow you to use the Almond Trees and the Irrigation Infrastructure on the Almond Lot.</p> <p>Part of the Orchard has already been established, with approximately 170 hectares of the Almond Lots consisting of two and three year old Trees. A further 50 hectares of the Land may be available for development as New Orchard (subject to investor demand and subscriptions being accepted), meaning at least approximately 77 per cent of your Almond Lots will be on Established Orchard.</p> <p>Subject to seasonal conditions, mature almond trees produce an annual crop, and the RE has entered into a long term Supply Agreement with Almondco Australia Limited ('Almondco') as Processor and Marketer, for the processing and sale of your yearly harvest. Your Almonds will be pooled with the Almonds of all other Investors in the Project and you will be entitled to a Proportional Interest of any proceeds received from the sale of the pooled almonds.</p> <p>Each year during the Project Term you will incur and be required to pay fees as described below and in Section 7 <i>Fees and other costs</i>.</p>	<p>Section 4.1: How the Project works</p> <p>Appendix B.4: Almondco Agreement</p>
Joint ventures	<p>You may participate in the Project with another Investor as a joint holder. Usually joint holders are joint tenants and are treated for all purposes as one Investor without recognition of the separate individuals.</p> <p>You may also participate in the Project as a Joint Venturer, by noting on your Application two Investors who are First and Second Joint Venturers. They will each hold a Fractional Interest, which will be held by the two Joint Venturers as tenants in common. Each Joint Venturer will be liable for specified percentages of the Project Costs and will be entitled to share in any benefits derived from the Project in the proportion which their Fractional Interest bears to the whole Interest.</p>	<p>Section 7.7: Joint venturers</p> <p>Section 9.5: Joint venturers and loans</p>
Risks	<p>As with any investment, and in particular an agricultural investment, there are a number of risks involved, including demand and price risk, foreign exchange risk and agricultural risks such as pests, frost, water availability, drought, flood and fire, which may result in loss of crops or trees. There is no assurance that insurance of your almond trees will be available or at reasonable premiums. You should also note that the almond crop itself is not insurable. If insurance is unavailable or inadequate, you will not be covered (or may be insufficiently covered) for any loss.</p> <p>The Landowner has agreed with the RE to provide a certain amount of irrigation water for the Orchard in the form of Permanent Water Licences and/or Temporary Water. However, there are circumstances in which the ability to access water may be impeded. Further details about the arrangements that are in place for the RE to access water for irrigation of the Orchard can be found in section 6.1 of the PDS.</p> <p>There is no guarantee that your Investment will generate any returns, or that your capital will be repaid, and the potential risks (particularly risks that may affect demand and price) arising from current global economic conditions should also be considered.</p> <p>The Product Ruling issued by the ATO in respect of the Project only applies to Early Growers who fall within the circumstances prescribed in the ruling. In addition, future changes in tax laws or in their interpretation could affect the tax treatment of your Investment.</p> <p>You should read Section 6 <i>Investment risks</i> thoroughly for a detailed discussion of some of the key risks of investing in the Project.</p>	<p>Section 6: Investment risks</p>
Risk management measures	<p>The Project contains a number of risk management features including insurance, fees that vary with revenue, technical oversight by an Independent Horticulturalist, and exposure to the comprehensive Macquarie group operational risk management framework.</p>	<p>Section 6.3: How we aim to reduce downside risk</p>

TOPIC	SUMMARY	MORE INFORMATION
Fees and costs	<p>The fees and costs you pay during your Investment in the Project are outlined in Section 7 <i>Fees and other costs</i>. Fees include:</p> <ul style="list-style-type: none"> ■ a RE Fee for acting as responsible entity for the Project; ■ a Management Fee for managing your Almond Lots and arranging for the processing and sale of your Almonds; and ■ a Licence Fee for your Almond Lots Licence. <p>Please note that amounts are payable on a periodic basis regardless of the performance of your Investment.</p> <p>The RE can deduct any fees from your Total Proceeds from harvest and sale of almonds. If there are insufficient or no Total Proceeds to cover these costs, you will be required to pay the shortfall from your own resources.</p>	Section 7: Fees and other costs
Tax Treatment	<p>An Australian Taxation Product Ruling (PR 2011/7) has been issued for Early Growers in the Macquarie Almond Investment 2011. The Product Ruling confirms the tax treatment for Early Growers, assuming the conditions in the Product Ruling are met.</p> <p>At the date of this PDS, no product ruling had been issued for Late Growers in the Macquarie Almond Investment 2011. Please check the Project website at macquarie.com.au/almonds for any updates. You can obtain a paper copy of updates free of charge by contacting the RE (see the Directory for contact details).</p> <p>The tax treatment of the Project, and hence Project returns, will also depend on whether or not you are registered for GST.</p>	<p>Section 8: Tax Treatment</p> <p>Appendix A: Experts' reports</p>
Investment Loan	<p>You can apply for an Investment Loan from Macquarie to fund your Investment in the Project. You may fund up to 100 per cent of your Application Payment (including any GST component) and your subsequent contributions up to 30 June 2013.</p> <p>There are a variety of loan terms and options offered by Macquarie, including interest only, interest free and principal and interest loans.</p> <p>Availability of an Investment Loan is subject to the Lender's normal lending criteria. The Investment Loan is a full recourse facility, which means that you will have to make the loan repayments from your own resources regardless of the cost payable for and performance of your Investment.</p> <p>You do not have to obtain an Investment Loan from Macquarie to invest in the Project; you can invest using your own funds or other financing.</p>	<p>Section 9: Investment Loan</p> <p>Appendix C: Loan and Security Agreement and Notice of Mortgage</p>
Complaints	<p>MAAML provides a complaint handling and dispute resolution process for Investors and is a member of the Financial Ombudsman Service Limited.</p>	Section 10.5: Enquiries and Complaints
Labour, environmental, social and ethical considerations	<p>During the establishment and operation of the Orchard, the RE, the Landowner and the Orchard Manager are to adhere to all environmental laws and regulations and the practices prescribed by them.</p> <p>MAAML, as the RE, does not generally take account of labour standards, social considerations or ethical considerations when selecting, retaining or realising investments except to the extent that these decisions affect the profitability of the Project.</p>	Section 4.1.6: What are the environmental considerations?

TOPIC	SUMMARY	MORE INFORMATION
Commissions	MAAML may enter into arrangements with financial services licensees or their representatives ("Advisers") and others who refer clients to it under which it pays a commission to an Adviser where the Adviser's client invests in the Project or fees for referrals. Please read Section 7.3.2 <i>Adviser commissions and other benefits</i> , which sets out the commission amounts that we may pay Advisers and talk to your Adviser about its commission.	Section 7.3.2 Adviser commissions and other benefits
How to Apply	<p data-bbox="411 477 1145 622">After you have read this PDS, complete the enclosed Application Form. You should note that there is no cooling-off right for Corporations Act purposes, so once your Application is accepted by MAAML and your Interests have been issued you cannot change your investment decision or ask to withdraw.</p> <p data-bbox="411 633 1145 689">If you are applying for an Investment Loan from Macquarie, you should also complete the enclosed Finance Application Form.</p>	How to Apply

1



2 / Why invest
in almonds?

2.1 OVERVIEW OF THE ALMOND

The almond is an ancestor of the stone fruit such as nectarines, peaches, plums and cherries, and is categorised botanically as a fruit. The almond fruit grows on trees closely resembling peach trees in size and shape, and has a tough grey-green hull that looks similar to an elongated peach. At maturity, the hull splits open to reveal the almond shell, which encloses the nut.

Mature almond trees produce an annual crop harvested in late summer through to mid autumn. They start bearing fruit at around tree age three and reach full maturity around tree age seven. From late winter onwards, orchards need to be frost-free, have mild temperatures and minimal rainfall so blossoms can flourish and bees can pollinate them.

Almonds are a versatile nut with a wide range of uses. They can be consumed raw or marketed in various forms such as blanched, roasted, sweetened or salted. Almonds can also be used in a variety of ways, such as oils (which can be used in cosmetic bases), or for use in a number of food products such as cereals, confectionery and snacks. Almonds have a number of well documented health benefits. They are cholesterol free, low in saturated fat and a source of fibre. They are also a source of the antioxidant vitamin E in the form of alpha-tocopherol and contain protein, magnesium, calcium, potassium, copper, zinc and phytochemicals.

2.2 THE GLOBAL ALMOND MARKET

The future performance of global economies may affect your Investment to the extent that changes in economic conditions may positively or adversely influence the global demand and/or supply of almonds. It is difficult to predict what changes will occur in the short or long term demand and supply of almonds. Investors should consider the many factors that may influence future almond demand and price, including the material outlined in this Section 2, as well as Sections 5 and 6 of this PDS.

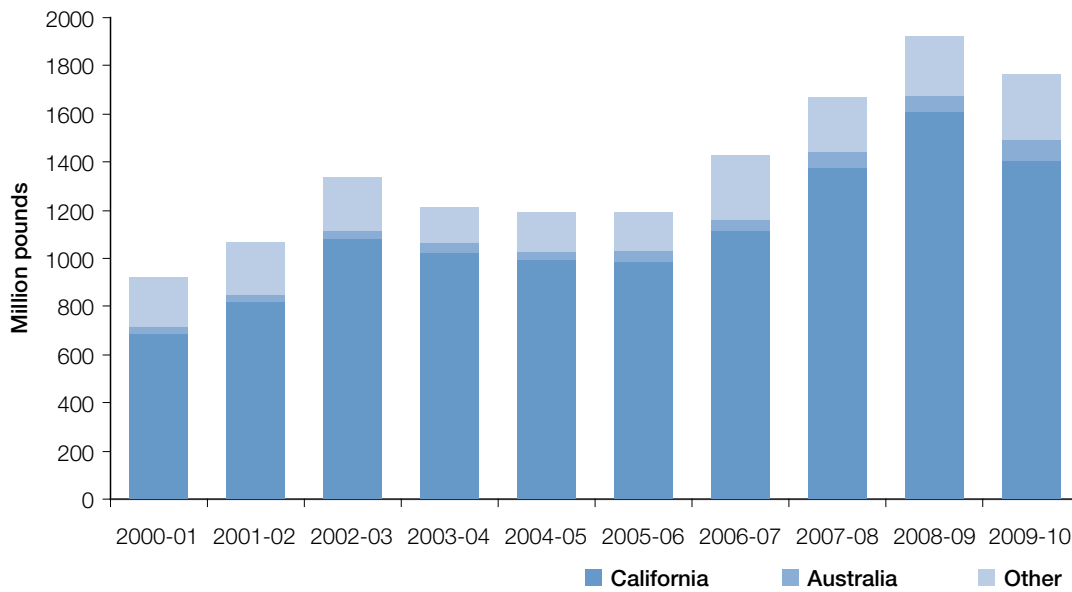
2.2.1 SUPPLY

The United States (US) is the world's largest producer of almonds, producing over 80 per cent of global commercial almond production, of which more than 69 per cent is exported. Almost all US almond production occurs in California, making California the largest supplier of almonds in the world. Currently, the world's second largest producer of almonds is Spain, producing approximately 10.7 per cent of global production with the majority of the remainder coming from Australia, the Mediterranean (Turkey, Italy and Greece) and Chile. Australia is currently the world's third largest producer of almonds, producing around 4.5 per cent of world almond supply and according to the Almond Board of Australia, it is forecast to surpass Spain as the world's second largest almond producer within the decade (by 2020).⁵

Chart 1 illustrates the global almond production (from all major producing countries) grew during the 2009/10 crop year. This amounted to approximately 1.76 billion pounds, of which 80 per cent was produced in California. This figure was lower than the record global production that was achieved in the 2008/09 year of 1.93 billion pounds, and was due primarily to a fall in production yields by the US California crop which fell from 1.61 billion pounds in 2008/09 to 1.41 billion pounds in 2009/10. Despite the falling production in 2009/10, rising demand contributed to worldwide shipments of US California almonds reaching a record 1.47 billion pounds of almonds during the 2009/2010 crop year. This marked the fourth consecutive year of record US almond shipments. The top five export destinations for Californian almonds were Spain, China, Germany, India and the United Arab Emirates. Figures from the first six months of the 2010/11 season (August 2010 to January 2011) on US almond shipments continue to break records over the past ten years, with shipments (sales) volumes 9.4 per cent above the previous corresponding six month period in the 2009/10 crop year. As the 2010/11 crop season will not be completed until August 2011, it is uncertain what the final level of sales will be for the entire 2010/11 crop year, and this will depend upon many factors including the overall level of demand in the period to August 2011 and those outlined in this Section 2 and Section 6 of the PDS.

5 Source: Almond Board of Australia: Australia Almonds Statistics Report, 2010.

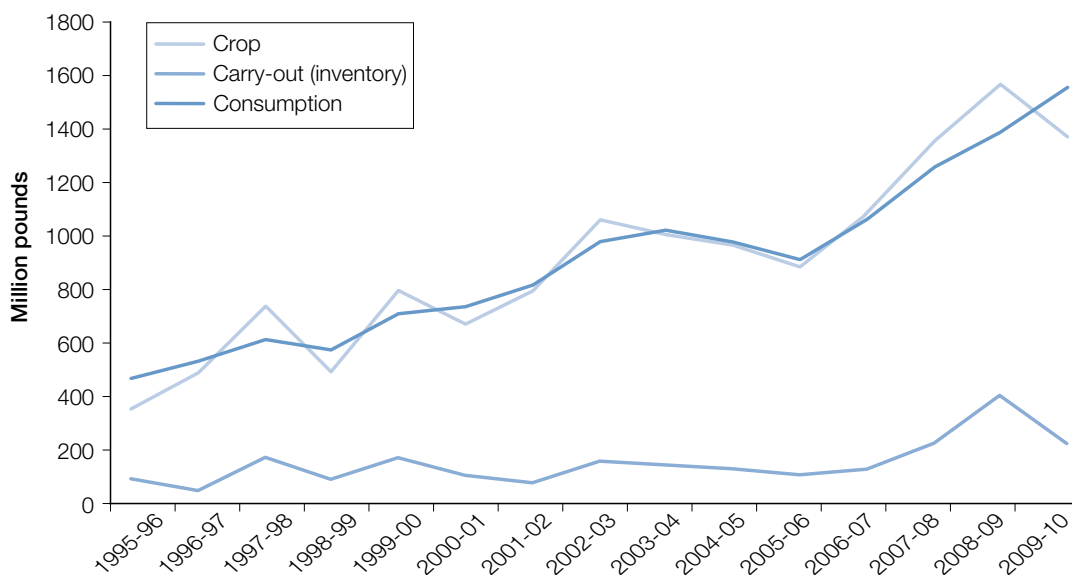
Chart 1: World almond production (from major producing countries) 2000/01–2009/10*



Source: Almond Board of California, 2010 Almanac

Chart 2 outlines US Californian almond production, consumption and inventory figures over the last fifteen years. During this period, the average compound growth rate in US California almond supply has been 8.7 per cent per annum, and this has been marginally outstripped by growth in consumption (demand) which has grown at a rate of 9.0 per cent per annum during the same period. Chart 2 illustrates that in the 2009/10 season, consumption of US California almonds exceeded crop production, leading to a decline in the amount of inventory (carry-out). This corresponded with a rise in US farm gate almond prices of 13.8 per cent between the 2008/09 and 2009/10 crop seasons. Future rates of growth in both production and consumption, as well as almond prices, will depend on the many factors influencing global almond supply and demand, including the effects resulting from global economic conditions and the influences described in this Section 2 and Section 6 of the PDS.

Chart 2: US California almond crop production, consumption and inventory 1995/96–2009/10*



Source: Almond Board of California, 2010 Almanac

* Past supply and consumption are not necessarily indicators of future supply consumption and levels. Supply and consumption are affected by many factors that are mentioned in this PDS.

2.2.2 DEMAND

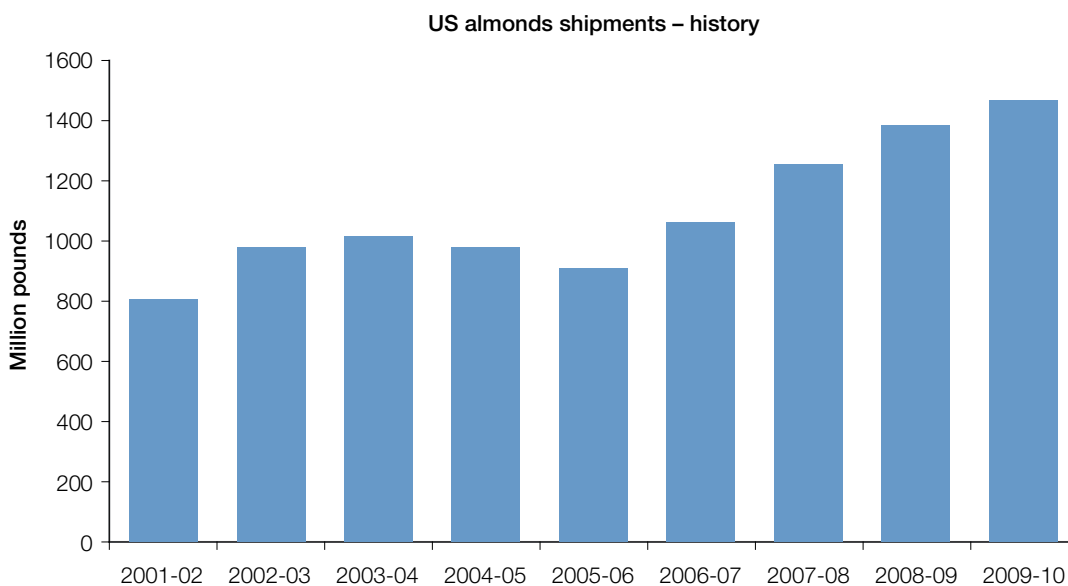
Global demand for almonds is led by the world's most dominant producer of almonds, California, where almond exports amounted to \$US1.92 billion in calendar year 2009. Consumer demand for US California almonds during the last fifteen years has increased by more than 330 per cent, from 464 million pounds in 1995/96 to 1,560 million pounds in 2009/10. This represents a rate of growth of nine per cent per annum compared to supply growth of 8.7 per cent during the same period. Chart 3 shows that demand for almonds, as measured by US California almond shipments (sales), has made consecutive all-time records during the last four years, and US California almond shipments for the first six months of the 2010/11 crop year are more than nine per cent higher than those for the previous corresponding period.

Global demand for California almonds comes from both consumers and food manufacturers, with the top five export destinations being Spain, China, Germany, India and the United Arab Emirates. According to the Almond Board of California, almond shipments (sales) to all of those five markets remained strong, with shipments to China increasing for the second year in a row, increasing by more than 33 per cent from 99.7 million pounds in 2008/09 to 133 million pounds in 2009/10.

Within the Asia-Pacific region, there has been increasing demand for almonds in recent years. In 2009/10, the Asia-Pacific region represented approximately 22 per cent of total US almond sales, with China and India representing the second and fourth largest export markets for the Californian almond industry. Exports of US California almonds to the Asia-Pacific region increased by more than 2.5 times between 2005/06 and 2009/10. For the Australian almond industry, India and the United Arab Emirates are currently the two largest export markets, representing approximately half of Australia's total export volume. In 2009/2010, India was Australia's largest almond export market representing 37 per cent of the Australian almond industry's total export value. While demand from these countries has been strong in recent times, the future demand for almonds is not certain and will depend on the many factors influencing global almond supply and demand, including the effects of global economic conditions and the influences described in this Section 2 as well as Sections 5 and 6 of the PDS.

2

Chart 3: US California almond shipments (sales) – 2001/02 to 2009/10*



Source: Almond Board of California

* Past Almond demand as represented by Almond shipments is not necessarily an indicator of future demand. Production, supply and demand are affected by many factors that are mentioned in this PDS.

2.3 THE AUSTRALIAN ALMOND INDUSTRY

2.3.1 OVERVIEW

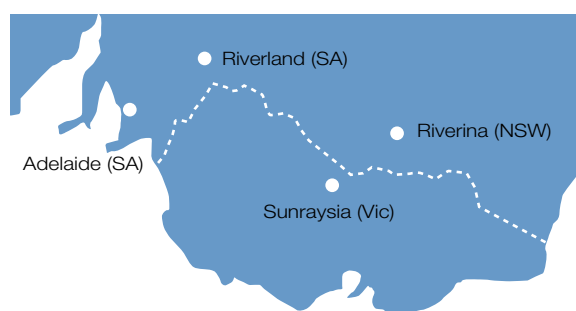
Commercial almond growing in Australia began in South Australia, being initially centred on the Central Adelaide Plains and then spreading to the Southern Districts and later the Northern Adelaide Plains. Today, Australian almonds are predominantly grown along the Murray River in south-eastern Australia, with the four major growing regions including Sunraysia, the Riverland in South Australia, the Riverina in southern New South Wales, and Adelaide in South Australia. These latter regions along the Murray River offer more potential than the traditional almond growing areas, due to various factors including:

- more suitable climate
- fewer disease problems
- adequate supply of irrigation water
- potential yields are higher
- larger holdings that allow even more economies of scale.

The industry has a current farmgate value of greater than \$250 million, with related exports of \$98 million. Additional production from newly planted orchards is expected to increase the industry's value to \$600 million by 2016. Almonds have become an attractive crop for investors because the industry has proven to be profitable and stable over the longer term.

Your almonds will be grown in Robinvale which is located in the Sunraysia region.

Figure 1: Major almond growing regions in Australia



Source: Almond Board Australia 'Australian Almond Statistics' Report 2010

Australian almonds are exported to more than 40 countries with exports currently representing 60 per cent of Australian almonds sales. Australia's almond bearing acreage is estimated to be 63,128 acres (or 25,547 hectares), representing approximately 87 per cent of total almond plantings in Australia. Total Australian almond acreage has increased six-fold over the past ten years, from 11,352 acres (4,595 hectares) in 2000 to more than 71,826 acres (29,200 hectares) in 2010. According to the Almond Board of Australia, it is approximated that only one quarter of Australian plantings have currently reached full maturity (eight years and older) with approximately 13 per cent of Australian almond plantings still at a non-bearing age (ie less than three years). As Australian almond plantings continue to mature, so too will Australian almond production.

2.3.2 ADVANTAGES

The Australian almond industry has a natural advantage with respect to exports, due to the counter seasonal timing of its almond production. With the rest of world's major almond producers being Northern hemisphere based, the timing of the Australian harvest means that Australian produce is available fresh to export markets, when all other produce from major world markets is older than six months.

In general, the Australian industry has several other potential advantages compared to California and other producing countries, including:

- a more reliable climate and access to adequate irrigation water of a good quality, which allows the local industry to consistently maintain high levels of production
- it is free of many pests and diseases that impact on production levels in other countries
- consistent and higher nut quality than most other countries
- the total Australian almond production includes over 56 per cent of the higher valued Non-Pareil variety compared to only 38 per cent in California
- Australia has a longer blossom period than California.

The Independent Horticulturalist believes that these factors, as well as a high level of skilled management in the industry, have resulted in productivity and nut quality in Australia being better and more consistent than most other countries.



3 / The Macquarie Almond Investment team

Macquarie has assembled an experienced team to manage your Investment. The team will deliver industry expertise across all elements of the management of your Investment. However, you should be aware that each of the parties listed below may change during the life of the Project.

3.1 RESPONSIBLE ENTITY (RE)

Macquarie Alternative Assets Management Limited ('MAAML') is the RE for the Project. MAAML is a wholly owned member of the Macquarie group of companies, and has, over the past six years, had experience as RE of forestry and almond projects.

MAAML is appointed by Investors to manage the Project and their individual businesses of growing, harvesting and selling Almonds. MAAML will subcontract some of its functions to Macquarie Agricultural Services Pty Limited ('MAS') (see Section 3.2 *Orchard Manager*). MAAML has also engaged the Independent Horticulturalist to provide technical and horticultural advice and review, and will arrange for the processing, marketing and sale of Investors' Almonds. MAAML will ensure that any agreements entered into are arm's length commercial contracts.

3.2 ORCHARD MANAGER

MAS, a wholly owned member of the Macquarie group of companies, is the manager of the Orchard. MAS's duties include:

- employing staff with the relevant expertise to manage a large scale almond orchard
- the establishment and operation of a large scale almond orchard using best practice horticultural techniques
- where necessary, sourcing and managing Contractors to undertake works on the Orchard
- as required, sourcing and managing horticultural and other consultants to advise on technical, horticultural, environmental and other matters
- administration, record keeping and reporting to the RE.

MAS is the orchard manager for the Macquarie Almond Investment 2006, the Macquarie Almond Investment 2007, Macquarie Almond Investment 2008 and the Macquarie Almond Investment 2009. MAS successfully established and is currently managing a 960 hectare Almond Orchard for these Projects.

The General Manager of MAS is currently Christopher Greig. Chris has over 44 years' experience in the development and operation of horticultural projects, including 20 years in the almond industry. Chris has overseen the establishment of a number of almond orchards. Most recently, Chris directed the successful establishment of a 1,200 hectare almond orchard, while managing a further 1,600 hectares. Chris has also directed the successful establishment and management of the orchards for the Macquarie Almond Projects for 2006, 2007 2008 and 2009.

3.3 TECHNICAL EXPERTISE AND INDEPENDENT HORTICULTURALIST

Scholefield Robinson Horticultural Services Pty Limited ('Scholefield Robinson') has been engaged by the RE to provide technical expertise and will be the Independent Horticulturalist. Scholefield Robinson's role includes the review of:

- land selected, capital works undertaken, irrigation systems implemented and overall establishment of the Orchard
- orchard management plans prepared by MAS
- contractor's performance.

Scholefield Robinson has been providing technical horticultural and agribusiness consulting services to growers and industry for over 17 years. Their consultants work across Australia from bases in Mildura and Adelaide, with a particular focus on the irrigated regions of the Murray Valley. They provide an independent service to industry, based on sound knowledge developed from work across many sectors of the horticultural industry.

Scholefield Robinson's experience in the almond industry includes:

- provision of technical support services to a number of large almond growers in South Australia and Victoria
- provision of independent management review services to a number of large investors in the industry
- undertaking several industry funded research projects, including looking at identification and management of new diseases affecting almonds such as Anthracnose and Bacterial Spot.

3.4 PROCESSOR AND MARKETER

The RE has entered into a long term Supply Agreement with Almondco Australia Limited ('Almondco') as Processor and Marketer to process, market and sell the harvested Almonds of the Project.

Almondco is a long established almond processor and marketer. It processes over 13,000 tonnes of almonds annually representing around 30 per cent of Australia's total production.

Almondco was formed as a grower cooperative in 1944. In 1994, it became a public unlisted company owned almost exclusively by almond growers. As such, Almondco's business objective is to provide the best possible return to growers.

Almondco's purpose-built almond processing facility is located in Renmark, South Australia. The present site was opened in 1995. This facility currently holds British Retail Consortium, BRC Issue 5, accreditation with SGS International Certification Services Pty Ltd, which provides independent certification of Almondco's quality management system.

Exporting since 1996, Almondco has an extensive network of international customers, located in various countries including the United Kingdom (UK), Germany, France, Belgium, Japan, the Middle East, New Zealand and India. Almondco's focus on consistently producing premium quality almond products has enabled them to secure business with some of the world's largest cereal and confectionery companies.



4 / Project overview

4.1 HOW THE PROJECT WORKS

4.1.1 WHAT IS THE PROJECT STRUCTURE?

You are invited to apply for Interests in the Macquarie Almond Investment 2011, a managed investment scheme registered with ASIC.

If your Application is accepted on or before 15 June 2011, you will be an 'Early Grower' in the Project and will be required to pay the initial amount payable on Application for Interests (being \$8,910 including \$810.00 GST). Otherwise, your Application may be accepted after 30 June 2011 as a 'Late Grower'. The difference between Early Growers and Late Growers is the initial amount payable on Application for Interests, but in either case, you will pay the total amount of \$16,280 (including \$1,480.00 GST) per Interest over the period ending 30 June 2013 (plus any variable Management Fees). See Section 7 *Fees and other costs* of this PDS.

Please note that Applications for Early Growers under this PDS will not be accepted after 15 June 2011 and Applications for Late Growers will not be accepted before 1 July 2011.

Upon acceptance by MAAML of your Application, you will be issued Interests in the Project pursuant to which you will carry on a business of cultivating, harvesting and selling Almonds.

For each Interest you hold in the Project, you will be granted a Licence to access and use one Almond Lot. An Almond Lot is an identifiable allotment of approximately $\frac{1}{4}$ hectare of Land located near Robinvale, in the Sunraysia region of north-west Victoria that will be leased to MAAML by the Landowner, Macquarie Farm Assets and Resources Management Limited ('MacFARM'). The total size of the Project will comprise up to approximately 220 hectares of Almond Trees. Approximately 170 hectares of the Land is Established Orchard with two and three year old Almond Trees. Up to a further 50 hectares of the Land may be available for planting Almond Trees and development as a New Orchard (subject to investor demand and subscriptions being accepted). The allocation of your Almond Lot between Established Orchard and New Orchard will be determined by the RE on issue of your Interests. The allocation of an Almond Lot between Established Orchard and New Orchard for Early Growers or Late Growers will be the same and will be a minimum of 77 per cent Established Orchard and a maximum of 23 per cent New Orchard.

As part of the Licence, you will also be granted rights to use:

- Almond Trees owned by the Landowner on your Almond Lots; and
- Irrigation Infrastructure and other infrastructure on your Almond Lots.

Your Almond Lots will form part of what is intended to become a large scale commercial almond orchard established for the Project. The Orchard represents an investment in rural Australia which will create employment opportunities and support the local rural economy.

You will engage the RE to manage your Almond Lots and to carry on your almond growing business on your behalf. You can provide suggestions and directions about your Almond Lot(s) which the RE may or may not comply with (but if it does so then it will be at your cost). You can also terminate the appointment of the RE for your Almond Lot(s) in certain circumstances (ie see Section B.1 of this PDS) in which case your Interests and all rights in respect of the Almond Lot(s) terminates.

The Project Term is approximately 22 years. Mature almond trees produce an annual crop, and the RE has entered into a long term Supply Agreement with Almondco for the processing and sale of your yearly crop.

The Independent Horticulturalist anticipates that the Almond Trees on the Established Orchard will bear their first crop during the year ending 30 June 2011, and will reach full maturity after approximately four years after the date of your investment (around 2015). The Independent Horticulturalist anticipates that any Almond Trees that are planted on the New Orchard would bear their first crop during the year ending 30 June 2014 and would reach full maturity approximately seven years after the date of your investment (ie around 2018).

There are a number of costs payable by you in each year of the Project, including Management Fees, Operating Fees, RE Fees and Licence Fees. **These costs may be deducted from your Total Proceeds (if any). If there are insufficient or no Total Proceeds to cover these costs, you may be required to pay the shortfall (or, in the case of no Total Proceeds, the entire payment) from your own resources (see Section 7 *Fees and other costs*).**

MAAML has various rights, including the right to assign your Interests, if you fail to make any ongoing payment obligations. Once triggered, this right to assign can exist for the entire remaining term of your Investment. See Section 7.4 *Default in Payment of Fees* for further details.

KEY PARTIES, AGREEMENTS AND STRUCTURE

The Project structure, agreements and key parties are illustrated in Diagram 1 below. Further details on key parties are provided in Section 3 ‘The Macquarie Almond Investment Team’. In summary:

1. The Investor (being either an Early Grower or a Late Grower)

- Carries on a business of growing, harvesting and selling Almonds;
- Has a Licence over identifiable Almond Lots (that may be partly on Established Orchard and partly on New Orchard) and rights to use Orchard Assets; and
- Appoints the RE as manager of the Investor’s business.

2. Macquarie Alternative Assets Management Limited (‘MAAML’) – RE

- Manages the scheme;
- Will hold a Lease over the Land from MacFARM and will be granted rights to Orchard Assets and Water Licences; and
- Grants a Licence to Investors to access and use Almond Lots and Orchard Assets.

3. Macquarie Farm Assets and Resources Management Limited (‘MacFARM’) – Landowner

- Owns the Land and Orchard Assets;
- Will own or will provide the Water Licences;
- Is responsible for establishing the Orchard; and
- Will grant a Lease over the Land to MAAML and will grant rights to the Orchard Assets and Water Licences.

4. Macquarie Agricultural Services Pty Limited (‘MAS’) – Orchard Manager

- Appointed by MAAML to provide full farm management services, including ongoing maintenance and management of the Orchard and harvesting of your Almond Lots.

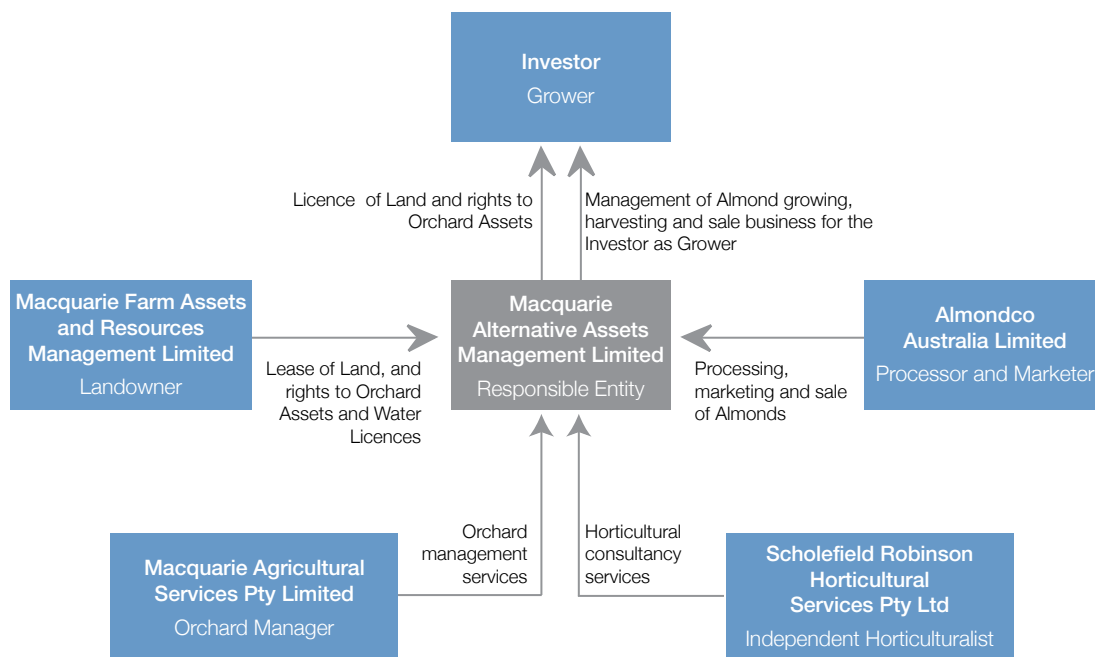
5. Scholefield Robinson Horticultural Services Pty Ltd (‘Scholefield Robinson’) – Independent Horticulturalist

- Appointed by MAAML to provide horticultural and technical advice to the RE and MAS and review the horticultural practices of MAS.

6. Almondco Australia Limited (‘Almondco’) – Processor and Marketer

- Appointed by MAAML to process, market and itself buy or re-sell the harvested Almonds.

Figure 2: Project structure and key parties



4.1.2 WHAT AGREEMENTS WILL I ENTER INTO?

To become an Investor in the Project, you must complete and lodge the Application Form and power of attorney form attached to this PDS. In making your Application, you agree to be bound by the Constitution, and authorise the RE to enter into any Supply Agreement on your behalf.

If you apply for an Investment Loan from Macquarie Bank, you must complete the Finance Application Form which will authorise the Lender to enter into the Loan and Security Agreement and Notice of Mortgage on your behalf.

A summary of the significant provisions of the Constitution is included in Appendix B Material Contracts. The Loan and Security Agreement and Notice of Mortgage is contained in Appendix C.

4.1.3 WHAT HAPPENS AT VARIOUS STAGES OF THE PROJECT?

ESTABLISHMENT

(LATE 2006 TO OCTOBER 2008)

- Germinated seeds were potted and allowed to grow in hothouses. Small seedlings were planted in a nursery in November 2006. Starting from December 2006, almond budwood was grafted onto the trees while still at the nursery, and the Almond Trees began their growth from the grafted bud
- Land was purchased by the Landowner in early 2007 prior to any issue of Interests. Where appropriate, irrigation and other capital works will be undertaken on the Land through the first half of 2011 to prepare the New Orchard for planting. For the Established Orchard, Irrigation and other capital works were undertaken on the Land through the first half of 2008 to prepare the orchard for planting
- All the planting for the Established Orchard was completed in September 2008. To the extent that Growers Almond Lots are partly on New Orchard the Landowner is required to plant the New Orchard by 30 September 2011, at which point up to the entire approximate 220 hectare Orchard will be planted.

FOLLOWING THE ISSUE OF INTERESTS IN THE 2011 PROJECT.

YEAR 1

- Management of the Almond Trees including training and pruning, weed spraying, supply of water and fertilisation, and management of Irrigation Infrastructure
- Up to 10 megalitres of water per hectare are to be applied for the Established Orchard. For the New Orchard, approximately three megalitres of water per hectare are to be applied where appropriate
- During the first year of the Project, bees will be introduced for pollination and the Almond Trees on the Established Orchard should begin to bear commercial quantities of Almonds. See Section 4.1.4 *How are my Almonds harvested, processed and sold*, for a description of the harvest process.



YEARS 2-6

- Yields on the Established Orchard should increase annually through years two to four of the Project until trees are expected to reach maturity in year four or five. The New Orchard should begin to bear commercial quantities of Almonds through years three to six of the Project as trees continue to mature
- Up to 12.5 megalitres of water per hectare are to be applied to the Almond Trees in the Established Orchard in years two to six of the Project. For the New Orchard, approximately six megalitres of water per hectare are to be applied where appropriate in year two of the Project rising to up to 12.5 megalitres of water per hectare in year five of the Project.



YEARS 7-22

- Trees on the New Orchard should reach full maturity in years six to seven of the Project
- Trees are expected to maintain full maturity productivity for the remainder of the Project Term
- Up to 12.5 megalitres of water per hectare are to be applied each year.



4.1.4 HOW ARE MY ALMONDS HARVESTED, PROCESSED AND SOLD?

HARVEST PROCESS

- Bees are introduced into the Orchard in late winter to pollinate trees
- Trees produce buds which blossom and, upon pollination, commence the fruit formation
- Almonds grow for six to seven months until ready for harvesting
- Harvest generally commences in late February, and may last through to mid May
 - trees are mechanically shaken to deposit the nuts on the ground where they are left to dry for up to ten days
 - mechanical sweepers move the nuts into a row for harvesters to pick up and deposit in piles on the Orchard, ready for transport
- Nuts are transported by truck to a cracking plant, where the kernel is removed from the hulls and shells. Kernels are sorted into different sizes at this stage
- Kernels are transported to the processor for grading, processing and packaging
- Almonds may also be sold 'in-shell', meaning the shell is not removed during the processing stages
- Processed and packed almonds are sold to markets around the world. Timing of sales will depend on market demand, supply and price prospects.



POOLING OF PROJECT ALMONDS

Following harvest, your Almonds will be pooled with those of the other Investors in the Project and processed first by a huller/cracker (to remove outer hulls and almond shells), and then by the Processor and Marketer.

Unless there is at the time any arrangement for marketing or sale of your Almonds, you can elect to give the RE a written notice that the Almonds harvested from your Almond Lots are not to be dealt with by the RE. If you choose to do this, then you must at your own cost take delivery of those Almonds and the RE shall have no responsibility or obligation in relation to storage, processing, marketing or sale of those Almonds and you will have no right or entitlement to a proportion or any proceeds from sale of the Almonds arranged by the RE for the remaining Growers. You should note that at present there is an arrangement for marketing or sale with Almondco and so you will only be able to exercise this right to withdraw your Almonds from pooling if that arrangement ceases and is not replaced.

SALE OF YOUR ALMONDS

One of the activities of the RE is to arrange for the processing, marketing and sale of your Almonds. The RE has entered into a long term Supply Agreement with Almondco to provide this service. This agreement is described in Appendix B.4 of this PDS.

Almondco has been engaged to process each yearly crop of Almonds, and will buy and market the processed product through its extensive network of domestic and international customers. Almondco will sell the processed almonds according to variety, size and grade so that it can take advantage of any price differentials.

An amount equal to the proceeds of sale less the costs of processing, marketing and sale will then be paid to the RE.

Under the arrangements with Almondco, it is possible that the RE may be required to make contributions from Total Proceeds to meet the costs associated with any plant or other expansion required to accommodate the volume of the Project harvests.

DISTRIBUTION OF YOUR PROCEEDS

You will be entitled to a proportionate share (subject to a reduction in your Proportional Interest as described in Section 4.1.5) of the sale proceeds received by the RE. The RE will distribute your proportionate share to you periodically (unless as noted above under 'Pooling of Project Almonds' you withdraw your Almonds from the pool for sale).

Prior to any distribution, the RE is entitled to deduct any Project Costs payable by you. If there are insufficient Total Proceeds to cover these costs, you will be required to pay the shortfall from your own resources.

4

4.1.5 ARE MY ALMOND LOTS INSURED?

The RE will attempt to take out insurance, where commercially reasonable, to cover damage to the Almond Trees on your Almond Lots. Cover may include insurable perils, such as fire, frost and hail, although individual Almond crops will not be insured. There is no assurance that any insurance will be adequate compensation for loss or that insurance will continue to be available or at reasonable premiums. The RE does not currently intend to insure for damage caused by flooding.

Where insurance proceeds are paid in respect of some Investors' Almond Lots, the insurance proceeds are attributable only to the affected Investors and then according to the proportion that the area of each Investor's Almond Lots affected bears to the total area of all the Investors' Almond Lots affected.

Furthermore, Investors who receive a proportion of the insurance proceeds are not to receive any part of the Almond Proceeds in respect of the Production Periods and the Almond Lots (or part thereof) to which the insurance proceeds relate (such part being as determined by the RE), and accordingly the Proportional Interest of each Investor in the Proceeds is to be recalculated by excluding the area of the affected Almond Lots.

4.1.6 WHAT ARE THE ENVIRONMENTAL CONSIDERATIONS?

In the establishment by the Landowner and operation of the Orchard, the RE, the Landowner and MAS will adhere to all environmental laws and regulations and the practices prescribed by them. In addition, environmental initiatives that will be implemented on the Orchard include:

- establishing the Orchard on land that has already been farmed
- retaining native vegetation and existing community plantings in line with regulatory requirements
- extensive environmental impact assessments prior to Orchard establishment, including a cultural heritage survey, a hydro-ecological study, a native vegetation survey, and an irrigation and drainage management plan. These assessments form part of a siting and design guidelines approval application lodged or to be lodged with the relevant authorities prior to establishing the Orchard
- water conservation through the use of drip irrigation systems.

4.2 PROJECT SITE AND DEVELOPMENT

4.2.1 WHERE IS THE ORCHARD SITUATED?

LOCATION

The Orchard is located on land to the southeast of Robinvale and 13km from the Murray River in the Sunraysia district of north-west Victoria. The site is adjacent to the 695 hectare orchard developed for the Macquarie Almond Investment 2006 and the Macquarie Almond Investment 2007, the 86.5 hectare orchard developed for the Macquarie Almond Investment 2008, and the 178.25 hectare orchard developed for the Macquarie Almond Investment 2009.

The Sunraysia district is a large, well-developed horticultural production region. The warm and dry summers provide ideal growing, ripening and harvesting conditions for a wide range of horticultural crops including almonds. Robinvale has a large almond industry, with a proven track record of high yields and good quality production. Robinvale also has access to good quality water from the Murray River.

The target Orchard size is approximately 220 hectares of Almond Trees, although the final Orchard size may be different depending on the level of applications for Interests received for the Project. The Orchard will also include additional land required for the proper running of the Orchard, including access roads, storage areas, buildings, necessary irrigation and fertigation infrastructure.

Further details about the land and soils can be found in the Independent Horticulturalist's Report in Appendix A.

CLIMATE AND TOPOGRAPHY

The climate of the region in which the Orchard is situated can be described as semi-arid/Mediterranean, with dry, hot summers and cool to mild winters. Average daytime temperatures in summer are above 30°C and in winter fall to less than 20°C. Daytime temperatures in the summer can reach over 40°C.

Annual rainfall is approximately 310 millimetres (mm), with this falling predominantly in the winter months. Summer storms do occur infrequently, with very high daily rainfall recorded. Frosts are relatively common during the winter months and into the spring period.

The property is a gently undulating site, with dune and swale formations running east-west. This type of topography is common right throughout the Murray Valley, and is considered suitable, by the Independent Horticulturalist, for horticultural development.

Further details about the climate and topography can be found in the Independent Horticulturalist's Report in Appendix A.

4.2.2 HOW IS THE ORCHARD ESTABLISHED?

Detailed soil testing of the Project site has been completed, and the Landowner will commission the capital works required on the Land and the installation of the irrigation system. Capital works undertaken includes site surveying for pegging of block layouts, clearing approved vegetation, broadacre weed spraying, tree row ripping, GPS survey and the marking out of tree positions, mounding, and soil amelioration recommended by the soil survey reports.

All of the Almond Trees for the Project will be, or have, been, grown in nurseries. When the capital works are completed and the irrigation system has been installed, the Almond Trees are taken from the nursery and planted in the prepared Orchard. The Almond Trees for the Project are planted at a density of approximately 324 trees per hectare, which is expected to result in higher yields in the early years of the Project while still allowing sufficient room between rows for harvest machinery and to avoid overcrowding at maturity.

4.2.3 HOW IS THE ORCHARD IRRIGATED?

The Project RE estimates a water requirement of up to 12.5 megalitres per hectare for mature trees. This amount of irrigation is in line with modern almond orchards in the Robinvale district.

The irrigation system for the Project will comprise irrigation pumps located on the Murray River delivering water to an on-site storage dam, from where a second pump station will deliver water to the Orchard through a series of automatic field valves.

The field system will consist of drip irrigation, with two lines of drippers located adjacent to each tree row. Drippers will be in-line, providing 2.3 litres/hour and at a spacing of 675mm. This will provide an equivalent precipitation rate of 0.97mm/hour.

This design is consistent with the requirements of a large scale almond development.

Prior to all of the Almond Trees on the Orchard reaching maturity, the water requirement of the Orchard will vary according to age of the trees comprising the Project. The Independent Horticulturalist in his report indicates the following estimated water use on a megalitre (ML) per hectare basis (ML/ha):

- for developing trees up to tree age of three years: up to eight ML/ha (which represents two ML per Almond Lot)
- for developing trees that are greater than a tree age of three years: up to 12.5 ML/ha (which represents 3.125 ML per Almond Lot).

Further details about irrigation and water can be found in the Independent Horticulturalist's Report in Appendix A. Further details about the arrangements that are in place for MAAML to access water for irrigation can be found in Section 6.1 *Risks specific to the project*.

4.2.4 WHAT VARIETIES OF ALMONDS ARE PLANTED?

The almond varieties selected for the Project are Non-Pareil approximately (50 per cent), Carmel approximately (33 per cent) and the remainder to comprise pollinators which will predominantly include Price but may also include varieties of Monterey and Winters. The percentage of each is to be determined by MAS depending on the most appropriate mix. It is noted in Appendix A in the Experts' Report that these varieties are widely planted both in Australia and internationally, and should provide good levels of production and marketability. Most trees have been established on Nemaguard rootstock and Scholefield Robinson have confirmed that this rootstock is widely planted in Australia and a proven performer under the conditions likely to be experienced at the Robinvale site.

Further details about varieties and planting material can be found in the Independent Horticulturalist's Report in Appendix A.



5 / Factors
affecting returns

This Section provides information on a number of factors which may impact the return to Investors in the Project. This Section may assist you to undertake an assessment of the merits of investing in the Project. The RE has engaged a number of experts to provide information on the various factors affecting returns. The RE has not independently verified the underlying information. In providing this information, the RE does not guarantee the success of, or any return from, the Project.

Importantly, you should be aware of the Project's agricultural and long term nature, and understand that many of the variables that may impact returns are outside the control of the RE and the other parties involved with the management of the Project. It is difficult to predict the Project's future cashflows or returns with any certainty.

The RE recommends that you seek your own independent professional advice to assist you in assessing the merits of the Project. Furthermore, you should consider the information in this Section in conjunction with the information provided in Section 6 *Investment risks*, Section 8 *Tax Treatment*, and the Independent Horticulturalist's Report contained in Appendix A *Experts' reports*.

5.1 PRICE

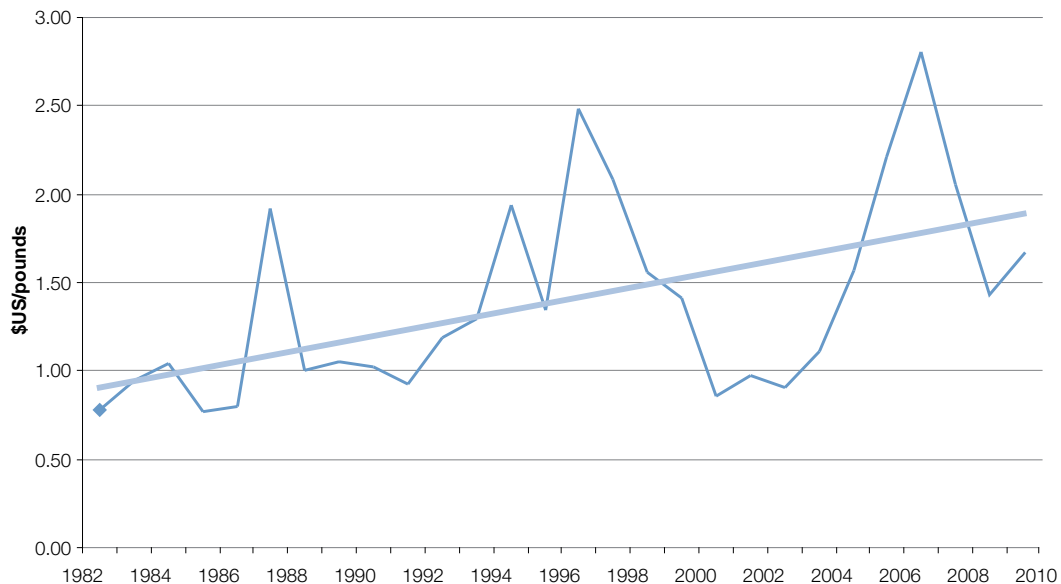
As referred to in detail in Section 2.2 *The global almond market*, the USA, specifically California, produces approximately 80 per cent of the world's sweet almonds, and the USA industry essentially determines the export and domestic almond prices. Furthermore, the dominance of the USA means that world almond prices are set by USA producers in US dollars.

5.1.1 WORLD ALMOND PRICES

Chart 4 below illustrates nominal almond prices over the 29 year period up to 2009/10. These prices represent the US almond industry and are based on all varieties produced in the US and are quoted net of processing costs.

From 1980/81 to 2009/10 the yearly average price, net of processing costs, for all varieties of almonds has ranged from under \$US1.00 per pound to over \$US2.50 per pound. From 2001/02 to 2005/06 almond prices experienced a period of growth, with the average price of all varieties rising from \$US0.91 per pound to \$US2.60 per pound. In 2009/10 prices were \$US1.65 per pound. **However, please note that prices are volatile and are set out in US dollars, and past prices are not a reliable indicator of future prices.**

Chart 4: Californian almond farm price (value in \$US per pound – 1980/81 to 2009/10)



Source: Almond Board of California.

Some factors that may affect the price received for the Almonds of the Project include:

- **Almond price** (shown before) – which is strongly influenced by US supply and demand. Past prices are not necessarily indicative of future prices and future almond prices are not certain as they will be influenced by many factors including future demand and supply trends and cost of production from different countries. This is affected by the many forces affecting current and future global economic conditions
- **\$US:\$A exchange rate** – since almonds are priced in \$US, prices received by Australian growers will depend on the prevailing \$US:\$A exchange rate, and hence returns to the Project are subject to fluctuations in this exchange rate
- **Almond variety** – approximately half of the Orchard will be planted with the premium Non-Pareil variety, with the remainder as the pollinator varieties. Not all varieties achieve the same price due to different variety characteristics. Non-Pareil is currently the preferred table almond of consumers, and usually commands a price premium over the average price for all grades. It should be noted that the Almond prices in Chart 4 reflect prices paid for all varieties of Almonds produced by Californian growers and generally contains a lower proportion of premium variety almonds than those that are expected to be planted in the Orchard
- **Overall size and quality** – premium prices are generally attracted for large almonds of higher quality. The crop disposition for the Project is not known at this time and may vary from year to year
- **Target market** – Almonds from the Project may be sold both domestically and overseas. Almonds sold in the domestic market generally attract a premium relative to export markets. The premium is caused by factors such as freight, landing and insurance premiums.

There is no guarantee that any particular price will be obtained for your Almonds when harvested.

5.1.2 PRICES RECEIVED BY AUSTRALIAN GROWERS

The table below shows the average nominal return to growers achieved by all growers supplying almonds to Almondco over the last 14 years. These represent the sale price for all varieties and grades less all processing and marketing costs, and are shown in \$A per kg.

It should be noted that future price levels received may be lower or higher than this as they will depend on the many factors influencing global almond production, supply and demand, including the influences described in this Section 5 and Sections 2 and 6 of this PDS.

Almondco annual average nominal return to growers

Season*	Price \$A/kg**
1995/96	6.51
1996/97	6.57
1997/98	6.14
1998/99	5.74
1999/00	4.18
2000/01	4.34
2001/02	4.50
2002/03	5.63
2003/04	6.01
2004/05	6.09
2005/06	9.15
2006/07	7.70
2007/08	6.16
2008/09	5.05
2009/10	4.70

Source: Almondco Australia Limited

* Season refers to the selling period from March to February.

** Prices in Australian dollars per kilogram. One kilogram equals 2.205 lb/US.

Please note that past prices may not be indicative of future performance.

5.2 YIELD

According to the Independent Horticulturalist, the first crop of the Established Orchard should be harvested in February to April 2011 and the first crop from the New Orchard in early 2014. From the first crop onwards, annual yields are expected to increase until all of the Almond Trees reach full maturity in their seventh year. At full maturity of both the Established Orchard and the New Orchard, the Independent Horticulturalist expects the average annual yield across the Orchard to be 865 kilograms per Almond Lot (3,460 kilograms per hectare). Note that yields will vary from year to year over the life of the Project due to seasonal conditions. Some Almond Lots may achieve higher yields than others, however, (subject to any Investor electing to withdraw their Almonds from pooling as referred to in Section 4.1.4 of this PDS if there is no marketing or sale arrangement in place) all Almonds produced by the Orchard will be pooled and therefore the yield for each Investor will be the average yield across the Orchard.

Chart 5: Estimated average yield*

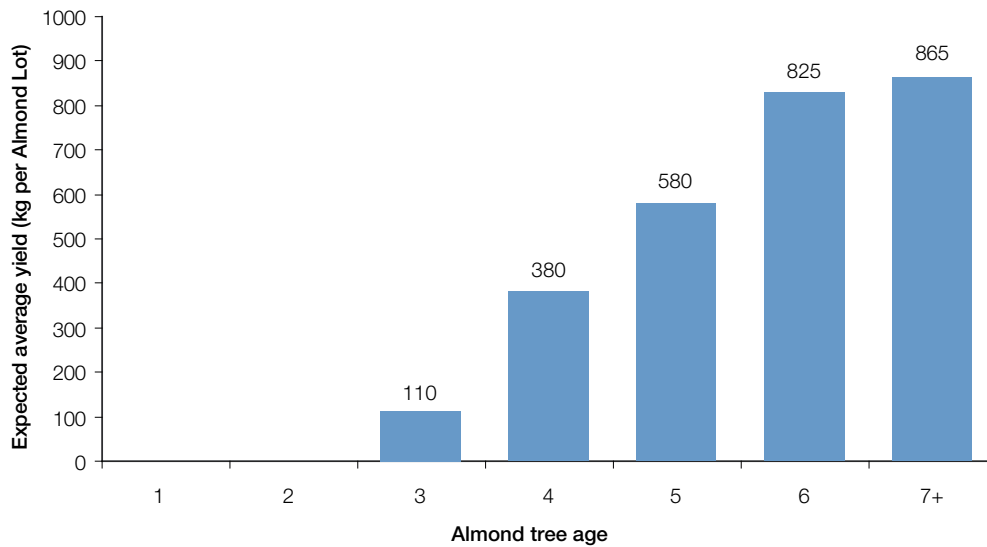


Chart 5 outlines the estimated per Interest almond yields at each tree age which have been verified as reasonable by the Independent Horticulturalist (see Appendix A *Experts' reports*).

5.3 COSTS

Costs of the Project are detailed in Section 7 *Fees and other costs*. Some of these costs are fixed, others are variable. Your return will be impacted by all of the costs payable by you.

The RE Fee and the Licence Fee are indexed annually to CPI, with the first indexation for both Fees occurring on 31 October 2015 (Indexed from 30 June 2015). The Variable Management Fee is a fixed percentage of Proceeds, and hence varies with Proceeds.

A Fixed Management Fee is also payable for the financial years ending 30 June 2011, 2012 and 2013.

See Section 7 *Fees and other costs* for further details.

5.4 TAX STATUS

The tax treatment of an Investment in the Project is outlined in Section 8 *Tax Treatment*. The ATO has issued Product Ruling PR 2011/7 which confirms the taxation treatment for Early Growers of certain aspects of their Investment. At the date of this PDS, no product ruling has been applied for in respect of Late Growers. Please check the Investment website at macquarie.com.au/almonds for any updates about any product ruling for Late Growers.

Your profile as a resident Australian taxpayer will impact the after-tax return you achieve from the Project.

Generally, it is expected that the higher your marginal tax rate, the greater the benefit you will receive from any income tax deductions to which you are entitled and the greater the amount of tax you will pay on any assessable income generated by the Project.

The tax treatment of the Project, and hence Project returns, will also depend on whether or not you are registered for GST.

Finally, your returns may also be affected by whether or not you elect to have the small business entity concessions applied to your almond growing business.

Please refer to Section 8 *Tax Treatment* for a detailed discussion of the expected tax treatment of Investments in the Project.

* You should note that whilst it is considered that these average yields are reasonable based on the report of the Independent Horticulturalist, as with all agricultural businesses there are a number of risks that can significantly affect yields in any year including various agricultural risks such as frosts, drought, fire, pests and so on (see Section 6.1 Risks specific to the Project) and there is no assurance that the above yields will be achieved.



6 / Investment risks

Your Investment in the Project involves a number of significant risks. The key risks of the Project include:

- agricultural risk, such as access to adequate water
- almond price risk
- currency risk.

These and other relevant risks are explained below. Please also refer to the risks noted by Scholefield Robinson in its *Expert's report* in Appendix A of this PDS.

Importantly, you should be aware of the long term nature of the Investment and that many of the variables that may affect returns are outside the control of the RE. Given the nature of the Investment, it is difficult to predict future cash flows or returns and any combination of the risk factors could reduce the value of your Investment to nil.

6.1 RISKS SPECIFIC TO THE PROJECT

There are various risks specific to the Project that could affect the performance of your Investment. These risks include:

AGRICULTURAL RISK

Fire, drought, unseasonal rain, disease, flood, pests, frost, windstorm, hail and other natural events, as well as below par horticultural practices, human error and interruptions of the water supply, may affect the almond yields or damage or destroy your Almond Trees, which may affect the performance of your Investment. Reduced yields caused by agricultural factors could result in the income generated by your Investment in any year being less than the total costs payable by you for that year, in which case you will be required to fund the shortfall amount from your own resources.

The RE will attempt to take out insurance, where commercially reasonable, to cover damage to the Almond Trees on your Almond Lots. Cover may include insurable perils, such as fire, frost and hail, however, the RE does not currently anticipate insuring for damage due to flooding. In the event that a whole or part of an Almond Lot is damaged or destroyed due to an uninsured peril, any costs to replant the damaged or destroyed Almond Lots will be payable by you.

The RE will use reasonable attempts to take out insurance to cover as many of the risks as practicable, although individual Almond crops will not be insured. See Section 4.1.5 *Are my Almond Lots insured?* for further details.

MAS has been engaged to manage the Orchard using sound horticultural techniques, including standard disease and pest management practices. The Independent Horticulturalist will review work undertaken, and will also provide technical advice.

WATER LICENCES

For irrigation purposes, the Project is expected to use water sourced from the Southern Murray-Darling Basin (SMDB). Currently, the water in the SMDB is shared between South Australia, New South Wales and Victorian irrigators. The Project will be located in Robinvale, Victoria.

Water can be delivered to the Orchard for irrigation purposes by owning permanent water licences (Permanent Water Licence) or through the purchase of temporary water (Temporary Water).

A Permanent Water Licence authorises the use of water from the relevant irrigation system for the purposes of irrigation as specified in that licence. The right continues each year until the Permanent Water Licence is cancelled or sold. The amount of water which may be drawn from the irrigation system in any particular year will depend on the annual water allocation announced by the relevant authority (Water Allocation). For example, assume that a farmer owned 100 ML of Permanent Water Licences. If the Water Allocation is 100 per cent in a particular irrigation season, then the farmer would be entitled to draw their full entitlement of water for irrigation purposes (ie 100 ML of water) for that irrigation season. If however the water allocation is 40 per cent in a particular irrigation season (which could occur, for example, in the event of a drought), then the farmer would only be entitled to draw 40 per cent of their entitlement for irrigation purposes (ie 40ML of water) for that irrigation season.

In addition to, or in substitution of, a Permanent Water Licence, an irrigator may purchase Temporary Water for irrigation purposes in a particular irrigation season. A Temporary Water purchase gives the purchaser a 'once-off' right to draw the relevant amount of water from a particular irrigation system. Using the example described above, if the seasonal allocation from the relevant water authority was only 40 per cent, yet the seasonal irrigation requirements for the farmer's orchard was 100ML, then the farmer could purchase an additional 60ML of Temporary Water to satisfy their irrigation requirements.

The Project has an estimated water requirement for mature Almond trees of up to 3.125ML per Almond Lot per annum. Prior to all of the Almond Trees on the Orchard reaching maturity, the water requirement of the Orchard will vary according to age of the trees comprising the Project. The Independent Horticulturalist in his report indicates the following estimated water use for the Project:

- For developing trees up to tree age of three years: up to two ML per Almond Lot; and
- For trees that are greater than a tree age of three years: up to 3.125ML per Almond Lot.

The Landowner is required to seek to own or provide access to water for irrigation purposes through either Permanent Water Licences or Temporary Water purchases to allow for sufficient water to be drawn from the Murray River (or any other relevant irrigation system) (Water Supply Obligation). The Water Supply Obligation will vary depending on the age of the Almond Trees and any Water Allocation restrictions announced by the relevant water authority which may apply to an irrigation season. The Water Supply Obligation of the Landowner is as follows:

- For developing trees up to tree age of three years: two ML per Almond Lot multiplied by the seasonal Water Allocation percentage announced by the relevant water authority in the irrigation system where the Landowner sources water for irrigation purposes
- For trees that are greater than a tree age of three years: 3.125 ML per Almond Lot multiplied by the seasonal Water Allocation percentage announced by the relevant water authority in the irrigation system where the Landowner sources water for irrigation purposes.

At the date of this PDS the RE anticipates that Temporary Water will be the primary source of irrigation for your Almond Lots. Where the Landowner is not able to fulfill its obligations under the lease and/or becomes insolvent, there is a risk that there may be insufficient water to irrigate your Almond Lots. As a consequence, you may need to fund the purchase of any required water using your own funds. This has the potential to affect the returns on your Investment. See Section 6.2 'Insolvency Risk' for further details.

Any shortage in the availability of Water Licences may impede the ability of the Landowner to acquire or provide enough water for the Orchard.

Furthermore, the ability to fully draw the water entitlement under any Permanent Water Licence may be reduced from time to time. Similarly, it may not be possible to acquire sufficient Temporary Water Licences.

In the event of reduced Water Allocations in any year, if the Landowner has satisfied its Water Supply Obligation by acquiring or providing either Permanent Water Licences or Temporary Water, or a combination of both, then neither the Landowner nor MAAML are obliged to acquire or provide any additional Water Licences to make up for the water shortfall for the Orchard.

If MAAML determines to acquire any additional Temporary Water to make up for any water shortfall, then MAAML will be entitled to be reimbursed by you for this cost as an expense of the Scheme.

An inability to secure water or a reduction in Water Allocations may result in lower than desired water supply to your Almond Trees, which may reduce yields and adversely affect the performance of your Investment.

Historical information for this part of the river indicates that full water allocations have been available every year until the 2006/07 season, when Water Allocations were reduced to less than 100 per cent.

Drought conditions in the headwaters of the Murray Darling Basin over the last few seasons have led to low levels of storage in dams and restricted flows in the Murray River in the 2006/07, 2007/08 and 2008/09 seasons. This led to Water Allocations in both the Victorian Murray and the Goulburn systems for those seasons being well below 100 per cent. After a sustained period of continued rainfall during early 2010, flows into the Murray River have returned to more normal levels.

The latest update by Goulburn Murray Water (G-MW) at 1 April 2011 for the 2011 season shows allocations of 100 per cent in both the Murray and Goulburn water systems. The RE holds water entitlements in both systems for all the Macquarie almond projects including this Project.

The Orchard Manager has implemented management techniques on the Established Orchard to significantly reduce the water consumption and to prepare for future rainfall variability. Measured water use in years one and two under this system were 1.5 and 2.33ML/ha respectively, compared with the estimated water use in years one and two of 3.0 and 5.5ML/ha respectively. The Orchard Manager plans to implement similar techniques on the New Orchard.

Climate change is widely accepted as responsible for reduced rainfall patterns across much of southern Australia. The future impact of climate change on the availability of water, increased temperatures and unusual storm activity cannot be adequately assessed, but should be considered a possible long term risk of the Project. See the Independent Horticulturalist's report in Appendix A for further details.

ALMOND PRICE RISK

Australia produces a relatively small proportion of the world supply of almonds, the majority of which is produced in California, USA. The price received for your Almonds will be influenced largely by the USA almond industry. Both supply and demand for almonds may fluctuate over time, which could impact the performance of your Investment. Future price levels received will depend on the many factors influencing global almond supply and demand including the influences described in this Section 6 as well as Sections 2 and 5 of this PDS. The future price of almonds may be affected by global economic conditions. By the time the Trees on your Almond Lots mature, there may not be a market or any return for your harvested Almonds.

Almond prices have varied in the past and may vary in the future. For discussion of almond prices please see Section 5.1 *Price*.

Price fluctuations could result in the income generated by your Investment in any year being less than the total costs payable by you for that year, in which case you will be required to fund the shortfall amount from your own resources.

For further information on the global almond market, see Section 2 *Why Invest in Almonds?*

CURRENCY RISK

Almond prices are set by US producers in \$US, so the price received for your Almonds will fluctuate with changes in the \$US:\$A exchange rate. This means that if the \$A appreciates against the \$US, the \$A price that you receive for your Almonds will decrease. The opposite is true if the \$A depreciates against the \$US, which would result in you receiving a higher price for your Almonds. The RE or the Processor and Marketer may enter into arrangements to hedge some or all of this foreign exchange exposure.

Lower prices caused by currency movements could result in the income generated by your Investment in any year being less than the total costs payable by you for that year, in which case you will be required to fund the shortfall amount from your own resources.

COSTS AND EXPENSES

In any year, the costs and expenses payable by you may be greater than the income produced by your Almond Lots, in which case you will be required to fund the shortfall amount from your own resources.

LIQUIDITY OF INTERESTS

You should be aware that the Project will not be listed on any stock exchange. Your Investment has a 22 year term and it is unlikely that there will be a liquid secondary market for your Interests, should you wish to sell them or if the RE is entitled to sell them – for instance if you default in payment of fees and costs.

Investors do not have any right to withdraw from the Project once an Investment has been made, and no cooling-off rights apply under the Corporations Act.

The Project is only suitable for investors who are willing to hold their Investment to the end of its term.

ALMONDCO INSOLVENCY RISK

Under the long term Supply Agreement with Almondco, the RE has agreed to sell to Almondco all of its Almonds. Almondco pays for these Almonds out of the proceeds of sale received by it. An adverse change in the financial position of Almondco or the parties to whom Almondco sells the Almonds may affect its ability to pay such proceeds to the RE. This has the potential to affect the returns on your Investment.

NO SECURITY OVER ALMONDS

Under the long term Supply Agreement with Almondco, the RE has agreed to sell to Almondco all of its Almonds. Upon delivery to Almondco, the Almonds become property of Almondco free from any encumbrance. Almondco pays for these Almonds out of the proceeds of sale received by it.

Under the Supply Agreement neither the RE nor Investors takes any security over the Almonds delivered to Almondco. In the event that Almondco fails to meet its obligations under the Supply Agreement, the RE's rights to any outstanding fees will be as an unsecured creditor.

Furthermore, if Almondco enters into any agreement whereby a security is granted over its assets, that security may be exercised over Almonds delivered to Almondco by the RE, in which case the ability of the RE to recover outstanding fees due to it may be reduced.

HUMAN ERROR

MAS has been engaged to manage the Orchard using sound horticultural practices, including standard disease and pest management practices. Inadequate management of the Orchard by MAS may result in fertiliser burn, weed infestation, damage from spray drift or residual effects from long acting herbicides, amongst other things. This may affect your Almond Lots and accordingly may affect the financial performance of your Investment. The Independent Horticulturalist has been appointed to review the work undertaken by MAS and will also provide technical advice.

CHANGE TO GOVERNMENT POLICIES

Changes to government policies regulating the almond industries either in Australia, the US or elsewhere may positively or adversely affect the financial performance of your Almond growing business. For example, if governments in major almond producing nations (such as the US and Spain) materially change the way in which their almond industry is operated (for instance, through support that increases cost competitiveness of almond producers in those respective countries), this could have an adverse effect on Australian growers.

CONTRIBUTION RISK

The RE has committed on behalf of Investors to contribute to the costs (including capital costs) of the Processor and Marketer to facilitate the marketing, processing and sale of Investors' Almonds. These costs would be borne by Investors and in that case would reduce the proceeds payable to Investors.

INFRASTRUCTURE

Infrastructure including access to power, water pipelines, pumps, fertilisation equipment, irrigation and transport is crucial to the success of the Project. Any failure of, damage to or restrictions on access to this infrastructure, may impact the performance of your Investment.

6

ACCESS TO LAND AND ASSETS

The Landowner will own the Orchard (including the Almond Trees and Irrigation Infrastructure) and will own or provide the Water Licences. The RE will enter into a Lease over the Land and will be granted rights to the Orchard Assets and Water Licences. You will be granted a Licence over your Almond Lots to secure your access to, and use of, the Land and you will be granted rights to access and use the Orchard Assets. You will have to pay the necessary Licence Fees (detailed in Section 7 *Fees and other costs*) to retain your tenure during the Project Term, regardless of the returns from your Investment. If you are no longer able to access the Orchard Assets, you will be unable to carry on your almond business and this may affect the returns on your Investment.

DEFAULT IN PAYMENT OF FEES

As an Investor in the Project, you will have obligations to pay ongoing fees to the RE in relation to your Investment for the 22 year Project Term. The fees will be required to be paid regardless of the amount of any returns on your Investment.

There is a risk that if you fail to pay any of your obligations under the Project on the due date of payment, the RE has the right to take default action.

This may include, amongst other things, assigning your Interests to another person and using the proceeds of assignment to meet the RE's reasonable expenses incurred in relation to the default plus interest and all outstanding amounts owed by you in relation to the Project plus interest. If there is a shortfall between the proceeds of assignment and the outstanding amounts owed by you, this shortfall constitutes a debt owing to the Manager and you will be liable for this amount.

If you have an Investment Loan from Macquarie Bank, a default on the Project Costs will also constitute a default under the Investment Loan, in which case you will also be subject to any actions taken by Macquarie Bank in accordance with the Loan and Security Agreement.

CONFLICTS

The RE, MAS and the Landowner are all related parties. As a result, conflicts between your interests as an Investor and the interests of the related parties may result in the management of your Investment being compromised.

The policy for the Project is that all dealings are to be undertaken on an arm's length basis and should be seen to be so conducted. Compliance functions within Macquarie are responsible for ensuring that this policy is complied with. Furthermore, the RE will ensure, in accordance with the Corporations Act, that all dealings with related parties are on arm's length terms.

This risk is also partially mitigated by the fee structure of the Project, which aligns the interests of Investors with those of the RE. Furthermore, the RE is required under the Corporations Act to act at all times in the best interests of Investors.

CHANGE OF RE

While MAAML is the RE of the Project, the rent payable to the Landowner under the Lease will be equal to the amount actually received by the RE from Investors under the Licences. This means that if an Investor fails to pay a Licence Fee and it is not recovered as a result of action taken to assign the Investor's Interests or by other action to recover the amount due, then it will not be an amount due as rent payable by the RE to the Landlord and the RE will therefore not be in default in any payment under the Lease. This does not mean that the RE will not pursue the payment of the amount due. The expected terms of the Lease will require the RE to use reasonable endeavours to take action to recover such amounts and, under the Constitution, the RE can take action to sell any defaulting Investor's Interest and any amount that remains outstanding after such sale remains as a debt due by the Investor to the RE (see Appendix B.1 and B.2 of this PDS).

If MAAML ceases to be the RE of the Project, then the rent payable to the Landlord under the Lease will equal the Licence Fee payable by Investors under the Licences, but this rent will be payable by the RE regardless of whether or not Investors pay their Licence Fees. In this case, there is a greater risk that rent due under the Lease will not be paid and as a result the Lease could be terminated. If the Lease is terminated, then all Investors will be affected as the RE will not be able to continue to provide the Licences of the Investors' Almond Lots and they will not be able to continue to carry on their businesses.

6.2 GENERAL RISKS

Following are some of the general risks associated with investing in the Project:

TAX TREATMENT

Please refer to Section 8 *Tax Treatment* for information on the expected taxation treatment of your Investment.

Future changes in tax laws or in their interpretation or administration could affect the tax treatment of your Investment.

The Product Ruling issued by the ATO in respect of the Project only applies to Early Growers who fall within the circumstances prescribed in the Product Ruling. Please note there is no guarantee or assurance that any Investor's circumstances will be consistent with the Product Ruling. At the date of this PDS, there was no product ruling issued by the ATO in respect of Late Growers. Please check the Project website at macquarie.com.au/almonds for any updates. A paper copy of any update is available free of charge from the RE (see the contact details in the Directory at the back of this PDS).

GLOBAL ECONOMIC CONDITIONS

The future performance of global economies may affect your investment to the extent that changes in economic conditions may positively or adversely influence the global demand and/or supply of almonds. It is difficult to assess what the full effect of the global credit crisis might be and the impact it will have in relation to ongoing demand and prices for agricultural commodities such as almonds. A recovery in global or regional economies will depend on improved liquidity, a restored positive economic outlook and a period of stability in asset prices. The impact on the future price of almonds may be affected by future global economic conditions. Recently, there have been concerted efforts and unprecedented stimulus actions from governments across the globe to support world economies, however, the long and short term effects of these stimulus actions is not known.

LEGISLATIVE CHANGE

Future changes to legislation, including legislation covering the operation of horticulture projects, or the interpretation of legislation may affect the returns on your Investment. These may include changes to the regulatory environment, necessary approvals and licences required to carry on horticultural projects such as the Project.

LEVERAGE RISK

By choosing to fund your Investment with an Investment Loan, you are gearing your Investment. Gearing is a powerful investment tool as it has the potential to multiply both profits and losses. You should ensure that you understand your obligation to make ongoing payments of interest and principal on your Investment Loan, regardless of the performance of your Investment, and that your obligation to repay interest and principal on the Investment Loan is not limited in recourse (the Lender can require you to fund the payments from your other assets). You should consider seeking professional advice before deciding whether to apply for an Investment Loan.

COUNTERPARTY RISK

Any of the parties appointed by the RE under an agreement to carry out management or other duties in relation to the Project may fail to perform their obligations. A suitable replacement may not be found or additional costs may be incurred.

INSOLVENCY RISK

An adverse change in the financial position of the RE may affect its ability to properly manage and maintain the Orchard. This has the potential to affect the returns on your Investment. The RE is a wholly owned member of the Macquarie group of companies.

Investors are also exposed to the risk of an adverse change in the financial position of MAS and the Landowner. Both MAS and the Landowner are wholly owned members of the Macquarie group of companies.

You should be aware that the Landowner may not be able to fulfil its obligations under the Lease if it becomes insolvent. As a consequence, for example, your access to sufficient water to irrigate your Almond Lot(s) may be limited. Where there is insufficient water to irrigate your Almond Lot(s) you may be required to fund any additional water requirements using your own funds. This has the potential to affect the returns on your Investment.

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6.3 HOW WE AIM TO MANAGE RISK

The Macquarie Almond Investment 2011 incorporates mechanisms designed to reduce the downside risk of your Investment. These mechanisms are outlined in the table below.

Feature	Description
Insurance	<p>There are a number of naturally occurring events that may damage or destroy the Almond Trees on your Almond Lots, such as fire, flood, hail or frost.</p> <p>The RE will use reasonable attempts to take out insurance to cover as many of the risks as practicable. Based on past experience, insurance cover could include a future loss of profit component in the event that trees require replacement and therefore you would miss out on some income in the future. However, there is no assurance that insurance will be available to cover all or any such risks or even if it is available that it will be adequate compensation for any loss or that insurance will be available at reasonable premiums.</p> <p>See Section 4.1.5 <i>Are my Almond Lots Insured?</i> for more details on insurance coverage.</p>
Independent Horticulturalist	<p>The Orchard Manager for the Project, MAS, currently employs staff who have in excess of 70 combined years of experience in horticulture. This includes the General Manager, Christopher Greig, who has 44 years of horticulture experience, including 20 years in the almond industry, and has established and managed several large scale almond orchards in the past.</p> <p>Nevertheless, the RE has also engaged the Independent Horticulturalist, Scholefield Robinson, to provide an extra level of expertise to the Project. The Independent Horticulturalist will provide technical and horticultural advice to MAAML and MAS, and will monitor the performance of MAS.</p> <p>The Independent Horticulturalist may also provide input to the annual orchard report to be prepared by the RE, which will confirm the activities of the year and the overall state of the Orchard.</p> <p>See Section 3.3 <i>Technical Expertise and Independent Horticulturalist</i> for more details on the Independent Horticulturalist.</p>
Macquarie Group Operational Risk Management Framework	<p>Macquarie Group's operations are diverse and in many cases complicated. Macquarie manages assets of considerable size and complexity in many parts of the world.</p> <p>The management of these operations has only been made possible by the development of a comprehensive operational and risk management system.</p> <p>The management of the Project is subject to the same risk management framework that applies to all of Macquarie's operations. This framework includes:</p> <ul style="list-style-type: none"> ■ compliance and operational risk management; ■ corporate governance; ■ internal audit; ■ legal and prudential; ■ reporting lines and issues escalation; and ■ policies and procedures. <p>The application of these controls to the Project aim to provide you with a comprehensive risk management system.</p>



7 / Fees and
other costs

By law, prior to setting out the fees and other costs of the Project, we are obliged to provide you with the following Consumer Advisory warning, which applies generally to managed funds investment products. Please note that this Investment is for a term of approximately 22 years, not 30 years as the wording might otherwise imply.

The table in Section 7.1 summarises the total fees payable in each year of the Project for Growers. A detailed table of all fees and other costs can be found in Section 7.2 *All significant fees and costs*.

As a guide, there are generally two types of fees:

1. Fees deducted from Proceeds: these fees are deducted by MAAML when it receives Proceeds;
2. Application and annual fees: these fees are due on application then annually on 31 October each year. Where there are Total Proceeds available (ie after deduction of the fees in point 1 above) the RE will deduct the annual fees from the Total Proceeds, and:
 - where there is a shortfall of Total Proceeds, you are required to pay the shortfall from your own resources; or
 - where there is an excess of Total Proceeds, the RE will pay the excess as a distribution to you.

You should be aware that the ongoing payment obligations outlined in this Section must be paid by you regardless of the performance of your Investment. If you fail to make any payment, the RE has various rights, including the right to assign your Interest. These rights, if triggered, can exist for the remaining term of your Investment. See Section 7.4 *Default in payment of fees* for more details.

CONSUMER ADVISORY WARNING

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 two per cent of your fund balance rather than one per cent could reduce your final return by up to 20 per cent 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) has a managed investment fee calculator to help you check out different fee options.

7.1 SUMMARY OF SIGNIFICANT FEES (INCLUDING GST)

Early Growers – Application and annual fees (per Interest including GST)

Date	On Application	31 Oct 11	31 Oct 12	31 Oct 13	31 Oct 14	31 Oct 15	31 Oct 16	31 Oct 17+
RE Fee	\$110	\$110	\$110	\$110	\$110	Previous year's RE Fee (Indexed)	Previous year's RE Fee (Indexed)	Previous year's RE Fee (Indexed)
Licence Fee	\$44	\$550	\$550	\$550	\$1,210	Previous year's Licence Fee (indexed)	Previous year's Licence Fee (indexed)	Previous year's Licence Fee (indexed)
Fixed Management Fee	\$8,756	\$3,300	\$2,750	–	–	–	–	–
Variable Management Fee	–	5.50% of Proceeds	5.50% of Proceeds	5.50% of Proceeds	9.90% of Proceeds	9.90% of Proceeds	9.90% of Proceeds	9.90% of Proceeds
Farm Operating Costs	–	–	–	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year
TOTAL	\$8,910	Variable	Variable	Variable	Variable	Variable	Variable	Variable

Late Growers – Application and annual fees (per Interest including GST)

Date	On Application	31 Oct 12	31 Oct 13	31 Oct 14	31 Oct 15	31 Oct 16	31 Oct 17+
RE Fee	\$220	\$110	\$110	\$110	Previous year's RE Fee (Indexed)	Previous year's RE Fee (Indexed)	Previous year's RE Fee (Indexed)
Licence Fee	\$594	\$550	\$550	\$1,210	Previous year's Licence Fee (indexed)	Previous year's Licence Fee (indexed)	Previous year's Licence Fee (indexed)
Fixed Management Fee	\$12,056	\$2,750	–	–	–	–	–
Variable Management Fee	–	5.50% of Proceeds	5.50% of Proceeds	9.90% of Proceeds	9.90% of Proceeds	9.90% of Proceeds	9.90% of Proceeds
Farm Operating Costs	–	–	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year	Estimated farm operating costs with adjustment for actual costs for this year
TOTAL	\$12,870	Variable	Variable	Variable	Variable	Variable	Variable

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7.2 ALL SIGNIFICANT FEES AND COSTS

The table below shows fees and other costs that you may be charged in relation to the Project. These fees and costs may be payable from your own resources, from the returns on your Investment or from the Project assets as a whole.

For information on tax, see Section 8 *Tax Treatment*. For information on insurance, see Section 4.1.5 *Are my Almond Lots insured?*.

You should read all of the information about fees and costs because it is important to understand their impact on your Investment in the Project.

This Section contains a number of examples in relation to fees and costs. These examples are hypothetical and are for illustrative purposes only. They are not intended to represent the likely fees or costs that you will be required to pay in relation to your Investment.

Type of fee or cost	Amount	How and when this fee or cost is paid
Fees when your money moves in or out of the project		
Establishment fee The fee to open your Investment. This fee is referred to as the Application Payment.	Early Growers \$8,910 per Interest (including \$810 GST), which includes an RE Fee, Licence Fee and Fixed Management Fee for the period ending 30 June 2011. Late Growers \$12,870 per Interest (including \$1,170 GST), which includes an RE Fee, Licence Fee and Fixed Management Fee for the period ending 30 June 2012.	On Application by cheque or direct debit. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).
Contribution fee The fee on each amount contributed to your Investment, either by you or your employer.	Not applicable.	Not applicable.
Withdrawal fee The fee for each withdrawal you make (including any instalment payments and your final payment).	Not applicable.	Not applicable.
Termination fee The fee to close your Investment.	Not applicable.	Not applicable.

Type of fee or cost	Amount	How and when this fee or cost is paid
Management costs		
RE Fee: This is the fee charged by the RE for undertaking the role of responsible entity of the Scheme.		
For undertaking the role of responsible entity in the year ending 30 June 2011, 30 June 2012, 30 June 2013, 30 June 2014 and 30 June 2015.	\$110 per Interest per annum (including \$10.00 GST).	On 31 October 2011 (for Early Growers only) and 31 October 2012, 2013 and 2014 (for both Early Growers and Late Growers) by direct debit. The RE will notify you of the required payment at least 30 days prior to the due date. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).
For undertaking the role of responsible entity in the year ending 30 June 2016 and each subsequent financial year in the Project Term.	Previous year's RE fee indexed. These amounts are to be indexed to CPI on 31 October 2015 and on each 31 October thereafter during the Project Term.	On 31 October 2015 and thereafter on 31 October of each subsequent year.
Management Fee: This is the fee charged by the RE for managing the Project.		
Fixed Management Fee: For services in the year ending 30 June 2012.	Early Growers \$3,300 per Interest (including \$300 GST).	Early Growers On 31 October 2011 by direct debit. The RE will notify you of the required payment at least 30 days prior to the due date. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).
	Late Growers \$12,056 per Interest (including \$1,096 GST).	Late Growers Included in the Application Payment, and hence payable on Application by cheque or direct debit. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).
For services in the year ending 30 June 2013.	Early Growers and Late Growers \$2,750 per Interest (including \$250 GST).	Early Growers and Late Growers On 31 October 2012 by direct debit. The RE will notify you of the required payment at least 30 days prior to the due date. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).

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Type of fee or cost	Amount	How and when this fee or cost is paid
<p>Variable Management Fee</p> <p>For services provided in the year ending 30 June 2012.</p> <p>For services provided in the year ending 30 June 2013.</p>	<p>Early Growers and Late Growers</p> <p>5.50% (including 0.50% GST) of all your Proceeds received during the Project Term.</p> <p>Early Growers and Late Growers</p> <p>4.40% (including 0.40% GST) of all your Proceeds received during the Project Term.</p> <p>This equates to a total Variable Management Fee of 9.90% (including 0.90% GST) from the financial year ending 30 June 2015 onwards.</p> <p>For example, if your Proceeds in a particular year are \$4,000 per Interest, the Variable Management Fee payable is \$396 per Interest (including \$36 GST).</p>	<p>The RE will deduct this cost from your Proceeds.</p> <p>The fee for services provided in the year ending 30 June 2012 is deducted from your Proceeds when the RE receives them.</p> <p>The fee for services provided in the year ending 30 June 2013 is deducted from your Proceeds received beginning the financial year ending 30 June 2015.</p>
<p>Operating Fee</p> <p>For services in the year ending 30 June 2014 and each subsequent financial year of the Project Term.</p>	<p>Early Growers and Late Growers</p> <p>The Operating Fee, which is the actual operating costs of managing your Almond Lots each year.</p>	<p>For each financial year following 30 June 2013, the RE will prepare an estimate of the operating costs of managing your Almond Lots. This estimate will be adjusted to incorporate any difference between the estimate from the immediately preceding year and the costs actually incurred, except where the amount of the variation has been paid by the Investor or otherwise dealt with.</p> <p>The adjusted estimate is payable on 31 October of each financial year. The RE will notify you of the required payment at least 30 days prior to the due date.</p> <p>The RE is entitled to deduct this cost from your Total Proceeds. Where there are insufficient or no Total Proceeds to cover the cost, or where available Total Proceeds have already been distributed to you, you will be required to pay the shortfall amount by direct debit on 31 October of the relevant year.</p>

Type of fee or cost	Amount	How and when this fee or cost is paid
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Licence Fee

Payable under the Licence allowing you to access and use your Almond Lots and the Orchard Assets.

For the year ending 30 June 2011 to 30 June 2014.

Early Growers and Late Growers

\$550 per Interest (including \$50 GST).

On 31 October of the relevant Financial Year by direct debit. The RE will notify you of the required payment at least 30 days prior to the due date. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).

For the year ending 30 June 2015.

Early Growers and Late Growers

\$1,210 per Interest (including \$110 GST).

On 31 October of the relevant Financial Year by direct debit. The RE will notify you of the required payment at least 30 days prior to the due date. This fee may be partially or wholly paid by drawing down on your Investment Loan (if any).

For the year ending 30 June 2016 and each subsequent financial year of the Project Term.

Early Growers and Late Growers

Previous years licence fee indexed to CPI on 31 October 2015 and on each 31 October thereafter during the Project Term.

Payable on 31 October 2015 and thereafter on 31 October of each subsequent year.

Processing and Marketing Costs

The costs charged by the Processor and Marketer appointed by the RE.

- (i) The actual costs of processing and marketing the Almonds. This may include a portion of the overhead costs of the Processor and Marketer.
- (ii) The Processor and Marketer may require fees, costs and payments that take into account costs associated with any plant or other expansion required to accommodate the volume of the Project harvests.

- (i) Deducted by the Processor and Marketer from any proceeds received from the sale of the Project's Almonds, prior to distribution to the RE.
- (ii) These costs may be deducted by the Processor and Marketer from any proceeds received from the sale of the Project's Almonds prior to distribution to the RE, deducted by the RE from Total Proceeds, or payable directly by Investors as notified by the RE.

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Type of fee or cost	Amount	How and when this fee or cost is paid
Expense reimbursements		
<p>These are the amounts for which the RE is entitled to be reimbursed in connection with the Project. These include (without limitation) costs and expenses connected with interest or other costs of borrowing, tax, termination of the Project and retirement or removal of the RE, court proceedings or arbitration, complying with any law or request of ASIC, and operating expenses.</p>	<p>The amount of the expense. For example, if the RE incurs an expense of \$1,000 in connection with the Project, it is entitled to be reimbursed for that amount.</p> <p>Please note in respect of operating expenses, that the usual operating expenses of this Project are generally paid by MAAML from the fees it earns. However, it may seek to recover any unusual operating expenses from Growers. For instance, this could occur where Water Allocations are reduced and Temporary Water (or additional Temporary Water) is purchased to meet the deficiency (see Section 6.1 <i>Risks specific to the project</i> of this PDS for further details about when this may occur). The amount recovered would be the amount of expense.</p>	<p>Payable as incurred only from the Scheme Property, or if the Scheme Property is insufficient, from the relevant Investor in which case MAAML will only seek to recover the amount to the extent that it is possible by deduction from amounts payable to the Investor.</p>
User pays fees		
<p>These are limited to any costs incurred by the RE in relation to or as a result of an entitlement to a payment or a payment to or from the Scheme Property in respect of an Investor, or any act, omission or request by an Investor. An Investor is liable to indemnify the RE for these costs.</p>	<p>The amount of the cost incurred. For example, if the RE incurs a cost of \$1,000 as a result of a request by an Investor, the RE is entitled to recover these costs from the Investor.</p>	<p>Payable only by the relevant Investor, as and when incurred by the RE.</p>
Service fees		
Investment switching fee		
<p>The fee for changing investment options.</p>	<p>Not applicable.</p>	<p>Not applicable.</p>
<p>* Net Sale Proceeds are Sale Proceeds to which the Grower is entitled for a particular Financial Year less the Fixed Management Fee, Variable Management Fee proportion of operating costs of the Orchard, Licence Fees and other costs payable by the Grower for that Financial Year (excluding any GST component of costs).</p>		

EXAMPLE OF ANNUAL FEES AND COSTS

The following table gives an example of how the fees and other costs charged on participation in the Project can affect your investment over a one year period. You should use this table to compare this product with other similar agribusiness managed investment products.

Please note that amounts in the tables are for illustrative purposes and have been subjected to rounding. All amounts in the tables are inclusive of GST.

Example – cost of fund in the financial year ending 30 June 2012 for an Early Grower who holds 5.61 Interests	Balance of \$50,000 with no further contributions
<p>Management Costs \$22,216</p>	<p>For every \$50,000 you have invested in the Project, you will be charged fixed fees in the financial year ending 30 June 2012 of \$22,216.</p> <p>Note that additional fees will also apply in later years.*</p>
<p>Cost of Project (for 5.61 Interests)</p>	<p>If you had an investment of \$50,000 at the beginning of the financial year ending 30 June 2012, you would be charged fees and costs of:</p> <p>\$22,216</p>

* The Variable Management Fee is 5.50 per cent of all your Proceeds received by the financial year ending 30 June 2014 and 9.90 per cent of all your proceeds received during the remainder of the Project Term.

The Fixed Management Fee is \$2,750 for the financial year ending 30 June 2013.

The RE fee is \$110 for the financial year ending 30 June 2011, 30 June 2012 and 30 June 2013 and for each financial year thereafter, indexed to CPI annually on and from 31 October 2015.

The Fixed Licence Fee is \$550 for the years ending 30 June 2012 to 30 June 2014, \$1,210 for the financial year ending 30 June 2015 and for each financial year thereafter, indexed to CPI annually on and from 31 October 2015.

The Operating Fee, which is the actual costs incurred to manage your Almond Lots, will be charged from the financial year ending 30 June 2014 and each subsequent financial year of the Project Term.

In accordance with the requirements of the Corporations Act, the table is based on an investment of \$50,000. However, you should note that the RE will not issue fractions of Interests, and therefore, it is not possible to make an Application for Interests where the Application Amount equals exactly \$50,000. The nearest whole investment amount is \$53,460 (six Interests).

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7.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

7.3.1 TAX OR INSURANCE COSTS

Taxes are discussed in Section 8 *Tax Treatment* of this PDS. Insurance costs are discussed in Section 4.1.5 *Are my Almond Lots insured?* of this PDS.

7.3.2 ADVISER COMMISSIONS AND OTHER BENEFITS

The RE may enter into arrangements with financial services licensees or their representatives ('Advisers') and others who refer clients to it ('Referrers'). Under these arrangements, the RE may pay commission, referral fees or other benefits to that person. Any such commissions, fees and benefits will be payable by the RE from its own resources and will not be paid from your Application Payment or other money.

The amount of commissions, fees or benefits paid is calculated on the total amount you invest in specified years during the term of the Project and may be up to five per cent to 10 per cent (plus GST), with the possibility of a further two per cent to four per cent (plus GST) of the amount you invest where the RE considers that the person has undertaken significant marketing of the product, or has fulfilled firm bid allocations for Interests. The total commission payable will be up to a maximum of 12 per cent if paid upfront but will generally be below this amount. Alternatively, commissions, fees and benefits may be paid to the Adviser or Referrer whose details appear on the Application Form and may be paid on a deferred basis but so that the aggregate does not exceed a net present value of 12 per cent (for example, three per cent paid upfront with a trailing commission or fee of 0.90 per cent paid annually for 11 years). Payment is subject to such conditions determined by the RE.

Where you have an Investment Loan, the Lender may pay trailing commissions (up to 0.25 per cent per annum plus GST) of the outstanding Investment Loan balance (if any) to Advisers and others, if the Application Form contains their details.

The RE may also enter into arrangements with Advisers and Referrers to provide non-monetary benefits to the person other than the commissions, fees or benefits discussed above. Examples of non-monetary benefits include conferences, professional development, accommodation or travel and in some instances these benefits could include payment or reimbursement for a portion of the Adviser's professional indemnity insurance cover. These benefits may be provided in addition to, or instead of, the commissions referred to above. The benefits may be provided where the RE considers that the person has undertaken extensive marketing of the product, or has fulfilled firm bid allocations for Interests.

Please check with your Adviser as they should disclose to you any benefits that they receive from the RE.

Please note that an Adviser that acts as a Referrer must disclose to you the capacity in which they are acting when they provide advice. You should note that none of the RE or a Lender or any of their representatives provide personal advice that takes into account your particular investment needs, objectives and financial and taxation circumstances in the Project or any loans referred to in this PDS.

7.3.3 FEE CHANGES

As discussed in Section 7.2 *All significant fees and costs*, from 30 June 2016 the RE Fee and Licence Fees will be indexed, so that they increase in line with CPI.

Any changes to fees relating to the Project that require a change to the Constitution and that will adversely affect Investors' rights can only be made by a Special Resolution at a meeting of Investors. If the RE proposes to change the fees applicable to your Investment, you will receive a notice of meeting in relation to the proposed change giving at least 21 days notice of the meeting. The RE does not currently propose to make any changes to the applicable fees.

7.3.4 FEE WAIVERS AND REDUCTION

MAAML may negotiate reduced management fees as permitted by the Corporations Act and ASIC relief. For example, MAAML may negotiate reduced fees with certain wholesale clients, as defined in the Corporations Act. There is no set manner or method of negotiating fees.

If the whole or a substantial part of an Almond Lot is damaged or destroyed, whether by fire or any other cause, the RE may terminate the Licence and management arrangements in respect of the Interest and the Almond Lot relating to the Interest, subject to following the procedure under the Constitution (including giving not less than four months prior written notice).

Where an Investor's Almond Lot is partially damaged or destroyed by fire or by another cause, the RE may determine what percentage (if any) of the Almond Lot is no longer commercially viable. Following any such determination, the Investor's Proportional Interest in any proceeds from harvest and the Licence Fees and Fixed Management Fees payable by the Investor in respect of the Almond Lot reduce by the percentage determined.

7.3.5 OPERATING FEE

The Operating Fee will be payable on 31 October for each relevant year (see Section 7.1 Fees for further details).

For each financial year following 30 June 2013, the RE will prepare an estimate of the operating costs of managing your Almond Lots. This estimate will be adjusted to incorporate any difference between the estimate from the immediately preceding year and the costs actually incurred, except where the amount of the variation has been paid by the Investor or otherwise dealt with. The RE is entitled to deduct this amount from your Total Proceeds. Where there are insufficient or no Total Proceeds to cover the cost, or where available Total Proceeds have already been distributed to you, you will be required to pay the shortfall amount by direct debit on 31 October of the relevant year.

7.4 DEFAULT IN PAYMENT OF FEES

As an Investor in the Project, you will have obligations to pay ongoing fees to the RE in relation to your Investment for the 22 year term of the Project. The fees will be required to be paid regardless of the performance of your Investment.

As discussed below, default in payment of these fees may have serious consequences. Accordingly, prior to making any Investment in the Project, you should consider whether you will have the capacity to meet the fees payable over the whole of the Project Term regardless of the performance of your Investment.

If you fail to pay any of your obligations under the Project on the due date of payment, you will be notified by the RE as to the default and you will be given 90 days to rectify the default. If the default is not rectified within the 90 day period, the RE may assign your Interests to any person nominated by the RE.

If you do not pay fees on the due date for payment, the RE may require you to pay interest on that amount at the 90 day dealers bill rate each day plus 4.5 per cent per annum calculated daily, which accrues from day to day from and including the due date for payment up to and including the actual date of payment.

The RE may continue to manage your Almond Lots, and you will be liable for any further obligations that fall due before the RE assigns your Interests.

Proceeds of an assignment will be used by the RE to pay its reasonable expenses incurred in relation to the default plus interest and all outstanding amounts owed by you in relation to the Project plus interest, with any residue to be distributed to you (or, if you have an Investment Loan, the Lender) in accordance with the Constitution. If there is a shortfall between the proceeds of assignment and the outstanding amounts owed by you, this shortfall constitutes a debt owing to the Manager and you will be liable for this amount.

The RE may relinquish the right to assign if, at any time prior to assignment, you remedy the default to the satisfaction of the RE and the RE is reasonably satisfied that you are and will remain ready, willing and able to perform your obligations under this Project thereafter.

If you have an Investment Loan from Macquarie Bank, a default on the Project Costs will also constitute a default under the Investment Loan, in which case you will also be subject to any actions taken by Macquarie Bank in accordance with the Loan and Security Agreement.

7.5 LOAN PAYMENTS

If you use an Investment Loan to fund your Investment in the Project, you must make monthly interest and/or principal payments on that loan to the Lender. These payments must be made regardless of the performance of your Investment. You should refer to Section 9 *Investment Loan* for information in this regard. You may also be required to pay certain fees associated with the Investment Loan. See section 7.6 below and section 9 'Investment Loan' for further information.

7.6 LOAN ESTABLISHMENT FEE

If you use an Investment Loan, you must pay interest on the Investment Loan and pay the Investment Loan Establishment Fee (if applicable). The Loan Establishment Fee is paid upfront when you apply for an Investment Loan. The Investment Loan amount will be extended to cover the Investment Loan Establishment Fee. Refer to Section 9 *Investment Loan* for information about the Investment Loan Establishment Fee.

7.7 JOINT VENTURERS

You may participate in the Project with another Investor as a Joint Venturer by making the relevant nominations in your Application. Each Joint Venturer will hold a Fractional Interest in the Project as a tenant in common. As holder of a Fractional Interest, each Joint Venturer will be responsible for Project Costs and entitled to Project benefits (Almonds, Total Proceeds and any other rights or assets to which the Joint Venturers are entitled) in the percentages described in Sections 7.7.1 and 7.7.2. A Fractional Interest may be dealt with separately from the Fractional Interest of the other Joint Venturer, including by assignment of the Fractional Interest.

7.7.1 BENEFITS

Each Joint Venturer's proportion of the rights and entitlements of an Interest is equal to the proportion that their Fractional Interest bears to the whole Interest. For Early Growers, that proportion is 45 per cent for the First Joint Venturer and 55 per cent for the Second Joint Venturer. For Late Growers, that proportion is 45 per cent for the First Joint Venturer and 55 per cent for the Second Joint Venturer.

7.7.2 PROJECT COSTS FOR JOINT VENTURERS

EARLY GROWERS

The First Joint Venturer will be solely responsible for paying the following fees and other amounts:

- 100 per cent of the Application Payment;
- 45 per cent (being the percentage equal to its Fractional Interest) of the Variable Management Fee; and
- 45 per cent of all costs payable in relation to the Project in all financial years commencing from and including the 2015 financial year.

The Second Joint Venturer will be solely responsible for paying the following fees and other amounts:

- 100 per cent of each of the RE Fee, Fixed Management Fee and Licence Fee in the 2012 to 2014 Financial Years; and
- All other amounts not payable by the First Joint Venturer.

In summary, the First Joint Venturer is responsible for the Application Payment, while the Second Joint Venturer is responsible for the fixed costs and any operating fees for the next three years (until the year ending 30 June 2014). From the year ending 30 June 2015, costs are shared based on the joint venturer's Fractional Interest. All variable costs are shared based on each joint venturer's Fractional Interest over the Project Term.

LATE GROWERS

The First Joint Venturer will be solely responsible for paying the following fees and other amounts:

- 100 per cent of the Application Payment;
- 65 per cent (being the percentage equal to its Fractional Interest) of the Variable Management Fee; and
- 65 per cent of all costs payable in relation to the Project in all financial years commencing from and including the 2015 financial year.

The Second Joint Venturer will be solely responsible for paying the following fees and other amounts:

- 100 per cent of each of the RE Fee, Fixed Management Fee and Licence Fee in the 2013 to 2014 Financial Years
- All other amounts not payable by the First Joint Venturer.

In summary, the First Joint Venturer is responsible for the Late Grower Application Payment, while the Second Joint Venturer is responsible for the fixed costs and any operating fees for the next two years (until the year ending 30 June 2014). From the year ending 30 June 2015, costs are shared based on the Late Grower joint venturer's Fractional Interest. All variable costs are shared based on each joint venturer's Fractional Interest over the Project Term.

7.7.3 JOINT VENTURERS IN DEFAULT

If a Joint Venturer defaults in its obligations under the Project, the RE may exercise all its rights and powers that it has under the Constitution (as outlined in Section 7.4 *Default in payment of fees*) in respect only of the defaulting Joint Venturer's Fractional Interest, including the power and right of the RE to assign that Fractional Interest. The RE may do so without the consent or approval of the non-defaulting Joint Venturer.

The non-defaulting Joint Venturer will continue on as a participant in the Project and will not be liable for any amount owed to the RE by the defaulting Joint Venturer as a consequence of the default.



8 / Tax
treatment

This summary outlines the main Australian income tax implications for Growers who participate in the Project. This summary has been reviewed by Allen & Overy and they have provided a report in relation to this Section which is set out in Appendix A *Experts' reports* of this PDS.

The information in this summary is of a general nature only and does not purport to constitute legal or tax advice. Neither the RE nor Macquarie provides financial or tax advice and this summary cannot address all of the taxation issues which may be relevant to a particular Grower. As the taxation implications for each potential Grower may be different, the RE recommends that each prospective Grower obtain their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

The ATO has issued the Product Ruling in respect of Early Growers (a copy of this product ruling is available from the ATO website: www.ato.gov.au). As at the date of this PDS, no product ruling has been issued in respect of Late Growers and potential Late Growers should refer to Section 8.3 below. Both Early Growers and Late Growers must take full and sole responsibility for their own Investment in the Project, the associated taxation implications arising from that Investment and any changes in those taxation implications during the course of that Investment.

This summary is based on Australian taxation laws in force or proposed and administrative practices generally accepted as at the date of this PDS. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated. Future changes in tax laws, or their interpretation or associated administrative practices, could affect the tax treatment of Growers or the Project.

8.1 ASSUMPTIONS AND QUALIFICATIONS

This summary assumes that:

- the Grower is an Australian resident for tax purposes;
- all transactions entered into by the Grower in relation to their Almond Lot will be at prevailing market prices and otherwise on arm's length terms;
- at all times the RE will be an Australian tax resident;
- all transactions entered into in the course of the Project will be denominated in Australian dollars;
- the Growers have a purpose of staying in the scheme until it is completed (that is, being a party to the relevant agreements until their term expires), and deriving assessable income from this involvement; and
- the Growers will not choose to withdraw produce from their Almond lots from the pool at any time prior to any arrangement for marketing or sale of the Produce has been entered into by the Manager.

8.2 INCOME TAX – EARLY GROWERS

INCOME TAX – CASH ACCOUNTING SMALL BUSINESS ENTITY TAXPAYERS

The income tax considerations for Early Growers that are small business entity taxpayers using the cash accounting method are set out below.

CARRYING ON A BUSINESS

The Product Ruling confirms that Early Growers are carrying on a business of horticulture.

ASSESSABLE INCOME

Income from the sale of an Early Grower's Almonds, excluding GST payable (if any), should be assessable income of the Early Grower in the income year in which the payment is received.

ENTITLEMENT TO AND TIMING OF DEDUCTIONS

The Product Ruling confirms that Early Growers should be entitled to a deduction for the Application Payment of \$8,910 per Interest in the financial year ending 30 June 2011. Where the Early Grower is registered or required to be registered for GST and is entitled to an input tax credit for the GST component of \$810 (see Section 8.7 *GST*), the amount of the deduction should be \$8,100.

All subsequent Project Costs, including Management Fees, Licence Fees, Variable Management Fees and any other Project Costs, should be deductible in the financial year in which they are incurred and paid (subject to adjustment if the Early Grower is registered or required to be registered for GST and entitled to input tax credits).

OTHER DEDUCTIONS

Early Growers who obtain an Investment Loan should be entitled to a deduction for interest paid on the Investment Loan. The deduction will be available in the income year in which the interest expense is incurred and paid. As the interest on the Investment Loan is paid in arrears, the prepayment rules will not apply to determine the timing of the deduction. However, Early Grower's who prepay fees or interest are not covered by the Product Ruling and may consider requesting a private ruling to confirm the tax consequences of their participation in the Project.

Early Growers should be entitled to write-off the cost of the Almond Trees on their Almond Lots and associated planting costs at the rate of 13 per cent per year, commencing in the year in which the Almond Trees commence commercial production and ending once the Almond Trees are fully written-off. The RE will notify Growers when the Almond Trees commence commercial production.

TRADING STOCK

It is likely that over time each Early Grower will hold Almonds harvested in one tax year but not sold until the next tax year. Any such unsold Almonds at the end of a tax year will constitute trading stock on hand of the Early Grower. The Early Grower will be required to account for the cost of that trading stock in accordance with Division 328 of the Tax Act. Please note that the holding value of the Almonds may not be equal to the Proceeds when they are sold.

INCOME TAX – ALL OTHER EARLY GROWERS

The income tax considerations for all other Early Growers (non small business entity taxpayers as well as small business entity taxpayers using the accruals accounting method) are set out below.

CARRYING ON A BUSINESS

The Product Ruling confirms that Early Growers are carrying on a business of horticulture.

ASSESSABLE INCOME

Income from the sale of an Early Grower's Almonds, excluding GST payable (if any), should be assessable income of the Early Grower in the income year in which that income is derived.

ENTITLEMENT TO AND TIMING OF DEDUCTIONS

The Product Ruling confirms that Early Growers should be entitled to a deduction for the Application Payment of \$8,910 per Interest in the financial year ending 30 June 2011. Where the Early Grower is registered or required to be registered for GST and is entitled to an input tax credit for the GST component of \$810 (see Section 8.7 GST), the amount of the deduction should be \$8,100.

All subsequent Project Costs, including Management Fees, Licence Fees, and any other Project Costs, should be deductible in the financial year in which they are incurred (subject to adjustment if the Early Grower is registered or required to be registered for GST and entitled to input tax credits).

Any Variable Management Fee should similarly be deductible in the financial year in which the fee is incurred. Generally this will be the year(s) in which the Grower is notified of the amount of the Variable Management Fee payable.

OTHER DEDUCTIONS

Early Growers who obtain an Investment Loan should be entitled to a deduction for interest paid on the Investment Loan. The deduction will be available in the income year in which the interest expense is incurred. As the interest on the Investment Loan is paid in arrears, the prepayment rules will not apply to determine the timing of the deduction. However, Early Grower's who prepay fees or interest are not covered by the Product Ruling and may consider requesting a private ruling to confirm the tax consequences of their participation in the Project.

Early Growers should be entitled to write-off the cost of the Almond Trees on their Almond Lots and associated planting costs at the rate of 13 per cent per year, commencing in the year in which the Almond Trees commence commercial production and ending once the Almond Trees are fully written-off. The RE will notify Growers when the Almond Trees commence commercial production.

TRADING STOCK

It is likely that over time each Early Grower will hold Almonds harvested in one tax year but not sold until the next tax year. Any such unsold Almonds at the end of a tax year will constitute trading stock on hand of the Early Grower. The Early Grower will be required to account for the cost of that trading stock in accordance with Division 70. Please note that the holding value of the Almonds may not be equal to the Proceeds when they are sold.

8.3 LATE GROWERS

MAAML may apply for a product ruling in relation to Late Growers. Late Growers investing prior to the issue of that product ruling should seek their own taxation advice and in particular should note that (if no product ruling is obtained, then, unless the Investor obtains their own declaration from the Commissioner as to the non-applicability of Division 35, (non-commercial business losses), or that Division is otherwise non-applicable to them), any deductions arising in relation to the Almond Project may be 'quarantined' and only deductible against and to the extent of assessable income arising from the Almond Project.

As at the date of this PDS, MAAML has not applied for a product ruling in respect of the taxation implications for Late Growers. Please check the website for updates at macquarie.com.au/almonds

8.4 ABN/TFN WITHHOLDING TAX

Amounts may be withheld from payments to Growers who do not quote their Tax File Number (or, where the Interests are acquired in the course of furtherance of an enterprise, their ABN) or do not claim an appropriate exemption from doing so.

8.5 ANTI-AVOIDANCE PROVISIONS

The Product Ruling confirms that neither Section 82KL (a specific anti-avoidance provision) nor Part IVA (the general anti-avoidance provision) should apply to deny an Early Grower deductions for expenses incurred in the Project, where the Early Grower's circumstances are consistent with those set out in the Product Ruling.

8.6 JOINT VENTURERS

Each Early Grower Joint Venturer should be entitled to an income tax deduction for Project Costs for which they are responsible, including any interest incurred on borrowings to pay those costs. Each Early Grower First and Second Joint Venturer should also be entitled to write-off 45 per cent and 55 per cent (respectively) of the cost of the Almond Trees on their Almond Lots and associated planting costs at the rate of 13 per cent per year commencing in the year in which the Almond Trees commence commercial production and ending once the Almond Trees are fully written-off.

8.7 GST

The Application Payment specifically includes GST. Where GST is payable on any other supplies made to Growers, an additional amount may be charged to Growers on account of that GST. However, where a Grower is registered or required to be registered for GST, the Grower may be entitled to claim input tax credits for the relevant acquisition.

Where Growers carry on a business of horticulture, Growers would be carrying on an enterprise for GST purposes and would be entitled to be registered for GST. If the current or projected 'GST turnover' (having the specific meaning given in the GST law) of a Grower is \$75,000 or higher, the Grower may be required to be registered for GST. Where a Grower's 'GST turnover' is less than \$75,000, the Grower can voluntarily elect to apply for GST registration.

Other activities carried on by a Grower may be relevant in determining whether the Grower would be required to be registered for GST as a result of participating in the Project. Where a Grower elects to be registered or becomes required to be registered for GST as a result of participating in the Project, this may affect the GST consequences of the Grower's other activities.

A Grower who is registered for GST is required to lodge Business Activity Statements on a quarterly or monthly basis and account for GST on any taxable supplies made by the Grower, but would also be entitled to claim input tax credits for creditable acquisitions made by the Grower. Broadly speaking, Growers who are registered for GST should be entitled to input tax credits for acquisitions relating to their horticulture enterprise. Furthermore, supplies of Almonds by Growers may be GST-free (ie no GST is payable on those supplies).

Should input tax credits not be available to a Grower for an acquisition (eg the Grower is not required to be registered for GST and does not elect to apply for GST registration), amounts paid by the Grower on account of GST could form part of a tax-deductible expense, depending on the nature of the acquisition and the circumstances of the Grower.

8.8 STAMP DUTY

Growers should not be liable for any amount of stamp duty in relation to the Project. Stamp duty may apply in respect of the Investment Loan at a rate of 0.4 per cent on the proportion of the Investment Loan that is secured by property located, or taken to be located for stamp duty purposes, in New South Wales. This amount is recoverable from each Grower.

Growers should be aware that the Product Ruling is limited to income tax. Stamp duty is not addressed in the Product Ruling.



9 / Investment
loan

9.1 LOAN FUNDING AND OPTIONS

You are invited to apply for an Investment Loan from Macquarie Bank (which may nominate as lender a member of its group of companies) to fund your Investment in the Project, subject to credit approval as outlined in Section 9.2 *Credit Approval*. You do not have to obtain an Investment Loan from Macquarie Bank to invest in the Project. You can invest using your own funds or other financing.

This Section describes the Investment Loan available to Applicants who are not Joint Venturers. The Investment Loans available to Joint Venturers are described in Section 9.5 *Joint Venturers and Loans*.

9.1.1 LENDER – MACQUARIE BANK

12 MONTH INTEREST FREE LOAN

As an Early Grower or Late Grower, you may apply for a 12 Month Interest Free Investment Loan from Macquarie Bank to fund up to 100 per cent of your Application Payment. This corresponds to a maximum total facility amount of \$8,910 per Interest for Early Growers or \$12,870 per Interest for Late Growers (excluding any Loan Establishment Fee that will be included in your loan amount).

PRINCIPAL AND INTEREST LOANS

As an Early Grower or Late Grower you may apply for a Principal and Interest Loan from Macquarie Bank to fund up to 100 per cent of your Application Payment and up to 100 per cent of the Fixed Management Fees, RE Fees and Licence Fees payable on 31 October 2011 (Early Grower only) and 31 October 2012. This corresponds to a maximum total facility amount of \$16,280 per Interest.

Maximum loan instalment amounts and timing are shown in the table below. You may choose which payments you would like to fund under the Investment Loan and the amount funded up to the maximum total facility amount. You should note that you will not be entitled to draw down an instalment of the Investment Loan if you are in default under the terms of the Loan.

Macquarie Bank investment loans – funding amounts

Date	On Application	31 Oct 12	31 Oct 13
Early Growers			
Fees due (Incl. GST)	\$8,910	\$3,960	\$3,410
Maximum loan instalment amount	\$8,910*	\$3,960**	\$3,410 **
Percentage funded	100%	100%	100%
Late Growers			
Fees due (Incl. GST)	\$12,870	N/A	\$3,410
Maximum loan instalment amount	\$12,870 *	N/A	\$3,410 **
Percentage funded	100%	N/A	100%

* Excluding any Loan Establishment Fee under the 12 month Interest Free Loan which will be included in your loan amount.

** This instalment is not available under the 12 month Interest Free Loan.

Macquarie Bank investment loans – Terms

Loan Term	Repayment Type	Interest rate (Indicative)*	Repayment	Loan Establishment Fee**
1 year	Principal only	0% pa	12 equal monthly instalments	1.00% of the loan amount
5 years	Principal and interest	10.99% pa	Monthly instalments [^]	Nil
7 years	Principal and interest	12.99% pa	Monthly instalments [^]	Nil

* This interest rate is indicative only – please refer to Section 9.3(a).

** Your Loan Establishment Fee will be included in your loan amount.

[^] The monthly repayment instalments for each drawdown shall be in equal amounts over the term or in such other amounts for each month as Macquarie Bank notifies the Investor in writing. The allocation of monthly payments by the Investor between principal and interest will be as determined by Macquarie Bank and notified to the Investor from time to time.

Note that while the total facility amount will be approved on Application, each drawdown under the Principal and Interest Loans will be treated as a separate loan. For the five year loan, each drawdown will have its own term of five years from the date of that drawdown. For the seven year loan, the loan term for each drawdown will be seven years after the Application Payment drawdown. This means that the loan term for the 31 October 2012 and 31 October 2013 drawdowns will be less than seven years.

If you choose to apply for an Investment Loan from Macquarie Bank, the Loan and Security Agreement and Notice of Mortgage is contained in Appendix C of this PDS.

You should carefully read the Loan and Security Agreement and Notice of Mortgage, and consider seeking professional advice on your rights and obligations and whether the finance suits your circumstances and needs. The Investment Loan is not available to those Investors who are superannuation funds.

To apply for an Investment Loan from Macquarie Bank, you should fill out the Finance Application Form attached to this PDS, in addition to your Application for Interests.

9.2 CREDIT APPROVAL

a) Lender may vary Investment Loan amount

The Investment Loan is subject to the Lender's normal lending criteria. If you apply for an Investment Loan from Macquarie Bank and receive approval for a lesser amount, you will be taken to have applied for a reduced number of Interests.

b) If the Borrower is a corporate entity

If the Borrower under an Investment Loan is a corporate entity, a director of that entity will be required to guarantee the Investment Loan. This includes where the Borrower is the trustee of a trust, and the trustee is a corporate entity.

c) If the Borrower is a trustee of a trust

If the Borrower is a trustee of a trust, the Lender will also require a solicitor to confirm that the trustee has the power to enter into the arrangements by completing and signing a certificate that forms part of the application form for finance.

d) Guarantors

The Lender may, in its absolute discretion, require a third party to guarantee your Investment Loan before it is approved.

9.3 REPAYMENT AND PREPAYMENT

a) Repayment

The interest rates outlined previously are indicative only.

The actual interest rate to be applied will be based on prevailing market interest rates. For the Investment Loans, the interest rate will be set for each drawdown at the time the loan facility application is approved. Indicative interest rates will be updated periodically on the Macquarie Almond Investment website at **macquarie.com.au/almonds**. The Lender may, in its absolute discretion, offer different interest rates to different Borrowers.

Interest will be charged on the Drawings under an Investment Loan, calculated daily, at the relevant interest rate which has been determined by the Lender and notified to you. Interest is payable monthly in arrears and will be deducted by way of a direct debit from your nominated bank account on the last business day of each interest period in respect of that Investment Loan. A \$50 fee will apply if there are insufficient funds in your nominated account when the direct debit is processed.

Repayments of principal on an Investment Loan will be direct debited from your nominated bank account on the last business day of each interest period in respect of that Investment Loan. All interest periods will be one month.

Note that no interest is payable in respect of the 12 Month Interest Free Loan.

b) Full Recourse Loan

The Investment Loan is a full recourse loan. This means that you will be responsible for making all payments under the Investment Loan, regardless of the success or failure of the Investment, or the level of returns from the Investment.

c) Lender may apply distribution against loan balance

For the Macquarie Bank Investment Loans, under the Notice of Mortgage, you are required to authorise the RE to pay the Lender all money which may be payable to you in respect of the Project if you are in default under the Investment Loan. The Lender will apply such amounts to pay interest and repay amounts due under the Investment Loan, and to prepay or repay the balance of any amounts under the Investment Loan. If you receive insurance proceeds relating to your Investment in the Project, then they are required to be used to reduce the outstanding principal and interest on the Investment Loan.

9

d) Loan prepayment in the event of Project termination

You are required to prepay the amounts drawn under the Investment Loan if the Project terminates, your Interest is terminated, or if there is an event of default under the Investment Loan (which, for the Macquarie Bank Investment Loans, includes a default on any obligations relating to the Project).

e) Transferring Interests encumbered by a loan

You must prepay the amounts drawn under the Investment Loan, and obtain a release of the charge over your Interests granted to the Lender (referred to in Section 9.4 *Security*) before you can assign, sell or transfer or create a security interest in respect of your Interests.

f) Early repayment

If you choose to prepay the amounts drawn under your Investment Loan, or are required to prepay those amounts, or the Lender demands repayment of the Drawings under the Investment Loan (as permitted under the terms of the Loan and Security Agreement), before the maturity date under the Investment Loan, in addition to prepaying or repaying the Drawings, you will be required to pay all other amounts accrued and due under the Investment Loan (including any unpaid interest or fees and any break fees and costs on the Investment Loan as determined by the Lender).

9.4 SECURITY

The Lender will secure the Investment Loan by an equitable mortgage over your Interests. If you are applying for an Investment Loan, you must authorise the RE to deposit all documents of title relating to your Interests with the Lender.

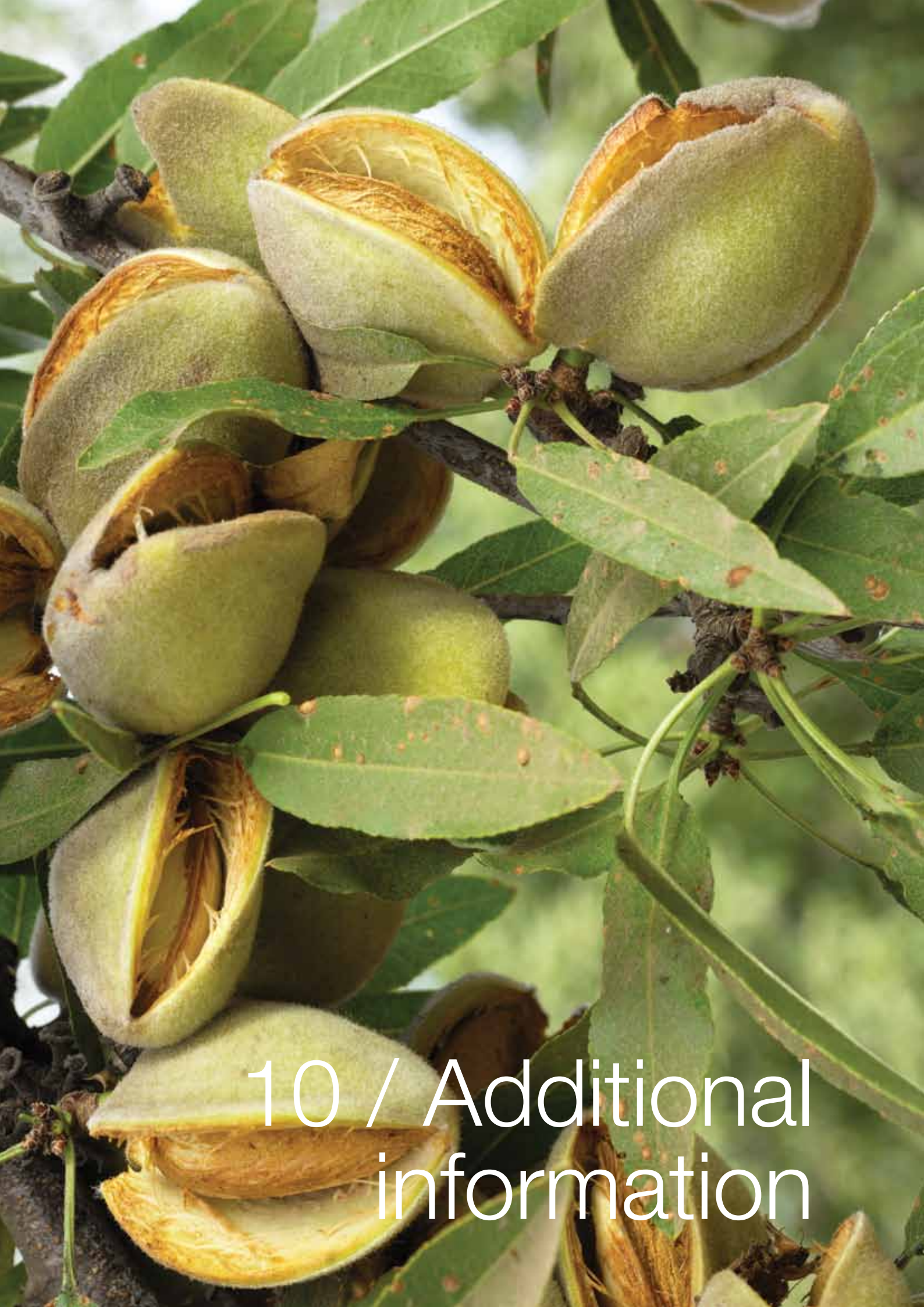
For Joint Venturers, the equitable mortgage created relates only to the borrowing Joint Venturer's Fractional Interest, and does not extend to the non-borrowing Joint Venturer's Fractional Interest. The equitable mortgage may be exercised in respect of a defaulting Joint Venturer's Fractional Interest without the consent or approval of the other Joint Venturer.

The security is set out in Clause 11 of the Loan and Security Agreement.

9.5 JOINT VENTURERS AND LOANS

If two Investors choose to participate in the Project as Joint Venturers by nominating a First Joint Venturer and a Second Joint Venturer in their Application, the following loans are available:

- For the First Joint Venturer:
 - Macquarie Bank Limited will lend up to 100 per cent of the Application Payment; and
 - Each of the loan options offered by Macquarie Bank detailed previously in Sections 9.1.1 are available.
- For the Second Joint Venturer:
 - Macquarie Bank will lend up to 100 per cent of the fees payable on 31 October 2011 (for Early Growers only) and 31 October 2012 (for Early Growers and Late Growers); and
 - Each of the loan options offered by Macquarie Bank detailed previously in Sections 9.1.1 are available, except for the 12 Month Interest Free Loan.



10 / Additional
information

10.1 THE RESPONSIBLE ENTITY

The Project is a managed investment scheme registered under the Corporations Act.

MAAML is currently the RE for the Project. MAAML holds an Australian Financial Services Licence authorising it to act as the RE of the Project. It is a member of the Macquarie group of companies.

MAAML's role as RE for the Macquarie Almond Investment 2011 includes:

- representing Investors and acting in their best interests in relation to the scheme
- obtaining a Lease in respect of the Land and arranging for the Land and Orchard Assets to be licensed to Investors
- managing, or procuring the management of, the Orchard
- arranging for the processing, marketing and sale of Investors' Almonds
- operating the Project in accordance with the Constitution and the Corporations Act.

Under the Constitution, each Investor appoints the RE as its agent for all purposes connected with the Project. For further information, please refer to Appendix B *Material Contracts*.

10.2 POTENTIAL CONFLICTS OF INTEREST OF THE RESPONSIBLE ENTITY

The Constitution permits the RE and its related bodies corporate and associates to enter into certain transactions despite potential conflicts of interest. The Constitution permits the RE to:

- hold Interests in the Project
- deal in any capacity with itself, its related bodies and with Investors
- receive and retain certain benefits in connection with the management of the Project (including the fees set out in Section 7 *Fees and other costs* of this PDS).

10.3 REPORTING

You will receive the following reports:

- **Confirmation of Investment** – confirming your Investment, details of your Almond Lots, and, if applicable, details of your Investment Loan
- **Establishment Report** – confirming the completion of Orchard development and planting of the Almond Trees on your Almond Lots. This report will incorporate independent confirmation by the Independent Horticulturalist
- **Annual Orchard Report** – confirming the activities of the year and the overall state of the Orchard and the Almond Trees. This may include a report by the Independent Horticulturalist

- **Annual Market Report** – summarising the domestic and international almond markets, including supply, demand and price information, as well as market outlooks

- **Annual Cash Flow and Tax Report** – a statement of income and expenses for your Almond Lots, which is to be sent within five months of the end of the financial year.

These reports will be presented either in the form of a newsletter or as separate reports.

In addition, the RE is required to provide you with the reports and information set out in Section 10.7 *Disclosing Entity*.

10.4 COMPLIANCE PLAN

The compliance plan for the Project describes the procedures that the RE will apply in operating the Project to ensure compliance with the Corporations Act and the Constitution.

A compliance committee with a majority of external members has been established to monitor compliance with the Project's compliance plan, the Constitution and the Corporations Act, and to report to the RE and, in some circumstances, ASIC.

Copies of the compliance plan are available free of charge during the life of this PDS and can be obtained by contacting the RE on **1800 080 033** during business hours.

10.5 ENQUIRIES AND COMPLAINTS

The RE has procedures in place to consider properly and deal with enquiries and complaints within 45 days of receiving them. If you have any enquiries or complaints, you can call **1800 080 033**, or you may write to the RE:

Macquarie Alternative Assets Management Limited
GPO Box 4294
Sydney NSW 1164

All complaints relating to the Project will be governed by the procedures which apply to all investments and responsible entities managed within Macquarie Bank Limited.

Staff receiving verbal complaints will attempt to settle them immediately to the satisfaction of the complainant or will involve another staff member who can resolve the complaint. Verbal complaints which cannot be resolved in a timely manner as well as all written complaints will be referred to the complaints officer.

Where a complaint remains unresolved (eg where a remedy is not offered or not instigated or where a remedy offered is not accepted by the complainant), the complaints may fall within the terms of reference of the external complaints scheme, Financial Ombudsman Service ('FOS'). Complainants in this category will be sent details of how to contact FOS, an independent external complaints handling body approved for this purpose by ASIC.

Where a complainant has referred a complaint to FOS, the complaints officer will comply with the procedures set out in the FOS Terms of Reference as approved by ASIC. Once referred and once relevant time periods to settle the complaint have expired, FOS will work with the complainant and the RE to seek a mutually acceptable resolution of the complaint. Claims decided upon by FOS are subject to limits on the maximum total value of the remedy that can be awarded by FOS. Please see the Terms of Reference which can be found at www.fos.org.au.

To contact FOS, Investors should telephone their offices on 1300 78 08 08 or write to them at GPO Box 33001.

10.6 CONSENTS

Scholefield Robinson has given and has not, before the issue of this PDS, withdrawn its written consent to the inclusion in this PDS of its Independent Horticulturalist's Report in the form and context in which it is included in Appendix A *Experts' reports*, and to be named in this PDS in the form and context in which it is named. It does not hold an Australian Financial Services Licence. It is entitled to payments and benefits in relation to the report of approximately \$7,668.

Allen & Overy has given and has not, before the issue of this PDS, withdrawn its written consent to the inclusion in this PDS of its Taxation Report in the form and context in which it is included in Appendix A *Experts' reports*, and to be named in this PDS in the form and context in which it is named.

Macquarie Bank Limited has given and has not, before the issue of this PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

Macquarie Farm Assets and Resources Management Limited has given and has not, before the issue of this PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

Macquarie Agricultural Services Proprietary Limited has given and has not, before the issue of this PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

Almondco has given and has not, before the issue of this PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

Christopher Greig has given and has not, before the issue of this PDS, withdrawn his written consent to be named in this PDS in the form and context in which he is named.

Each of these parties, has also consented to the inclusion in this PDS of statements made by them or based on statements made by them and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements or omissions from this PDS, other than the reference to its name and a statement or report included in this PDS with the consent of that party as specified above.

10.7 DISCLOSING ENTITY

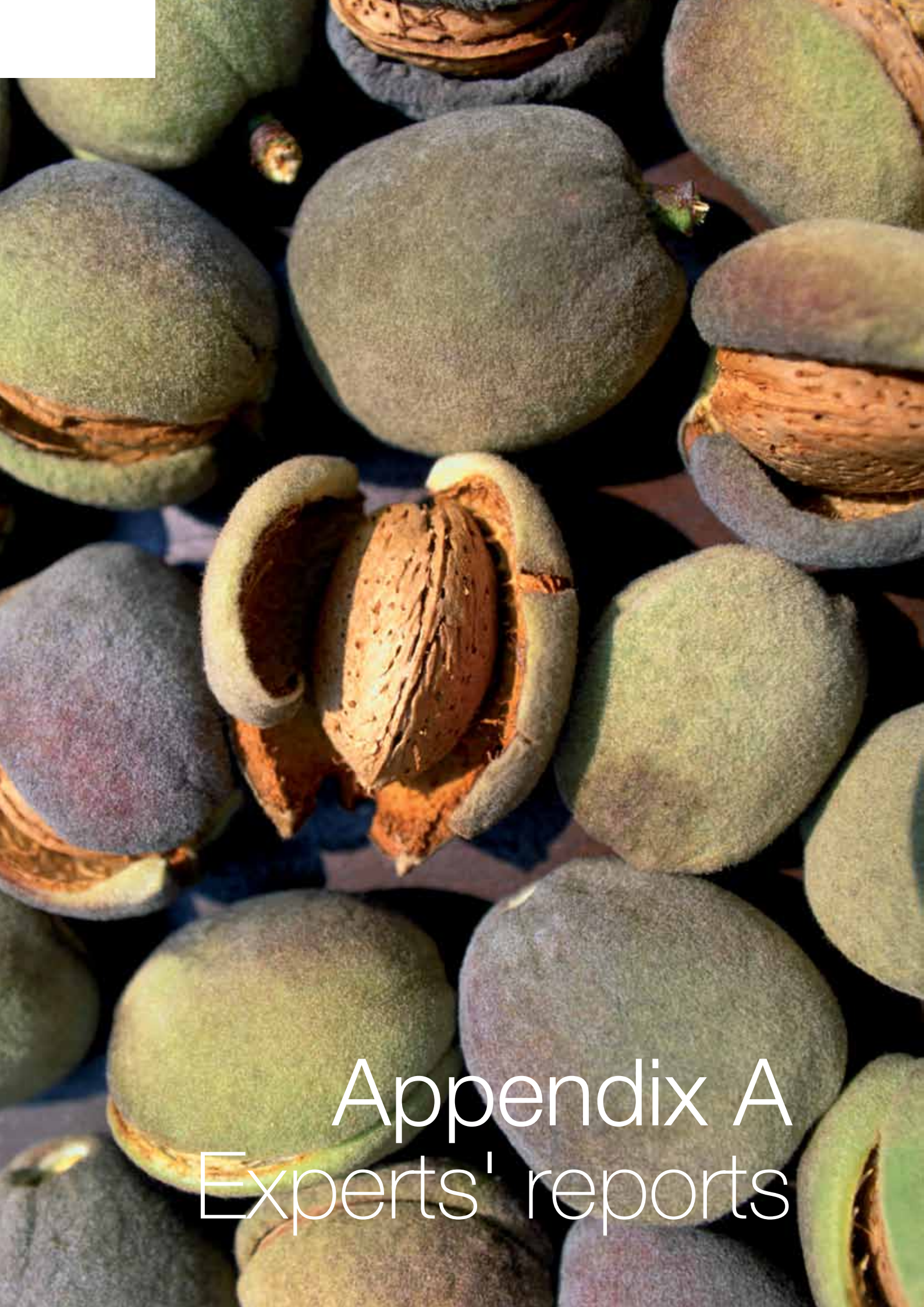
If the Project becomes a disclosing entity under the Corporations Act, it will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC to fulfil these obligations may be obtained from, or inspected at, an ASIC office.

You will also have a right to request a copy of certain documents from the RE when they become available, and the RE must send the copy to you free of charge within five days of your request in the way you choose – by email, fax or post, or you can collect it from the RE's offices. The documents are:

- the annual financial report for the Project most recently lodged with ASIC
- any half-year financial report lodged with ASIC after lodgement of the relevant annual financial report and before the date of this PDS
- any continuous disclosure notice given for the Project lodged with ASIC after the lodgement of the relevant annual financial report and before the date of this PDS.

Currently there are no such documents. The first annual financial reports will not be due for lodgement until September 2011.

A



Appendix A

Experts' reports

ALLEN & OVERY

The Directors
Macquarie Alternative Assets Management Limited
1 Shelley Street
SYDNEY NSW 2000

Allen & Overy
Level 7, Gold Fields House
1 Alfred Street
Sydney NSW 2000
Australia

PO Box R1256
Royal Exchange
Sydney NSW 1225

Tel +61 (0)2 9373 7700
Fax +61 (0)2 9373 7710
Direct +61 2 9373 7857
Mobile +61 407221 655
andrew.stals@allenoverly.com

Our ref 0097429-0000001 AU:589122.1

20 April 2011

Dear Sirs

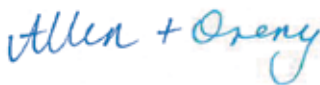
The Macquarie Almond Investment 2011

Section 8 in the Product Disclosure Statement (**PDS**) to be issued on or about 27 April 2011 in relation to the Macquarie Almond Investment 2011 (the **Project**) by Macquarie Alternative Assets Management Limited, in our opinion, provides, subject to the assumptions detailed further in section 8 of the PDS, a correct summary of the main Australian income tax, goods and services tax and stamp duty implications for a Grower participating in the Project.

Our opinion is based on the Australian taxation laws in force and administrative practices generally accepted as at the date of the PDS.

We note however that the discussion in section 8 of the PDS is intended to be general only and may not take into account the particular circumstances of any Grower. All Growers should seek their own independent advice on the Australian taxation implications of their intended participation in the Project.

Yours faithfully



Andrew Stals
Partner

Allen & Overy is affiliated with Allen & Overy LLP, a limited liability partnership registered in England and Wales with registered office at One Bishops Square London E1 6AD. Allen & Overy LLP or an affiliated undertaking has an office in each of: Abu Dhabi, Amsterdam, Antwerp, Athens, Bangkok, Beijing, Bratislava, Brussels, Bucharest (associated office), Budapest, Doha, Dubai, Düsseldorf, Frankfurt, Hamburg, Hong Kong, Jakarta (associated office), London, Luxembourg, Madrid, Mannheim, Milan, Moscow, Munich, New York, Paris, Perth, Prague, Riyadh (associated office), Rome, São Paulo, Shanghai, Singapore, Sydney, Tokyo and Warsaw.



13th April 2011

The Directors
Macquarie Alternative Assets Management Limited
No 1 Martin Place
SYDNEY NSW 2000

Dear Sirs,

INDEPENDENT EXPERT'S REPORT
Macquarie Almond Investment 2011

1 INTRODUCTION

Scholefield Robinson Horticultural Services Pty Ltd (Scholefield Robinson) has been engaged by Macquarie Alternative Assets Management Limited (MAAML) to prepare an Independent Expert's Report in relation to the Macquarie Almond Investment 2011 (the Project). This report is to be included in the Product Disclosure Statement for the Project.

I am a Director and Principal Consultant with Scholefield Robinson, a horticultural consulting company located in Adelaide. I have tertiary qualifications (BAGSc, PhD) in horticulture and am a member of the professional organisations, Australian Association of Agricultural Consultants (AAAC), Australian Society of Horticultural Science (AuSHS), and a Fellow of the Australian Institute of Agricultural Science and Technology (IAST). I have spent the past 40 years working professionally in horticulture, with the last 20 years working as an independent consultant in Australia. This work covers a wide range of crops, including citrus, almonds, walnuts, fruit crops and grapes.

1.1 Brief

This report addresses the following aspects of the Project:

- The suitability of the project site with regard to location, climate and soils;
- Water requirements of the almond trees at maturity, and the water availability, security and quality at the location;
- Orchard design, including irrigation and fertigation systems, as well as development and management plans;
- Experience and capability of the managers of the orchard;
- Varieties and rootstocks to be planted;
- The reasonableness of the yield assumptions proposed to be adopted for the Project; and
- The relevant Project risks.

The investigations and activities conducted by Scholefield Robinson to prepare this report included:

- Inspections of the Project site and the adjacent orchards established for the Macquarie Almond Investment 2006 (2006 Project), the Macquarie Almond Investment 2007 (2007 Project), the Macquarie Almond Investment 2008 (2008 Project) and the Macquarie Almond Investment 2009 (2009 Project).
- Discussions with Macquarie Agricultural Services (MAS) management and staff;
- Review of nursery sources used for the Project, and discussions regarding quality of rootstock and budwood material; and
- Viewed and discussed with the Project Manager's personnel, the following:
 - maps of the properties on which the Project will be conducted and the planting sequence that was undertaken in previous projects;
 - physical soil surveys of the property undertaken by Sunraysia Environmental;
 - climatic data and water quality data from the region;
 - water requirements and irrigation design; and
 - projected almond yields during the term of the Project.

Further investigations and discussions with relevant agencies and industry personnel have been undertaken to verify information relating to the Project, with particular reference to project risks.

SCHOLEFIELD ROBINSON HORTICULTURAL SERVICES PTY LTD

118A Glen Osmond Road, Parkside SA 5063 Australia
Ph: (08) 8373 2488
Email: srhs@srhs.com.au

ACN 008 199 737
ABN 63 008 199 737

PO Box 650, Fullarton SA 5063
Fax: (08) 8373 2442
Web Site: www.srhs.com.au

Offices in Adelaide and Mildura

1.2 The Project

The Macquarie Almond Investment 2011 Project involves the growing, harvesting, processing and sale of almonds. Investors in the Project will be granted a 22 year licence to an orchard near the town of Robinvale in the Sunraysia district of Victoria.

The 2011 project will include approx. 130 hectares of almonds planted in 2008, 40 hectares planted in 2009 and up to 50 hectares of new plantings in 2011 (total of up to 220 hectares).

The Project has been established on the Margooya property that is adjacent to and south of, the Caernarvon property where the Macquarie 2006, 2007 and 2008 projects have been successfully developed. Part of the Macquarie 2008 project and the Macquarie 2009 project are planted on the Margooya property and they adjoin the 2011 project.

The Margooya property (Crown Allotment 51 Parish of Margooya) has a total area of 1,683.09 ha and the soil survey confirmed that up to 1,379 ha on the property are suitable for almond production, with some areas requiring amelioration with mounding and trenching to enhance the potential of the soil.

Additional land required for the proper running of the orchard, including access roads, storage areas, buildings and necessary irrigation and fertigation infrastructure is also available on this site.

The orchard will be managed by MAS. This report also considers the ability of MAS to manage the orchard to meet the relevant almond production outcomes for investors.

1.3 Macquarie

The Macquarie Group is one of the largest financial services companies in Australia, with over \$A317¹ billion dollars of assets under management. The group has over 15,400 staff in 28 countries².

Both MAAML and MAS are wholly owned subsidiaries of the Macquarie group of companies.

MAAML successfully established the 2006, 2007, 2008 and 2009 Projects using the services of MAS. The same management team will be responsible for the development of the 2011 Project.

1.4 Management Structure

MAAML will engage MAS to manage and run the orchard on behalf of investors. Chris Greig is employed by MAS as the General Manager, and has many years experience in large-scale horticultural developments, including almond projects in the Robinvale district. MAS currently has an experienced management team reporting to Chris Greig including Brian Slater (Asset Manager), Wayne Hazel (Operations Manager) and Jim Ryan (Irrigation Manager). Further staff will be engaged as the almond projects expand. Other field staff is also employed.

Chris Greig and his team have shown a high level of skill and management capability in developing the 2006, 2007, 2008 and 2009 Projects in a timely manner. Scholefield Robinson has assessed these Projects, and considers them of high quality and, at or above industry best practice.

Scholefield Robinson provides independent horticultural advice to MAS, the 2006 Project, the 2007 Project, the 2008 Project and the 2009 Project and will continue to provide these services to the new 2011 Project.

2 ALMOND INDUSTRY

2.1 Australia

The 2010 Australian statistics for the almond industry (source: Almond Board of Australia 2010) show that the area of almonds expanded from 4,600 hectares in the year 2000 to over 29,000 hectares in 2010. Only 25% of the orchards are at full production level while 13% have not yet commenced production. Future production is expected to reach 86,500 tonnes by 2017, over double the 2010 production of 38,370 tonnes.

The current estimated value of the almond crop is \$250 million including exports of \$98 million. The value of the almond industry is projected to rise to over \$600 million by 2016 (Source: Almond Board of Australia).

Australian production is counter seasonal to major northern hemisphere producers, allowing marketing into periods of potentially lower supply.

¹ At 30 September 2010

² At 30 September 2010

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2.2 Global

Global plantings have also expanded over the past decade, dominated by extensive plantings in California. California continues to account for about 80% of global almond production, and it also dominates the global trade in almonds. The Californian crop was 637,710 tonnes in 2009.

Other major global producers are Spain, with 85,500 tonnes (11%) in 2009 followed by Australia (4%). Australia is predicted to overtake Spain in the future and become the second largest producer after California but Australia will still only be a minor producer in world terms compared with California.

3 REGION

The Sunraysia/Murray Valley region is a large, established horticultural production area. The warm, dry summers provide ideal growing, ripening and harvesting conditions for a range of horticultural crops including almonds, citrus, wine and table grapes, olives, stone fruit and vegetables.

Robinvale in particular has a large almond industry, with a proven track record of high yields and good quality production. Almost 70% of Australia's almonds are planted in this area. The region usually has access to abundant good quality water from the River Murray although the recent drought led to water restrictions being imposed on irrigators. The current water allocation from the River Murray for 2010/2011 is 100% as a result of good winter rains refilling storages in the headwaters of the Murray Darling Basin.

The established horticultural industry in the region ensures that input suppliers and farm labour are available locally.

4 CLIMATE

Bureau of Meteorology data for both Euston and Balranald was reviewed for this Project. Euston is located approximately 20 kilometres to the northwest of the property, with climate data from 1879 to 1970. Balranald is approximately 50 kilometres east of the Project site, and has continuous data from 1879 to 2008; however the climate average data available is currently to the end of 2004.

The climate can be described as semi-arid/Mediterranean, with dry, hot summers and cool to mild winters. Average daytime temperatures in summer are above 30°C and in winter fall to less than 20°C. Daytime temperatures in the summer can reach over 40°C.

Annual rainfall is approximately 320 mm, with this falling predominantly in the winter months. Summer storms do occur infrequently, with very high daily rainfall recorded.

Frosts are relatively common during the winter months and into the spring period. Euston recorded on average 25 days below 0°C and a further 60 below 2°C each year. Balranald has slightly less, with only 8 days below 0°C and 27 below 2°C annually. Most of these potential frost events occur in the period July to October, and can adversely affect almond growing.

Extreme temperatures can also be an issue in this region, with temperatures above 45°C recorded in summer months. This can be of particular concern on young trees, with older trees able to withstand heat stress better with adequate irrigation management.

Wind can be a factor in the successful establishment of an almond orchard. Young trees are particularly susceptible, and measures to protect these such as cover crops and windbreaks may be required. High winds in mature orchards in spring can disrupt pollination by disrupting bee activity, although the Robinvale region is not considered at any higher risk from this than other production regions.

The 2007, 2008, 2009 and part of 2010 seasons were some of the driest on record. This placed additional pressure on the development of the earlier Projects, particularly with regard to establishment of cover crops and wind protection for the young trees. This highlights the effect shorter-term climate cycles can have on projects, compared to long-term average data. The 2011 season has been one of the wettest seasons for many years.

5 SOILS

5.1 Topography

The property is a gently undulating site, with dune and swale formations running east-west. This type of topography is common throughout the Murray Valley, and is considered suitable for horticultural development.

Some risks associated with this topography include drainage hazards and frost risks, predominantly in the lower areas of the site (swales), and wind issues on more exposed parts of the property. The soil survey and our assessment of the property indicate that it has suitable cold air drainage to reduce frost risk. Any low areas with heavier soils have been excluded from the orchard design. This has allowed a high percentage of the property to be established as almond orchards.

5.2 Soils

Almond trees require a uniform soil with good drainage and loamy topsoils. Soils with high sand or high clay content are not as suitable for almonds.

The Margooya property is 1,683.09ha; however an area of approximately 150ha is uncleared mallee scrub which is not available for planting.

Sunraysia Environmental undertook a comprehensive soil survey of the Margooya property with 2,652 soil pits dug on a 75m x 75m grid. The survey indicated that 1,193ha was suitable for almonds and a further 186ha was suitable with mounding to increase the soil depth and trenching to break up a concreted sand layer that could impede root growth into the lower layers of the soil profile.

Some steep sand hills were levelled (groomed) to allow harvesting machinery to traverse the slopes more easily in the future.

The soil surveyor commented that the Margooya property has soils of high potential for almond production.

5.3 Drainage

Some small areas with frost and drainage hazard have been identified in the soil survey but these are generally low areas that have already been excluded for frost reasons.

With careful management of irrigation, and following the recommendations of the soil survey, there will not be any significant areas with drainage problems.

6 IRRIGATION AND WATER

6.1 Water Source and Quality

Water is sourced from the River Murray, located some 13 kilometres from the northern boundary of the property and is delivered to a new 500 megalitre dam constructed on Margooya during winter 2010. The orchards on Margooya now have an independent water supply with a separate pipeline from the River Murray that is also able to be interconnected with the dam on the adjoining Caernarvon orchard to further enhance the water security for both projects.

Water is re-pumped from the dam, delivered to individual blocks via main and sub-main pipelines before being applied to the trees using double drip irrigation lines capable of applying 11mm of water per day during periods of peak demand.

The River Murray system normally provides a reliable source of water for irrigators but during the recent drought water restrictions were imposed on irrigators for the past four seasons. Macquarie ensured that their almond projects received adequate water by either bringing forward scheduled future purchases of permanent water, or leasing extra water on an annual basis.

Historical information for this part of the river indicates that full water allocations have been available every year prior to the 2006/07 season, when water restrictions were imposed. The latest update on water availability from Murray Goulburn Water at 1st April 2011 shows a current allocation of 100% of High Reliability Water Shares for the Victorian River Murray and the Goulburn River systems. They also report that there is now enough water resources in storage to allow 100% allocations forward to the 2011/12 season. This is welcome change from the difficult conditions during the recent drought years.

Salinity levels in the irrigation water have been consistently low and below those that will pose a risk to almonds.

6.2 Irrigation Requirements

The Project estimates a mature water use of up to 12.5 megalitres per hectare of planted trees. This equates to a maximum total requirement at maturity of 2,750 megalitres for the full 220 hectares. This irrigation application is in line with that of other almond orchards in the Robinvale district.

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As an indication of the irrigation requirements for this Project, Table 1 shows the annual water use during the development years of the 2011 Project. The water budget for trees from the year of planting to full water use in Year 5 is shown below the table.

Table 1 : Estimated water use (ML) for the 2011 Project based on % of 2008, 2009 and 2011 plantings^(a)

Planting Year and Area	Water Use for Project Year					
	1 (2011)	2 (2012)	3 (2013)	4 (2014)	5 (2014)	6 (2014)
Estimated Water Use (ML) ^(a)						
2008 Planting (130ha)	1,040	1,300	1,625	1,625	1,625	1,625
ML per Hectare	8	10	12.5	12.5	12.5	12.5
2009 Planting (40ha)	220	320	400	500	500	500
ML per Hectare	5.5	8	10	12.5	12.5	12.5
2011 Planting (50ha)	-	150	275	400	500	625
ML per Hectare	-	3	5.5	8	10	12.5
Estimated Water Use for Total Project (ML)						
Total Water Use (ML)	1,260	1,770	2,300	2,525	2,625	2,750
Total Water Use (ML/ha)	5.7	8.0	10.5	11.5	11.9	12.5

(a) Estimated water use (ML/ha) for the developing trees at Tree Age 1, 3ML; Age 2, 5.5ML; Age 3, 8.0ML; Age 4, 10.0ML; and Age 5+, 12.5ML

Recent analysis of the experimental results from the Almond Industry Irrigation Trial (CT Trial) showed that over the four years, 2005 to 2008, yields that could be expected using 10ML/ha of irrigation water varied between 2.5 and 4t/ha.

In my opinion, the project should plan to have 12.5ML/ha available for the orchard when it is mature, but this may be secured with a combination of, say, 10ML/ha of high security/reliability water entitlements supplemented by temporary water sales. Modern irrigation practices and technology, such as soil moisture monitoring and pulse irrigation will ensure that water application and use by the almond trees will be as efficient as possible. In some seasons however 10ML/ha will be sufficient to produce a crop of 3.5t per hectare but in others, additional water will be required.

Experience in the Robinvale area has shown that slightly lower water use occurs in comparison to the Riverland area of South Australia. This is the result of lower evaporation rates during summer months. As a result, we believe a full maturity water use estimate of 12.5ML/ha should be used, based on the best information currently available to the managers.

6.3 Irrigation Design and Infrastructure

The irrigation system was installed on the different aged plantings in 2008, 2009 and 2011 is a similar design as used in earlier Projects, and is considered appropriate for a large scale almond development.

Water is re-lifted from a dam, and delivered via a filtration and fertigation system on the property. Drip irrigation will be used with delivery to the trees via a ring main to automatically valved submains.

7 HORTICULTURAL MANAGEMENT

7.1 Management Team

MAS will be engaged to manage the property, with Chris Greig appointed as General Manager of MAS. Chris has many years experience in horticulture, and in particular the almond industry, and has been responsible for the development of large projects in almonds and other horticultural crops in several states.

The team who have developed the earlier Projects will also be responsible for the 2011 Project. The high level of commitment and skill shown in the development of the earlier projects indicates they are capable of achieving the same in the 2011 Project.

In addition to preparation of this Independent Report, Scholefield Robinson also provides ongoing technical support to MAS.

7.2 Planting Design

Three varieties planted in the orchard consist mainly of Non-Pareil (approximately 50%) and Carmel (approximately 33%). Additional pollinators will include predominantly Price, but may also include small proportions of Monterey and Winters to allow for the cross pollination required to produce the almond crop. Carmel and Price will be the main pollinators for the orchard.

Trees will be planted on a grid of 7 metres by 4.4 metres, giving a density of approximately 324 trees per hectare. This planting density is slightly higher than older plantings in Australia, but is consistent with modern orchard design principles. It also results in higher production per hectare in the early years of development while still allowing sufficient room between rows for harvest machinery and avoiding overcrowding at maturity.

This design is the same as for earlier Projects, and is considered appropriate for a development of this scale in this region.

7.3 Development Plan

The 2011 Project will incorporate trees which were planted in 2008 and 2009, which will make up 77% of the project and trees to be planted in 2011 making up 23% of the project. The development plan used for these orchards has been discussed with the managers, and follows the same format as the successful plan used for the other Macquarie almond projects.

7.4 Orchard Management

Site preparation including deep ripping, pre-plant fertilising, soil amelioration with gypsum and organic matter and use of windbreaks and cover crops has been performed to enable rapid establishment of the trees.

Ongoing management will require a high degree of management skill, with a particular focus on irrigation management, nutrition and tree training/pruning during establishment.

8 VARIETIES AND PLANTING MATERIAL

8.1 Varieties and Rootstocks

Almonds are not self pollinating, and therefore require pollinator varieties to be planted in a ratio of 1:1 pollinator : main variety. Pollinators do produce nuts, but not always of an equal market value to the main variety Non-Pareil.

The Project will be planted to three main varieties, with approximately 50% of the plantings being the main variety Non-Pareil, with the pollinators being approximately 33% Carmel and the remaining Price. A small proportion of the new pollinator variety Monterey is also included in the varietal mix. Carmel and Price will be the main pollinators for the orchard. These varieties are 'sweet' almond varieties and are widely planted both in Australia and internationally, and they are considered a sound mix with good levels of production and marketability.

In the hot and dry seasons of 2007/08, 2008/09, and 2009/10 Carmel trees in most regions exhibited patchy bloom and bare areas on shoots. The ABA initiated a project in 2008 to investigate and better understand the causes of this growth disorder. A report presented to ABA in 2010 found that the cause of the symptoms was a combination of the abnormal temperatures experienced interacting with Carmel buds causing a condition called Non-infectious Bud Failure (NBF). NBF does not spread from tree to tree. Most young orchards across the industry have some trees showing symptoms of NBF and the ABA is developing a strategy to minimise the impact of NBF in the future. It is likely that Carmel will be planted less as a pollinator in the future but the availability of alternative pollinators of comparable quality to Carmel is currently limited.

All trees will be established on Nemaguard rootstock, also widely planted in Australia and a proven performer under the conditions likely to be experienced at the Robinvale site. However, a small proportion of the trees will be established on GF677 hybrid rootstock as this stock tolerates poorer and shallower soils, and may reduce the amount of soil amelioration required.

8.2 Planting Material

The nursery trees for the 2008 plantings were sourced mainly from the Growtek and Chalmers nurseries but with some also sourced from the Select Harvests nursery. For the 2009 and 2011 plantings Tolley nursery produced the trees. All of these nurseries are known to us and are well regarded in the industry.

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Scion material has been sourced from the Almond Board of Australia's (ABA) certified budwood scheme at Monash except for the Tolley Nursery that sourced budwood from Select Harvests.

Material from these sources is the cleanest planting material currently available in Australia. The source trees are regularly tested for presence of Prunus Necrotic Ring Spot Virus (PNRSV) and Prune Dwarf Virus (PDV), viruses that are found in stonefruit and almond orchards in Australia. If testing detects any viruses in the trees, they are removed from the source block.

The ABA has indicated they do not consider this a significant risk to the health status of the budwood. There is a very small risk of virus transmission from rootstock seed sources.

We consider it best practice to use the budwood from the Monash facility, and consider that the small risk of virus in planting material does not pose a significant risk to the Project. With the use of high quality planting material, and ensuring good nursery practices are used to propagate trees, the Macquarie Project has no greater risk of disease than other almond developments in Australia.

9 YIELDS

9.1 Estimated Yields

Forecast mature yield per almond lot (0.25 ha) is 865 kg, equivalent to 3,460 kg per hectare (Table 2). This yield is in line with expectations of well managed orchards across the Australian industry.

Whilst annual yields will vary due to climatic and growing cycles, this average yield should be attainable over the life of the Project.

Table 2 : Estimated yield for age of planting in kg/ha and kg/grower lot of 0.25ha

Tree Age	1	2	3	4	5	6	7
Yield (kg/ha)	0	0	440	1,520	2,320	3,300	3,460
Yield (kg/lot of 0.25ha)	0	0	110	380	580	825	865

Young trees can be at increased risk of damage from climatic factors, such as frost, or from pests and diseases which may impact on this yield profile. In the absence of such factors, the above yield profile is considered realistic.

This yield profile is the same as that presented for the 2009, 2008 and earlier Projects, and Scholefield Robinson consider this to be appropriate for the 2011 Project as well. At this stage the consequences of NBF on future Carmel yields is not fully understood.

9.2 Yield Improvements

Recent improvements in management techniques, particularly those supported through the industry funded trial located near Loxton in South Australia have shown that improvements in fertiliser, irrigation and canopy management can lead to significant increases in yield.

There is a growing body of evidence that yields of 3.5 tonne/hectare and greater are achievable on a sustained basis for well managed, premium almond orchard developments in Australia. The yield of 3.46 tonnes/hectare used for this Project is therefore considered realistic.

It should be noted that this yield is the average yield over all varieties in a mature orchard. Almond yields can vary between seasons, blocks and varieties, as is the case for most horticultural crops.

10 ENVIRONMENTAL

10.1 Native Vegetation

A full survey of native vegetation was undertaken on the Macquarie properties by suitably qualified consultants.

10.2 River Access

Irrigation pumps are located on the River Murray and water is pumped to holding dams in the orchards for re-pressurising and delivery to the trees.

10.3 Other Requirements

The Project has undertaken a cultural heritage report on the site, as well as a hydro-geological survey of the area below and adjacent to the property.

11 RISKS

As with all agricultural investments, there are a number of risks associated with the Project that need to be recognised.

11.1 Soils

The soils on this property are typical 'mallee' soils, and whilst local experience has shown them to be capable of producing almond crops of a high quality and quantity over extended periods of time, there are a number of inherent issues that require careful management.

Potential physical limitations include soil depth and potential drainage hazards, whilst chemical issues may include high salinity, low fertility and high boron levels. None of these limitations are considered likely to impact on the Project.

In seasons with low winter rainfall, it is difficult to establish cereal crops in the mid-row area to stabilise the tops of sand hills and some wind erosion and sand drift can occur, particularly in young orchards.

Previous land use can impact on the suitability of the soils for horticultural production. In particular, herbicide use can leave residues that are detrimental to the health of tree crops. Our assessment of previous herbicide use at this site indicates only a very minor risk, and one that should not impact directly on tree health.

11.2 Water

The recent drought and the associated water restrictions imposed on irrigators are still fresh in the minds of all irrigators but the good winter and summer rains this season and the forecast by Murray Goulburn Water that there is sufficient water in storages now to ensure full allocations of water for irrigation up to 2011/12 reduces the risk of water shortages in the short to medium term. Climate change is forecast to provide more variable weather patterns in the future but this is a longer term issue.

The Murray Darling Basin Authority guidelines for managing water allocations in the Murray Darling basin have recently been released for public comment. The recommendation in these guidelines for a reduction in water allocations for irrigators is causing uncertainty across the basin but the full consequences will take a number of years before they will be known and implemented.

Macquarie has been purchasing permanent or temporary water for their almond projects during the recent drought and they have demonstrated that they have the financial resources to purchase sufficient water for the needs of the projects in the future.

11.3 Environmental

Birds and other vermin can be a problem in almond developments, especially young orchards. Local impacts associated with controlling these problems, including the use of scare guns or other devices for bird control, should not be an issue because of the isolation of the property.

Any environmental issues associated with the development of the Projects have been addressed and the necessary approvals have been received.

11.4 Climate

Climatic events such as hail, frost, excessive heat and storms are all possible in any agricultural development. In the Robinvale area frost can be a particular problem, and will need to be considered if planting lower areas of the property.

Fire, flood and drought are other potential risks to a horticultural project, but are not considered a greater risk to this Project than other agricultural enterprises.

It is widely accepted that climate change will cause reduced rainfall patterns and higher temperatures across much of southern Australia in the future. The impact of this on the availability of water, increased temperatures and unusual storm activity cannot be adequately assessed, but should be considered a possible long term risk for this Project.

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11.5 Pests & Diseases

There are a range of pests and diseases that affect production of almonds in Australia, but most are able to be controlled with suitable orchard management, planting of tolerant varieties and the use of carefully managed spray programs.

Symptoms of Non-infectious Bud Failure on Carmel trees have been observed in orchards and ABA is developing a strategy for understanding the problem better and sourcing new pollinator varieties to replace Carmel in the future.

Australia has a strong quarantine structure in place to ensure significant pest and disease threats internationally are not introduced to this country.

11.6 Bees and Pollination

Almonds require cross pollination by bees to produce a commercial crop. The rapid increase in almond plantings has put pressure on apiarists to increase the supply of quality hives and they have been able to meet demand.

The risk of introduction of the *varroa* mite into Australia poses a threat to the bee industry and other industries dependent on pollination by bees. A Biosecurity Plan is currently being prepared to reduce the impact of an inadvertent introduction of *varroa* mite into Australia. It should be noted however that at this stage, the introduction of *varroa* mite poses a potential threat only, and as at the time of writing, the *varroa* mite has not entered Australia.

11.7 Scale and Timeframe

A common risk associated with Projects of this type is the scale of the development and the timeframe to ensure establishment is achieved both in time as well as to a high standard.

Specific risks relating to this timeframe include:

- Ensuring all environmental and development requirements are in place;
- Securing necessary resources including water, power, planting material, irrigation supplies and other infrastructure;
- Securing adequate staff capable of meeting the high standard of work necessary for establishment as well as ongoing management.

As the 2011 Project will be utilising orchards which was developed in 2008 and 2009, development risk has been largely mitigated, with most of the trees available for use by the 2011 Project having already been successfully established.

11.8 Management

Ensuring adequate skilled staff is available for a Project of this size can be difficult. Whilst other horticultural developments in the region have been able to attract a skilled workforce, these projects will also compete for the small pool of experienced managers available to the almond industry.

Chris Greig, the manager of this Project, has extensive experience of almond production in this district. The team he has brought together for the 2006, 2007, 2008 and 2009 Projects is a solid base for the expansion into the 2011 Project.

11.9 Yields

The forecast yields and yield profile indicated by Macquarie for this Project are considered realistic. However, the average yields do not take into account possible fluctuations in yield which can impact on the short term cash flow of orchard developments.

Fluctuations in yield can occur as a result of environmental, climatic or pest related issues that may be outside the control of the Project managers.

As the 2011 Project will be utilising existing plantings, cropping will commence in the 2011 harvest season with the first significant harvest expected in 2011, which will be year 1 of the Project. It should be noted however that a small variation in the size of these early crops can impact on the commercial viability of harvesting in relation to the cost of harvest versus the yield on the trees.

12 SUMMARY

The Macquarie Almond Project 2011 offers 170 hectares of almond trees planted in 2008 and 2009 and up to 50 hectares to be planted in 2011.

Based on extensive local experience, the climate and location of the project is suitable for growing almonds. Soil surveys have shown that the property has soils that are suitable for almonds, or can be amended with the addition of suitable soil treatments.

Irrigation water will be pumped from the River Murray, delivered to a dam on the property, re-pressurised and delivered to the trees using an "in-line" drip irrigation system.

The availability of water from the Murray Darling river systems is at a high level in 2010/11 with good winter rains in the south and strong flood flows from the northern rivers. Storages in dams are at high levels and 100% allocations to irrigators without restrictions are forecast up to 2011/12 and possibly beyond. Macquarie was able to cope with the severe water restrictions in the recent drought period by purchasing extra water for the needs of the orchards.

Trees are planted on a matrix of 7 m rows and 4.4 m between trees, giving 324 trees per hectare. Three varieties will be included in the orchard to optimise pollination.

Trees are scheduled to commence cropping in year 3 after planting and reach mature cropping level from year 6 onwards, with an expected mature yield of 3.46 tonnes per hectare. For this 2011 Project the incorporation of 2008, 2009 and 2011 planted trees into the project has led to forecast production commencing at harvest 2011 and increasing to mature yields in the 2018 harvest

The Project will be exposed to the normal risks associated with orchard developments. These are often associated with seasonal intangibles. Macquarie is aware of these risks and has planned to minimise them in line with good horticultural practice.

DISCLAIMER

1. Scholefield Robinson Horticultural Services Pty Ltd (Scholefield Robinson) is not operating under an Australian financial services licence in providing this report.

Professional services for the preparation of this report plus any out of pocket expenses is all the remuneration (including commission) or other benefits that any "relevant person" is to receive that might reasonably be expected to be or have been capable of influencing Scholefield Robinson in providing this report.

In this context, a relevant person is: (i) Scholefield Robinson; (ii) a related body corporate of Scholefield Robinson; (iii) a director or employee of Scholefield Robinson (iv) an associate of any of the above.

Otherwise, there are:

- no other interests, whether pecuniary or not and whether direct or indirect, of Scholefield Robinson or of any associate of Scholefield Robinson;
- no other associations or relationships between Scholefield Robinson (or any associate of Scholefield Robinson) and Macquarie;

that might reasonably be expected to be or have been capable of influencing Scholefield Robinson in providing this report.

Scholefield Robinson may undertake future consultancy work for the Project of a technical horticultural nature, on a fee for service basis.

2. In preparing this report, Scholefield Robinson has assumed that:
 - 2.1 The information given to us by the Project Manager, Macquarie, their staff, and third parties is complete and accurate; and
 - 2.2 The Project Manager will carry out good management practices in relation to the orchard.
3. Scholefield Robinson has prepared this report to form part of a Product Disclosure Statement (PDS). It has done no other work and given no other advice in relation to the PDS and therefore makes no representation as to, and disclaims all liability for, the completeness or accuracy of the information contained in any part of the PDS other than this report.

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Scholefield Robinson Horticultural Services Pty Ltd

4. Scholefield Robinson does not, by preparing this report for the PDS, endorse or recommend participation in the Project and can give no assurances or guarantee as to its success or performance (financial or otherwise).

Yours sincerely

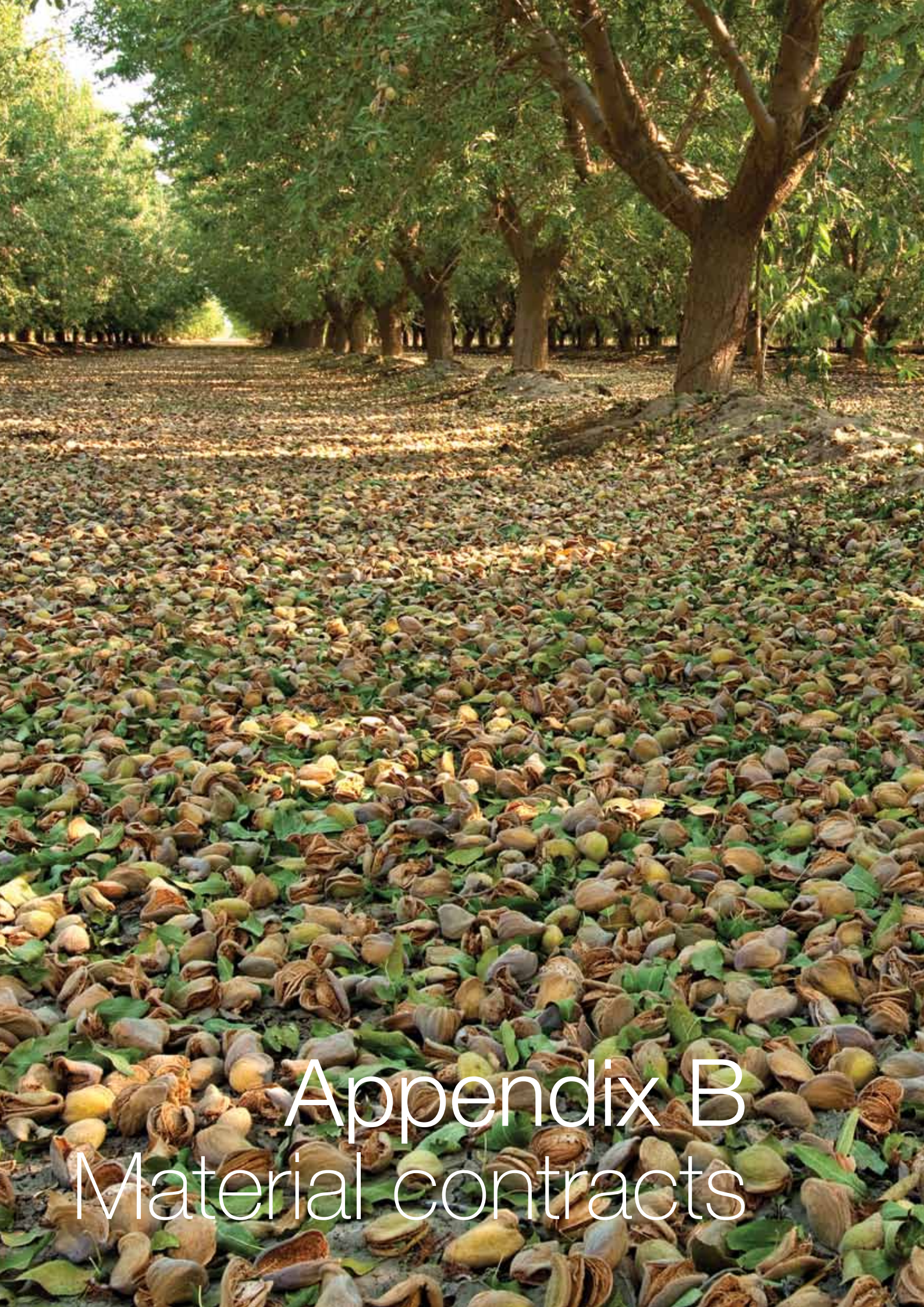
**SCHOLEFIELD ROBINSON
HORTICULTURAL SERVICES PTY LTD**



PB SCHOLEFIELD
Principal Consultant/Director

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Appendix B

Material contracts

The following is a summary of the material legal documents relating to the Project. These include:

- the Constitution for the Project which sets out the rights and obligations of the Investors and the RE, the Investors' licences in respect of their Almond Lots and rights to use Orchard Assets, and the appointment of the RE to manage each Investor's business of cultivating, harvesting and selling Almonds and agreements relating to the lease to the RE;
- the lease of the Land by MacFARM to the RE;
- the agreement that the RE has with MAS to carry out activities on your Almond Lots; and
- the agreement that the RE has with the Processor and Marketer (Almondco).

These summaries are not intended to be exhaustive. Copies of the Constitution and compliance plan are available free of charge and the other agreements are available for inspection by contacting the RE on **1800 080 033**.

B.1 CONSTITUTION

The Project is governed by a constitution ('Constitution') dated 6 April 2011 as amended from time to time. The Project has been registered with ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The rights and obligations of the Investors (referred to as 'Growers') as members of the Project and those of the RE are determined by the Constitution, the Corporations Act, general law and this PDS. Some provisions of the Constitution are mentioned elsewhere in this PDS.

Rights and obligations of Growers

Nature of the Project: The Project is a managed investment scheme under which the Growers carry on their own business, including:

- entering into a licence that permits the Grower to occupy and use an Almond Lot comprising approximately ¼ hectares of land for each Interest, and to access and use Irrigation Infrastructure on the land;
- management by the RE of the business for the Grower; and
- the RE arranging for the processing and sale of the Grower's Almonds pooled with the Almonds of other Growers.

The RE may commit on behalf of Growers to contribute to any Processor and Marketer's costs (including capital costs) to facilitate the marketing, processing and sale of Growers' Almonds and to acquire shares, debentures, any other securities, financial products, interests or investments in or issued by any Processor and Marketer. Growers must fund all such investments as and when requested by the RE.

Interest of Investors: The Interest of each Grower comprises:

- the right to obtain a licence in respect of an Almond Lot of ¼ hectares allocated over Established Orchard and New Orchard with the allocation determined by the RE on issue of the Grower Interest and being no less than 77 per cent Established Orchard;
- the rights and obligations of the Grower under the Constitution in relation to their Almond Lot and the horticultural activities carried out on the Almond Lot; and
- if applicable, the right to any proceeds from the insurance taken out in respect of the Almond Lots.

Persons registered jointly as holders of an Interest hold as joint tenants, not as tenants in common. Growers who have notified the RE that they are Joint Venturers hold as tenants in common. Default in compliance with a Grower's obligations can result in termination or forfeiture of their Interests (see Section 7 of this PDS).

Transfer: A Grower may assign its Interests only with the prior written consent of the RE. Unless the RE otherwise determines, the assignment must be of all of the Grower's Interests.

Redemption: The RE is generally not required to, and may not, redeem or repurchase Interests. However, the RE may terminate the Licence and management arrangements (set out in Schedule 1 to the Constitution) in respect of an Interest and the Almond Lot relating to that Interest by giving not less than four months prior written notice of such termination to the Grower if:

- the whole or a substantial part of the Almond Lot is damaged or destroyed whether by fire or any other cause whatsoever;
- an independent horticultural consultant jointly commissioned by the RE and Grower reasonably determines that the whole or a substantial part of the Almond Lot is not then commercially viable as determined by the RE in its absolute discretion; and
- the RE has not commenced work to rectify the damage, destruction or commercial viability within 18 months of the later of the event that caused the damage and the date on which the consultant made the determination.

Meetings: The Constitution contains provisions which deal with requirements relating to meetings of Growers as members of the Project. Note that the Constitution provides that:

- the quorum for a meeting is at least two Growers present in person or by proxy together holding at least 10 per cent of all Interests, unless the Project has only one member who may vote, in which case that one Grower constitutes the quorum; and
- the RE may determine that an appointment of a proxy is valid even if it contains only some of the information required under the Corporations Act.

Amendment: If the Corporations Act allows, the Constitution may be amended by a resolution of 75 per cent of votes cast by Growers entitled to vote, or by deed executed by the RE.

Duration of the Project: The Project terminates on the earlier of:

- the termination date;
- the date on which the Project terminates by law; or
- the date 80 years less one day from the date the project commences.

The termination date is:

- the later of the expiration of every licence; and
- the date of the last payment made out of the agency account used to deal with Growers' proceeds.

Termination: Following termination of the Project, the RE must realise the Scheme Property (if any) within 180 days if practical and, in any event, as soon as possible after that. However, if performance under Schedule 1 of the Constitution (ie the management services to be provided to Growers) has not been completed and any proceeds or other amounts to which the Growers are entitled have not been distributed to Growers at the time of termination, the RE must within 120 days of termination convene a meeting of Growers for the purpose of considering a proposal or alternative proposals as to the realisation of the Scheme Property and as to the manner in which the Growers' property relating to the Project is to be dealt with. The Growers are bound by any resolution passed at the meeting.

Following termination, the net proceeds of the realisation of the Scheme Property are to be distributed pro rata to Growers according to the number of Interests they hold.

Rights and obligations of the Responsible Entity

Role of the RE: The RE holds Scheme Property on trust for the Growers (but may have those assets held by a custodian) and is responsible for the management of the Project.

Agent for members: The Grower appoints the RE as their agent to execute documents or to do matters or things on their behalf. The RE has specific rights and obligations in relation to management of the Project. These are discussed further under 'Management of the Project'.

General Matters: The RE may:

- accept or reject any application for Interests, issue Interests, and refuse any assignment of Interests;
- value the Scheme Property or any Interest, and it must do so when required under the Corporations Act. Unless the RE determines otherwise, the value of Scheme Property or Interest is to be its market value;
- voluntarily retire as permitted by law, in which case a new responsible entity must be appointed;
- deduct from any amount to be paid to a Grower (including harvest proceeds) fees and expenses payable to the RE, and other deductions;
- employ agents and attorneys and appoint (by way of sub-contract or otherwise) any competent person(s) or delegate(s); and
- borrow for the Project on such terms as the RE sees fit.

Limitation of liability: The Constitution deals with the liabilities of the RE and when it can be reimbursed out of the Scheme Property. In particular:

- it is not liable for acting in reliance in good faith on professional advice;
- it is not liable to the Growers for any loss relating to the Project, except to the extent that the Corporations Act imposes such liability;
- its liability to third parties is limited to the extent that it can be indemnified from the Scheme Property; and
- it is entitled to be indemnified for liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Project, out of Scheme Property, or if the Scheme Property is insufficient, by the Growers in proportion to the Interests they hold, or where liability relates to a particular Grower, by that Grower.

Management of the Project: As an automatic consequence of the issue of an Interest, the Grower will have a licence to use an Almond Lot in accordance with the licence and management arrangements set out in Schedule 1 to the Constitution and generally will have the full right, title and interest in Almonds produced by the Almond Trees on the Grower's Almond Lot (but not to the Almond Trees) including all revenue, profit, income and other benefits. The RE conducts the Grower's business including cultivating and maintaining the Almond Trees on the Grower's Almond Lot in accordance with horticultural, environmental and industry practices generally applied for similar orchards and arranging for harvesting, processing, marketing and sale of the almonds.

In the period ending 30 June 2011*, the RE must carry out services including:

- review and where appropriate testing of pre-planting capital works;
- maintenance and repair of the assets used on the Grower's Almond Lot;
- on-farm services including keeping records of fertilisers, nutrients and other chemicals used on a Grower's Almond Lot, controlling vermin and maintaining soil quality;
- occupational health and safety compliance services in respect of the Orchard;
- off-orchard services including reporting to Growers regarding marketing of almonds, and reviewing insurance available to cover relevant risks; and
- for established trees, review and certification, orchard management, maintenance and repair services.

In subsequent years* the RE must carry out services including:

- reporting to Growers regarding potential markets for almond crops;
- orchard management and maintenance and repair services;
- review of the insurance market in relation to relevant risks; and
- liaising with the Processor and Marketer in relation to the processing, sale and marketing of almonds.

*Periods for performance may be extended due to delays in planting trees by the Landlord.

A Grower can provide the RE with any view, opinion, recommendation or direction that it may have in respect of its Almond Lots or Produce. The RE will give due consideration to any such view,

opinion, recommendation or direction received in writing, however, it will not be bound to follow it and if it does so then it will be at the cost and expense of the Grower giving the view, opinion, recommendation or direction and the Grower must provide to the RE all assurances as to payment that the RE may require.

Termination of Appointment

The Grower may terminate its appointment of the RE in respect of the Grower's Almond Lot if there is a material breach by the RE of its management obligations set out in the Schedule to the Constitution and notice is given by the Grower to the RE within 30 days of the Grower being notified or otherwise becoming aware of the breach and that breach is unremedied for 60 days from the date that the Grower gives the RE notice of the breach. Such termination terminates the Grower's Interest.

Fees and expenses of the Responsible Entity

The RE is entitled to receive certain fees that are set out in full in Section 7 *Fees and other costs* of this PDS.

The RE is also entitled to expense reimbursements in connection with the Project. These include (without limitation) costs and expenses connected with interest or other costs of borrowing, tax, termination of the Project and retirement or removal of the RE, court proceedings or arbitration, or complying with any law or request of ASIC. Expense reimbursements are payable as incurred from the Scheme Property, or if the Scheme Property is insufficient, from the relevant Grower or Growers including by deduction from any amount to be paid to or that has been received from a Grower.

Where a Grower defaults in payment of fees or expenses, the RE is entitled to assign all of the Grower's Interests and apply any moneys received in payment of the reasonable costs incurred in respect of the default (plus interest), in payment of any fees and expenses owed by the Grower (plus interest) and finally in payment of any residue to the Grower. The Grower is liable to the RE for any shortfall between the Proceeds and outstanding costs and expenses.

Security over Interests

The Constitution also makes provision for lenders to have any security a Grower grants to them over the rights attaching to Interests noted on the register of Interests, and for the RE to act on any direction from the Grower to pay distributions, to which the Grower would otherwise be entitled, to the relevant lender.

B.2 LEASE

The RE will enter into a lease from MacFARM (as the Landowner) of the Land on which the Orchard and all Almond Lots are situated.

Under the Lease:

- the Landlord leases the Land to the RE to be used for the business and activities of growing, cultivating and maintaining Almond Trees for the commercial production, harvesting and sale of Almonds and any use reasonably associated with that business and those activities, including without limitation constructing fences, roads and buildings on the Land;
- the RE is permitted to grant licences to Growers of the Almond Lots; and
- the Landlord grants the RE a licence to use the Almond Trees on the Land, the Irrigation Infrastructure and to draw water under Water Licences to be owned or provided by MacFARM.

In addition, the Landlord must at its own cost and subject to horticultural, climatic and other environmental conditions and events beyond its reasonable control:

- carry out and complete, by 15 June 2011, any pre-planting capital works on the Land (including establishment of the Land for growing almonds in accordance with best horticultural, environmental and industry practices generally applied for similar almond orchards including the construction or other provision of necessary infrastructure and carrying out of any necessary capital works);
- plant all of the trees, by 23 June 2011 on 15 per cent of the Almond Lots in respect of which the RE notifies the Landlord that it has granted licences on or before 15 June 2011 as permitted by this Lease; and
- ensure that all trees are planted by 30 September 2011, on the remaining part of the Almond Lots.

Trees are to be planted to a density notified by the RE to the Landlord not exceeding 330 Trees per hectare (or such other number as the Landlord and the RE agree being in this case 324).

The Landlord agrees to acquire or provide Water Licences for up to a maximum of 3.125ML per Almond Lot for each 12 month period ending 30 June (or a pro rata portion thereof for a portion of such year) (Water Supply Obligation). The Water Supply Obligation will vary, depending on the age of the Almond Trees and any Water Allocation restrictions announced by the relevant water authority which may apply to an irrigation season. The Water Supply Obligation of the Landowner is as follows:

- for developing trees up to tree age of three years: 2 ML per Almond Lot multiplied by the seasonal Water Allocation percentage announced by the relevant water authority in the irrigation system where the Landowner sources water for irrigation purposes
- for trees that are greater than a tree age of three years: 3.125 ML per Almond Lot multiplied by the seasonal Water Allocation percentage announced by the relevant water authority in the irrigation system where the Landowner sources water for irrigation purposes.

The term of the Lease is until 30 June 2038 unless terminated earlier. The Landlord has a right to terminate the Lease in its discretion after the later to occur of 30 June 2030 and the date of the final payment of the Almond Proceeds and all amounts to be paid to Growers from the accounts kept under the Constitution.

The rent payable under the Lease is \$1.00 plus:

- while MAAML is the RE and so is the lessee, an amount equal to all rent and licence fees actually received by or on behalf of the Tenant in respect of any sub-lease or licence granted in respect of Almond Lots.
- at any time when MAAML is not the RE and so there is a different RE that is the lessee, an amount calculated as set out in the lease.

The RE's obligations under the Lease include the following:

- to use its reasonable endeavours (without any obligation to expend money) to collect all rent and licence fees in respect of each licence granted in respect of Almond Lots;
- to pay all rates and taxes assessed on the Almond Lots, and all charges for services (including gas, power, water);
- not to assign the Lease without the consent of the Landlord;
- not to create any security interest over the Lease except in favour of the Lender or others that are approved, if relevant;
- to maintain public liability insurance; and
- to indemnify the Landlord against any loss suffered by the Landlord in connection with any notice served by any authority in connection with contamination in or on the Almond Lots or injury to any person in or near those lots, caused or contributed to by the RE, its employees or agents.

The parties acknowledge that the RE is required to discharge its obligations in accordance with the Constitution.

An event of default under the Lease occurs if:

- the RE repudiates the Lease;
- the RE fails to make any payment within 30 days of the payment becoming due and the Landlord has requested the RE to make the payment; or
- the RE does not comply with any other obligations under the Lease and if the non-compliance is not remedied within 90 days.

The Landlord may terminate the Lease, with or without notice to the Project, if an event of default occurs, and the RE has to indemnify the Landlord against any loss suffered in connection with the event of default and the termination.

B.3 MANAGEMENT AGREEMENTS

Under the MASPL Management Agreement, the RE has engaged MAS to undertake some of the obligations it has under the Constitution (being operational and harvesting obligations). The RE agrees that MAS may appoint subcontractors to perform its obligations, however, any acts or omissions of such persons shall be deemed to be the acts or omissions of MAS.

The MASPL Management Agreement will terminate upon termination of the Project.

B.4 ALMONDCO AGREEMENT

The RE has entered into an agreement with Almondco under which:

- Almondco must prepare for market, market and use its best endeavours to sell the almonds within 18 months of receipt of the almonds from the RE, at the best price available at the time of sale in order to maximise the return for the RE and Investors;
- Almondco has agreed to purchase from the RE all almonds supplied to it by the RE in accordance with the agreement and will pay to the RE, an amount equal to the proceeds of the sale by Almondco of the almonds supplied to Almondco by the RE less a share (pro rata to the proceeds received by Almondco) of the expenses, expenditures, appropriations and other costs of Almondco reasonably incurred in doing and performing the things required to be done in order to comply with Almondco's obligations, and providing for and carrying on the business operations and purposes of Almondco as may from time to time be determined reasonably and in good faith by the Board of Directors of Almondco, other than those expenses, expenditures, appropriations and other allocations referred to below;

- The net amount payable by Almondco, as referred to above for the almonds supplied by the RE will be due and payable to RE in instalments with the first instalment due and payable in the month of July in the calendar year of delivery of the relevant almonds and each subsequent instalment due and payable each month thereafter;
- If the RE plants a variety (or varieties) of almonds that are not considered by Almondco, acting reasonably, to be standard varieties commercially grown in Australia at the time the Agreement was executed, then the RE will be entitled to receive any benefits or premiums that may be obtained from the marketplace provided that the RE also pays any costs, penalties or accepts any disadvantages that may reasonably arise from the processing or marketing of such varieties;
- The RE as the Grower's agent has obligations to comply with applicable best industry practice and applicable standards and obtain industry accreditation;
- Almondco, acting reasonably, may determine that it has to expand its operations to accommodate the processing and marketing of the almonds provided by the RE under this Agreement. If Almondco makes such a determination, it will notify the RE, and Almondco will meet with the RE to discuss the RE's contribution to the cost of such expansion prior to the commencement of the expansion. Such contributions would be borne by Growers. See Section 7.2;
- The agreement applies until sale and payment for the 2032 harvest. The RE may terminate this agreement at any time by giving Almondco not less than 90 days written notice of termination prior to 30 September of any year and the agreement will terminate on the date 24 months after that 30 September;
- Almondco may terminate the agreement by giving 14 days notice in writing if within any one season the RE has three or more deliveries validly rejected by Almondco on the ground of failure of the almonds to meet the Almondco published standard of quality;
- Either party can terminate the agreement on the other's insolvency or if a breach is not rectified within 90 days; and
- The RE can terminate the Agreement if there is an effective change in control of Almondco.

B



Appendix C Loan and Security Agreement and Notice of Mortgage

Loan and Security Agreement between the Borrower, the Guarantor (if applicable) and the Lender.

1. The Facility

- 1.1 Subject to this agreement, the Lender agrees to provide the Borrower with a loan facility of an amount not exceeding the Facility Limit.
- 1.2 The maximum amount of financial accommodation available to the Borrower under this agreement is the Facility Limit.
- 1.3 Subject to Clause 1.2, the Facility will be drawn down in instalments on the dates and up to the amounts shown in Schedule 1.
- 1.4 The Borrower irrevocably directs the Lender to apply the proceeds of each instalment drawn down towards paying, in whole or in part, the amounts due to the Responsible Entity in respect of the Interests applied for in the Application.
- 1.5 Where the Borrower is a Joint Venturer, the Lender acknowledges that the Borrower is participating in the Project as a Joint Venturer as defined in the Constitution of the Project and that the Drawings will be used by the Borrower to fund the payments that the Borrower is required to make in relation to the Project Interest as First Joint Venturer or Second Joint Venturer (as the case may be) as provided in the Constitution of the Project.

2. Conditions precedent

- 2.1. The Lender shall not be obliged to provide any financial accommodation to the Borrower unless:
 - (a) in the case of a Trustee Borrower, the Lender has received a solicitor's certificate, in the form and substance set out in the Application;
 - (b) the Lender has received an Application from the Borrower which has been duly completed in full in a form capable of acceptance and the direct debit request in that form has been completed in full in respect of an account at a bank or financial institution acceptable to the Lender;
 - (c) the Lender is satisfied that after providing the accommodation the Facility Limit would not be exceeded;
 - (d) the Lender is satisfied that the representations and warranties in Clause 9 are correct and not misleading at the date the accommodation is provided;
 - (e) the Lender is satisfied that no Event of Default has occurred and is continuing or would result from the accommodation being provided;
 - (f) the Lender has received all documents necessary to enable it to register a Security Interest in respect of the Project Interests; and
 - (g) the Lender has received such other documents or information as the Lender may reasonably require in order to do all or any of the following.
 - (i) ensure compliance with any anti-money laundering – counter-terrorist financing laws or other applicable laws;
 - (ii) determine whether the Borrower has the authority to enter into this agreement; or
 - (iii) determine whether any other condition of drawdown has been satisfied.
- 2.2 Each condition of drawdown is for the sole benefit of the Lender and may be waived by it.

3. Interest

- 3.1. The Borrower agrees to pay interest on the Drawing under the Facility in arrears for each of the Interest Periods at the Interest Rate. Interest:
 - (a) accrues daily from and including the first day of an Interest Period to but excluding the last day of the Interest Period; and
 - (b) is calculated on actual days elapsed and a year of 365 days or 366 days for a leap year; and
 - (c) is payable on each Interest Payment Date.
- 3.2. Subject to Clauses 3.3 and 3.4, each Interest Period is to be a period of 1 month.
- 3.3 Subject to Clause 3.4, the first Interest Period begins on the date when the first amount is drawn down under the Facility in accordance with Schedule 1. Each subsequent Interest Period begins on the day when the preceding Interest Period ends. An Interest Period which would otherwise end on a day which is not a Business Day ends on the next Business Day (unless that day falls in the following month, in which case the Interest Period ends on the previous Business Day). However, an Interest Period which would otherwise end after the Maturity Date ends on the Maturity Date.
- 3.4 In respect of any amount drawn down on or prior to 15 June 2011, the first Interest Period in that case will begin on 16 June 2011 and end on 15 July 2011.

4. Amortisation

The Borrower agrees to pay on each Interest Payment Date;

- (a) interest under Clause 3.1; and
- (b) the lesser of:
 - (i) the amount of the Drawing (excluding interest under Clause 4.1 (a) above) then outstanding; and
 - (ii) the principal amount due for repayment calculated in accordance with the table below; or
 - (iii) such lesser amount as advised by the Lender to the Borrower in writing.

Date	Minimum Payment
On each Interest Payment Date	Payments (comprising interest and principal components) relating to each separate instalment drawn down (detailed in Schedule 1) will be an equal amount per Interest Period, commencing on the first Interest Payment Date after the instalment is drawn down (subject to Clause 3.4) and continuing until the Maturity Date for the relevant instalment. The principal component of the payment per Interest Period increases as the total amount of the interest payment per Interest Period decreases as a result of the decreasing principal outstanding. The total payment each Interest Period will be the sum of the payments relating to each instalment amount. A payment schedule setting out the payment amounts and the proportion of the interest and principal component of the payment amounts will be included in the Confirmation.

5. Repaying and prepaying

- 5.1 The Borrower acknowledges that his or her obligations under the Facility, including his or her obligations to repay the Drawing and pay interest, costs, fees and charges are not affected by:
- (a) the success or failure of the Project;
 - (b) the level of return from or loss of money invested in the Project; or
 - (c) any act, omission, breach or illegality in connection with the Project or the PDS.
- 5.2 If there is an Event of Default under this agreement, the Borrower must apply and authorises the Lender to apply any distribution to the Borrower from the Project on the date it occurs to:
- (a) pay the interest on the Drawing due on that date;
 - (b) repay the Drawing in accordance with Clause 4.1; and
 - (c) prepay or repay the balance of the Drawing,
- and an amount prepaid under paragraph (c) is to be applied first against the final payment amount due under Clause 4.1 as set out in the Confirmation, and then successively against the remaining payment amounts in reverse order to the order in which the payment amounts are due to be paid.
- 5.3 If the Project terminates in accordance with the Constitution of the Project or otherwise, then the Borrower must immediately repay to the Lender the Drawing and pay all other amounts accrued or due under this agreement to the date of repayment (whether or not presently payable), including, without limitation, interest accrued but unpaid under Clause 3, any fees accrued but unpaid under Clause 7 and any amount payable under Clause 15.1(c).
- 5.4 If a Project Interest in the Scheme held by the Borrower is terminated or assigned, then:
- (a) the Borrower must immediately repay to the Lender the proportion of the Drawing attributable to that Project Interest and pay all other amounts accrued or due under this agreement to the date of repayment (whether or not presently payable) attributable to that Project Interest, including, without limitation, interest accrued but unpaid under Clause 3, any fees accrued but unpaid under Clause 7 and any amount payable under Clause 15.1(c); and
 - (b) the amortisation amounts calculated in accordance with Clause 4.1(b) will be adjusted accordingly; and
 - (c) the Facility Limit is reduced by amounts repaid or prepaid.
- 5.5 If insurance proceeds are paid to the Borrower in connection with the damage or destruction of the Borrower's Almond Lots, the Borrower must apply those proceeds towards prepayment of the Drawing and any other amounts owing under this agreement.
- 5.6 Without limiting Clauses 5.4, 5.5 and 5.6, the Borrower may prepay a Drawing, as follows:
- (a) the prepayment amount must be the balance of the Drawing; and
 - (b) the Borrower must notify the Lender of the proposed prepayment specifying the date for such prepayment by 11 am on the fourth Business Day before the prepayment (once given, a notice of prepayment is irrevocable and the Borrower is obliged to prepay in accordance with the notice).

- 5.7 If the Borrower makes a prepayment under clause 5.2, 5.5, 5.6 or 5.7, the Borrower is liable for and must pay any break costs under Clause 15.1(c) and any fees under Clause 7 of this agreement.

- 5.8 Amounts repaid or prepaid may not be reborrowed under this agreement.

6. Change of law or circumstances

If there occurs any change in law or an interpretation which makes it unlawful or otherwise impractical for the Lender to make, fund or maintain the Facility or to give effect to any provision of this agreement, or for the Borrower to borrow, grant or maintain any security under this agreement the Lender may notify the Borrower or the Borrower may notify the Lender (as applicable) and thereupon the Lender's obligation to make, fund or maintain the Facility or give effect to the relevant provision shall cease. The Borrower shall immediately repay the Facility in full and any other moneys then accrued and unpaid (whether or not yet payable) under this agreement.

7. Fees and expenses

- 7.1. Within 5 Business days of demand (and whether or not the Facility is drawn)
- a) the Borrower shall pay or reimburse the Lender for all costs, charges and expenses (including stamp duty, any tax on goods and services, value added tax and registration fees, if any) incurred or payable by the Lender in connection with or arising out of the entering into this agreement and related documentation,
 - b) The Borrower shall pay and reimburse the Lender for all costs, charges and expenses payable by the Lender in connection with any action required to be taken by the Lender under this agreement and the contemplated or actual enforcement of, or preservation of rights under, this agreement.
- 7.2. Where required by the Lender, the Borrower shall pay the following fees to the Lender for the amount as determined by the Lender from time to time. As at the date of this agreement, these include the following:
- (a) A fee equal to the fees payable for entering the mortgage in Clause 11 on any register, payable when the mortgage is lodged by the Lender for registration (currently \$175 for a corporate borrower for entry on the register of charges under the *Corporations Act 2001 (Cth)*);
 - (b) A fee equal to the fees payable for entering the release or partial release of the mortgage on any register, payable when a notice of release of charge is lodged by the Lender (currently \$65 for a corporate borrower for entry on the register of charges under the *Corporations Act 2001 (Cth)*);
 - (c) a direct debit dishonour fee (currently \$50), where a direct debit is dishonoured;
 - (d) a fee for extra copies of statement and reports (currently \$10 per page), payable upon request of such copies by the Borrower;
 - (e) a retrieval of information fee (currently \$50 plus \$10 per page), payable where the Borrower or Guarantor or their adviser or authorised representative request the Lender to retrieve, collate, sort and/or provide archived or historical information about the Facility; and

- (f) an establishment fee, payable with each application for financial accommodation, in respect of the 12 month Interest Free Loan, equal to one per cent of the Facility Amount.
- 7.3. The fees set out in Clause 7.2 shall be payable at the time set out in Clause 7.2 or, if no time is set out in respect of a fee, then within five Business Days of demand. The Lender may on no less than 30 days prior notice to the Borrower vary any of these fees or the manner in which they are calculated to reasonably reflect any increase in the cost to the Lender in performing the tasks associated with those fees.

8. Payments

- 8.1. All moneys payable by the Borrower under this agreement shall be paid in full without setoff or counterclaim of any kind and (to the extent permitted by law) free and clear of, and without any deduction or withholding of any kind.
- 8.2. If any amount would otherwise become due for payment on a day which is not a Business Day, that amount shall become due on the next following Business Day or, if that Business Day is in another calendar month, on the immediately preceding Business Day.
- 8.3. A certificate signed by the Lender stating any amount or rate for the purpose of this agreement shall be evidence of the amount or rate, unless the contrary is proved.
- 8.4. Unless the Lender agrees otherwise, all payments under this agreement shall be effected by way of a direct debit from an account at a bank or financial institution acceptable to the Lender.

9. Representations and warranties

- 9.1. Each of the Borrower and the Guarantor represents and warrants to the Lender that:
- (a) the financial accommodation provided by the Lender under this agreement will be applied wholly or predominantly for business or investment purposes (or for both purposes);
 - (b) on issue of the Project Interests to the Borrower, the Borrower will be the beneficial owner of and have good title to the Project Interests free from any Security Interest other than the equitable mortgage over the Secured Property in favour of the Lender under Clause 11;
 - (c) unless stated in the Application neither the Borrower or Guarantor enters into this agreement as a trustee for a trust;
 - (d) on issue of the Project Interests to the Borrower, this agreement creates an equitable mortgage over the Secured Property in favour of the Lender under Clause 11;
 - (e) each of the Borrower and the Guarantor obtains various benefits by entering into, exercising its rights and performing its obligations under this agreement;
 - (f) each of the Borrower and the Guarantor is able to pay its debts as and when they become due and payable and none of the events referred to in Clauses 12.1(d) or 12.1(e) have occurred in relation to either the Borrower or the Guarantor;
 - (g) no Event of Default continues unremedied;
 - (h) in the case of a Borrower who is a body corporate:
 - (i) the Borrower has been incorporated in accordance with the laws of its place

of incorporation, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;

- (ii) the Borrower has power to enter into this agreement and comply with its obligations under it;
 - (iii) the Borrower has taken all corporate action that is necessary or desirable to authorise entry into this agreement and carry out the transactions this agreement contemplates;
 - (iv) this agreement does not contravene the Borrower's constitution or any law or obligation by which it is bound or to which any of its assets are subject or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (v) the Borrower has in full force and effect the authorisations necessary for it to enter into this agreement, to comply with its obligations and exercise its rights under it and to allow it to be enforced;
 - (vi) no person has contravened or will contravene section 208 or section 209 of the *Corporations Act 2001 (Cth)* by entering into this agreement or participating in any transaction in connection with this agreement;
 - (vii) there is no pending or threatened proceeding affecting the Borrower or any of its related bodies corporate or any of their assets before a court, governmental agency, commission or arbitrator except those in which a decision against the Borrower or the related body corporate (either alone or together with other decisions) would be insignificant;
 - (viii) neither the Borrower nor any of its related bodies corporate is in breach of a law or obligation affecting any of them or their assets in a way which is likely to have a Material Adverse Effect; and
 - (ix) neither the Borrower nor any of its related bodies corporate has immunity from the jurisdiction of a court or from legal process; and
- (i) in the case of a Borrower who makes an Application in its capacity as a trustee of a trust:
- (i) it is the sole trustee of the trust;
 - (ii) it is not in breach of trust;
 - (iii) it has the right to be fully indemnified out of the trust assets for obligations incurred under this agreement before the claims of beneficiaries of the trust;
 - (iv) this agreement is for the benefit of the trust; and
 - (v) it has full legal capacity and power under the constitution of the trust to carry on the business of the trust and to enter into this agreement as trustee of the trust.
- 9.2. The Borrower and the Guarantor acknowledge that the Lender:
- (a) has not authorised or caused the issue of the PDS;
 - (b) does not make or purport to make any statement in the PDS (or any statement on which a statement in the PDS is based);

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- (c) takes no responsibility for any part of the PDS other than the reference to its name and the references to the full recourse loan facility included in the PDS with its consent; and
- (d) does not endorse or recommend investment under the PDS.

10. Undertakings

- 10.1. The Borrower and the Guarantor shall supply to the Lender when requested to do so:
- (a) copies of the financial statements for the Borrower and the Guarantor for each financial year; and
 - (b) such additional financial or other information relating to the Borrower and the Guarantor as the Lender may reasonably request from time to time.
- 10.2. Unless the Lender otherwise agrees in writing, the Borrower undertakes:
- (a) not to create, agree or attempt to create or allow to exist, any Security Interest over or in respect of any Secured Property;
 - (b) not to sell, redeem, dispose of, or otherwise deal with, any of the Secured Property or any interest therein;
 - (c) to notify the Lender if any representation or warranty made by the Borrower in connection with this agreement is found to have been incorrect or misleading when made;
 - (d) to do everything necessary to ensure that no Event of Default occurs;
 - (e) to ensure that it is not in breach of, and that no event of default occurs under, any other agreement that it has with the Lender or any other financier;
 - (f) to ensure that no Security Interest granted by the Borrower over any of its assets becomes enforceable;
 - (g) if an Event of Default occurs, to notify the Lender giving full details of the event and any step taken or proposed to remedy it; and
 - (h) without the consent of the Lender, not to do anything which:
 - (i) effects or facilitates the retirement, removal or replacement of the Responsible Entity of the Project;
 - (ii) could restrict the Responsible Entity in complying with its obligations in respect of the Project; or
 - (iii) effects or facilitates the termination, variation or resettlement of the Project.

11. Security

- 11.1. The Borrower hereby mortgages to the Lender by way of equitable mortgage all of his or her present and future right, title and interest in the Secured Property acquired after the date of this agreement, as security for the due and punctual payment and satisfaction of the Secured Moneys. The Security Interest created under this agreement is intended to be a first ranking Security Interest.
- 11.2. The Borrower shall, upon request by the Lender, deposit with the Lender (or its nominee) all documents of title relating to the Secured Property and any other documents the Lender reasonably requests relating to the Secured Property.

- 11.3. Without limiting any rights, powers or remedies conferred upon the Lender by this agreement or by law, at any time, whether before or after the occurrence of an Event of Default, the Lender may:
- (a) exercise any right or power of the Borrower in respect of the Secured Property;
 - (b) insert the name of the Lender or its nominee (or, but only after an Event of Default has occurred, the name of any purchaser pursuant to a power of sale conferred by law or the power of sale referred to in Clause 12.2) in all or any transfer document ("Transfers") (and other relevant documents, if any) relating to the Secured Property;
 - (b) in the name of the Borrower sign, seal and deliver all or any of those Transfers (and those other relevant documents);
 - (c) cause all or any of those Transfers to be registered; and
 - (d) deliver the certificates (if any) deposited with the Lender in respect of the Secured Property (and/or any certificate issued consequent upon such registration of the Transfers) to any such nominee (or any such purchaser).
- 11.4. This agreement is a continuing security and shall remain in full force and effect until the whole of the Secured Moneys have been paid or satisfied in full.
- 11.5. The Borrower authorises the Lender to notify the Responsible Entity of the details of the equitable mortgage created by this agreement.
- 11.6. Without limiting any other right the Lender has under this agreement or at law, the Borrower authorises the Lender and its agents, solicitors, officers, employees and service providers to:
- (a) apply for registration, or give any notification, in connection with a Security Interest created under this agreement and do anything else required to obtain registration of a Security Interest created under this agreement, including dealing with any requisitions concerning registration, lodgement or notification; and
 - (b) complete any blanks in any other document associated with this document, including any *Corporations Act 2001 (Cth)* form, financing statement, financing change statement, amendment demands or transfers for the Secured Property.
- 11.7. Without limiting any other terms of this agreement, the Borrower must do all acts and things that the Lender reasonably requires to:
- (a) better secure the Secured Property as security for the due and punctual payment and satisfaction of the Secured Moneys;
 - (b) ensure that any Security Interest created under this agreement is enforceable perfected and otherwise effective; and
 - (c) enable the Lender to apply for registration, or give notification, in connection with a Security Interest created under this agreement so that the Security Interest has the priority contemplated by this agreement.
- 11.8. Despite any other provision in this agreement, the amount secured by the equitable mortgage is limited to \$1,000. However, the amount secured may be increased at any time to an amount

notified by the Lender to the Borrower from time to time, which shall be no more than twice the amount initially drawn down by the Borrower. Nothing in this clause otherwise affects the Borrower's obligations to the Lender or any other rights of the Lender. For the purpose only of fixing priorities under section 282 of the Corporations Act, the prospective liabilities secured under this agreement includes the liability of the Borrower to pay the Secured Moneys up to \$32,560 per Interest subscribed for using funds made available under this Facility.

11.9 Where the Borrower is a Joint Venturer, the equitable mortgage created under Clause 11.1 relates only to the Borrower's interest in the Secured Property as tenant in common and does not extend to the other Joint Venturer's interest as tenant in common in the Secured Property.

12. Events of Default

12.1. Each of the following events shall be an Event of Default:

- (a) the Borrower or the Guarantor fails to pay any moneys when due in accordance with this agreement;
- (b) the Borrower or the Guarantor fails duly and punctually to perform or comply with any of his or her obligations under this agreement; (other than a payment obligation) and, where capable of remedy, such failure continues for more than five Business Days after written notice from the Lender;
- (c) the Borrower fails duly and punctually to perform or comply with any of his or her obligations under the Constitution of the Project, any agreements or arrangements entered into as provided in the Constitution of the Project or otherwise in respect of the Project Interest;
- (d) any representation or warranty made by the Borrower or the Guarantor in connection with this agreement is found to have been materially incorrect or misleading when made;
- (e) where the Borrower or the Guarantor is a body corporate:
 - (i) an application is made for an order, a meeting is convened to consider a resolution, a resolution is passed or an order is made that the Borrower or the Guarantor be wound up or otherwise dissolved and/or that an administrator, liquidator or provisional liquidator of the Borrower or the Guarantor be appointed; or
 - (ii) a receiver, receiver and manager, administrator, controller, trustee or similar officer is appointed in respect of all or any part of the business, assets or revenues of the Borrower or the Guarantor;
- (f) the Borrower or the Guarantor dies, becomes insolvent or is subject to any arrangement, assignment or composition;
- (g) any government, governmental agency, department, commission, or other instrumentality seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the Secured Property;
- (h) any litigation, administrative proceedings or other procedure for the resolution of

disputes is commenced in which the title of the Borrower to any of the Secured Property will or might be impaired or the Borrower's enjoyment of, or the Lender's rights hereunder to, any of the Secured Property will or might be restrained or otherwise hindered, or any such proceedings are likely to have a Material Adverse Effect;

- (i) the Lender receives any notice from a credit reporting agency or any other credit provider to the Borrower or the Guarantor, which indicates that the Borrower or the Guarantor is in default under any other financial, payment or performance obligation with any other party or that any of the events specified in the foregoing paragraphs of this Clause 12.1 have occurred;
- (j) there occurs an event which has, or in the Lender's reasonable opinion may have, a Material Adverse Effect; and
- (k) in the case of a Borrower who makes an Application in its capacity as a trustee of a trust:
 - (i) the Borrower ceases to be the trustee of the trust or any step is taken to appoint another trustee of the trust, in either case without the Lender's consent; or
 - (ii) an application or order is sought or made in any court for:
 - (A) removal of the Borrower 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; or
 - (iii) a notice is given or meeting summoned for the removal of the Borrower as trustee of the trust or for the appointment of another person as trustee jointly with the Borrower; or
 - (iv) any step is taken to wind up or terminate the trust.
- (l) the Borrower creates, or permits to exist a Security Interest over any part of the Secured Property without the Lender's prior written agreement; and
- (m) the Borrower ceases, for any reason to be able lawfully to carry out all the transactions which this agreement contemplates.

12.2. If an Event of Default occurs the Lender 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 this agreement or by law:

- (a) declare the Drawings then outstanding and all other sums which have accrued due hereunder (whether or not presently payable) to be, whereupon they shall become, immediately due and payable without further demand, notice or other legal formality of any kind; and/or
- (b) declare the Facility terminated whereupon the obligations of the Lender hereunder shall immediately cease; and/or
- (c) do all acts and things and exercise all rights, powers and remedies that the Borrower could do or exercise in relation to the Secured Property including, without limitation, the power to:
 - (i) take possession and assume control of the Secured Property;

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- (ii) receive all money or other distributions (whether monetary or otherwise) made or to be made in respect of the Secured Property;
 - (iii) pay, satisfy or discharge any amounts owing in connection with the Secured Property;
 - (iv) sell, dispose of or otherwise deal with the Secured Property or agree to do the same (whether or not the Lender has taken possession) at the best price reasonably obtainable having regard to circumstances existing at the time and otherwise on such terms as the Lender may reasonably determine;
 - (v) employ solicitors, accountants, and other consultants on such terms as the Lender reasonably determines;
 - (vi) carry out and enforce, or refrain from carrying out or enforcing, rights and obligations of the Borrower which may arise in connection with the Secured Property or obtained or incurred in the exercise of the rights, powers and remedies of the Lender;
 - (vii) institute, conduct, defend, settle, arrange, compromise and submit to arbitration any claims, questions or disputes whatsoever which may arise in connection with the Secured Property or in any way relating to this agreement, and to execute releases or other discharges in relation thereto; and
 - (viii) execute documents on behalf of the Borrower under seal or under hand, and any moneys which the Lender reasonably incurs by reason of doing any of the above shall form part of the Secured Moneys.
- 12.3 The Lender may use any moneys received under this agreement on account of the Borrower towards paying any part of the Secured Money the Lender chooses and shall return any surplus, after the Secured Moneys have been fully repaid, to the Borrower.
- 13. Appointment of receiver**
- 13.1 Immediately upon or at any time after the occurrence of an Event of Default, the Lender may appoint in writing any person to be a receiver or receiver and manager ("the Receiver") of any Secured Property and:
- (a) the Receiver may be appointed by the Lender on such terms as the Lender thinks fit;
 - (b) the Lender may remove a Receiver and may appoint another in his place;
 - (c) the Lender may from time to time determine the remuneration of the Receiver; and
 - (d) if two or more persons are appointed as Receiver they may be appointed jointly and/or severally and may be appointed in respect of different parts of the Secured Property.
- 13.2 Unless and until the Lender by notice in writing to the Borrower and to the Receiver requires that the Receiver act as agent of the Lender, the Receiver shall be the agent of the Borrower, and the Borrower alone shall be responsible for the acts and defaults of the Receiver, and the Receiver's remuneration but in exercising any powers of the Lender, the Receiver shall have the authority of both the Borrower and the Lender.
- 13.3 Subject to any specific limitations placed upon him by the terms of his appointment, the Receiver may, in addition to any right, power or remedy conferred upon him by law, do any act, matter or thing and exercise any right, power or remedy that may be done or exercised by the Lender in relation to the Secured Property.
- 14. Interest on overdue amounts**
- 14.1 If the Borrower does not pay any amount under this agreement on the due date for payment, the Borrower agrees to pay interest on that amount at the Default Rate. The interest accrues daily from (and including) the due date to (but excluding) the date of actual payment and is calculated on actual days elapsed and a year of 365 days or 366 days for a leap year.
- The Borrower agrees to pay interest under this clause on demand from the Lender.
- 14.2 Interest payable under Clause 14.1 which is not paid on the due date for payment may be added to the Drawing by the Lender at intervals of 30 days or any longer period that the Lender determines from time to time or, if no determination is made, every 30 days. Interest is payable on the increased overdue amount at the Default Rate in the manner set out in Clause 14.1.
- 14.3 If a liability becomes merged in a judgment, the Borrower agrees to pay interest on the amount of that liability as an independent obligation. This interest:
- (a) accrues daily from (and including) the date the liability becomes due for payment both before and after the judgment up to (but excluding) the date the liability is paid; and
 - (b) is calculated at the judgment rate or the Default Rate (whichever is higher).
- The Borrower agrees to pay interest under this clause on demand from the Lender.
- 15. Indemnities/early unwind and costs**
- 15.1 The Borrower indemnifies the Lender from and against all actions, suits, claims, demands, losses, liabilities, damages, costs and expenses (including GST and any taxes) which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with:
- (a) any Event of Default or Potential Event of Default;
 - (b) the exercise or nonexercise of any right, power or remedy contained, referred to or implied in this agreement;
 - (c) any prepayment (whether pursuant to Clauses 4 or 5 or otherwise), including, without limitation, any loss or expense incurred in respect of:
 - (i) any costs associated with the Lender obtaining an appropriate form of risk management (or instrument of similar effect) with respect of this agreement, the funding of the Facility; or
 - (ii) the exercise, nonexercise or the prevention or inability by the Lender to exercise any rights under any risk management agreement; or
 - (iii) the liquidation or redeployment of funds acquired from third parties to make or maintain the Facility; or
 - (iv) the cancellation, alteration, termination or reversal of any arrangements (including, without limitation, any fixed rate contracts) entered into in connection with the funding of the Facility; or

- 15.2. If the Lender determines that any Official directive directly or indirectly:
- (a) increases, or is likely to increase the cost to the Lender of providing, funding or maintaining the Facility; or
 - (b) reduces, or is likely to reduce any amount received or receivable by the Lender, or its effective return, in connection with the Facility; or
 - (c) reduces, or is likely to reduce the Lender's return on capital allocated to the Facility, or its overall return on capital.

Then upon the Lender giving the Borrower no less than 30 days prior notice the Borrower must pay to the Lender the amounts that are reasonably necessary to compensate the Lender for any increase or reduction described in paragraphs (a) to (c) suffered by the Lender in respect of the Facility.

- 15.3. The Lender shall not be responsible for any losses of any which may be suffered by the Borrower or Guarantor as a result of:
- (a) the proper exercise or attempted exercise of any of the rights, powers or remedies of the Lender under this agreement;
 - (b) any failure by the Lender to exercise any of its rights; powers or remedies under this agreement;

16. Setoff

- 16.1 The Lender may (in addition to any general or banker's lien, right of setoff, right to combine accounts or any other right to which it may be entitled), without notice to the Borrower or any other person, setoff and apply any credit balance (or any part thereof in such amounts as the Lender may elect) on any account (whether such account is subject to notice or not and whether matured or not) of the Borrower, with the Lender and any other moneys owing by the Lender to the Borrower, against the Secured Moneys.
- 16.2 The Lender 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 Guarantor or any other person, set-off and apply against any monies owing by the Guarantor to the Lender under this agreement any credit balance (or any part thereof in such amounts as the Lender may elect) on any account (whether such account is subject to notice or not and whether matured or not) of the Guarantor with the Lender and any other moneys owing by the Lender to the Guarantor.
- 16.3 In the event that any amount which is sought to be set-off by the Lender under Clauses 16.1 and 16.2 above is the subject of a bona fide dispute then the Lender's right of set-off under those clauses shall be suspended pending the outcome of any dispute resolution process which is undertaken by the relevant parties in respect of that dispute.

17. Notices

- 17.1. All notices and other communications required by this agreement to be in writing shall be given by the relevant party and shall be sent to the recipient by hand, prepaid post (airmail if outside Australia) or facsimile.
- 17.2. A notice or other communication shall be deemed to be duly received:
- (a) if sent by hand, when left at the address of the recipient;

- (b) if sent by prepaid post, five days after the date of posting; or
- (c) if sent by facsimile, upon receipt by the sender of an acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number.

- 17.3. All notices and other communications shall be sent to the addresses of the respective parties as set out in the Application or as a party may notify to the other party in writing.

18. Assignment and amendment

- 18.1. Each of the Borrower and the Guarantor shall not assign or otherwise transfer the benefit of this agreement or any of its respective rights, remedies, powers, duties or obligations under this agreement without the prior written consent of the Lender.
- 18.2. The Borrower and Guarantor each:
- (a) authorise the Lender to assign, transfer and otherwise grant participations or sub participations in all or any part of the benefit of this agreement and any of the Lender's rights, remedies, powers, duties and obligations under this agreement without obtaining any further approval, consent or authorisation of the Borrower or the Guarantor.
 - (b) agrees to, and to be bound by, any novation of this agreement (or any part of it) whereby the Lender's rights and obligations in the terms of this agreement are assumed by another person (including any trustee or manager of a securitisation programme), and notwithstanding that the identity of that person is not disclosed to the Borrower or the Guarantor prior to or upon such novation; and
 - (c) appoints and authorises any attorney appointed by it under Clause 19.2 of this agreement to complete, sign and deliver or cause to be completed, signed and delivered as its attorney, any document that in the opinion of the Lender is necessary or desirable to effect any proposed novation or any arrangement referred to in paragraph (a) of this clause.
- 18.3. The Lender may disclose to a potential assignee, transferee, participant or subparticipant such information about the Borrower, the Guarantor and this agreement as is reasonably required.
- 18.4. The Lender may at any time vary any of the terms and conditions of this agreement by newspaper advertisement or by notice in writing to the Borrower.

19. Miscellaneous

- 19.1. The Borrower hereby consents to the Lender disclosing to the Guarantor and to any other guarantor of the obligations of the Borrower the following information:
- (a) a copy or summary of this agreement and related material evidencing the obligations of the Borrower to be guaranteed;
 - (b) a copy of any formal demand that may be sent from time to time by the Lender to the Borrower; and
 - (c) on request by the Guarantor or any other guarantor, a copy of the latest relevant statements of account (if any) relating to the Facility.

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- 19.2 The Borrower and the Guarantor (an Appointer) each irrevocably appoints the Lender and each executive director, division director and associate director of the Lender for the time being, severally, the attorneys of the Appointer to do (either in the name of the Appointer or the attorney) the following:
- (a) all acts and things that the Appointer has under the terms of this agreement or otherwise authorised
 - (b) all acts and things that the Appointer is obliged to do under this agreement but has failed to do within such reasonable period as the Lender may require upon notice to the Appointer; and
- all acts and things which, in the reasonable opinion of the Lender, are necessary or desirable in connection with the Secured Property or the protection or perfection of the Lender's interests or the exercise of the rights, powers and remedies of the Lender.
- 19.3 The failure or delay of the Lender 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 Lender under this agreement will not prevent the Lender from exercising any other right.
- 19.4 The rights of the Lender under this agreement are cumulative and are not exclusive of any other rights provided by law.
- 19.5 A waiver by the Lender shall only be effective if it is in writing signed by at least two officers of the Lender.
- 19.6 Any provision of this agreement which is or becomes prohibited or unenforceable in any jurisdiction shall be severed from this agreement only in respect of that jurisdiction.
- 19.7 The Borrower's obligations under clauses 15.1 and 15.2 are continuing obligations of the Borrower, separate and independent from their other obligations and shall survive the termination of this agreement.
- 19.8 Except where this agreement expressly provides otherwise any consent requested of, or determination by, the Lender may be
- (a) given or withheld by the Lender in its absolute discretion; and
 - (b) given unconditionally or subject to such conditions as the Lender may reasonably determine
- 19.9 If the performance by the Lender 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 Lender is unable to control, this agreement will nevertheless continue and remain in full force and effect but the Lender will not be in default under this agreement or otherwise liable for any loss, cost, expense or damage suffered by the Borrower or the Guarantor for that reason only and the Lender will be granted a reasonable extension of time to complete performance of its affected obligations.
- 19.10 Without limiting the terms of Clause 15 or Clause 19.9, the Lender shall not be responsible for any loss, cost, expense or damage suffered by the Borrower as a result of the Lender acting in accordance with any request or direction from the Borrower (including in relation to any sale of the Secured Property)
- 19.11 This agreement shall be governed by and construed in accordance with the laws of the State. The parties irrevocably and unconditionally submit to the nonexclusive jurisdiction of the courts of the State.
- 19.12 Time shall be of the essence in respect of each and all of the obligations of the Borrower and the Guarantor hereunder.
- 19.13 The parties agree that this agreement may be executed by each party by any means, including by affixing an electronic or facsimile signature of the party or a person authorised to execute this agreement on behalf of the relevant party.
- 20. Guarantee, indemnity and third party provisions**
- 20.1 Joint and individual liability**
- The Guarantor is liable for all the obligations of the Borrower under this agreement both individually and jointly with any one or more other persons named as Guarantor.
- 20.2 Consideration**
- The Guarantor gives this guarantee in return for the Lender agreeing to provide the Facility to the Borrower.
- 20.3 Guarantee**
- (a) The Guarantor unconditionally and irrevocably guarantees to the Lender, jointly and severally, the due and punctual payment and satisfaction of the Secured Moneys by the Borrower; and
 - (b) The amount of the Guarantor's liability as guarantor under this clause 20 is limited to the Secured Moneys.
- 20.4 Undertaking**
- If the whole or any part of the Secured Moneys:
- (a) is irrecoverable or have never been recoverable by the Lender from the Borrower; or
 - (b) cannot be enforced against the Borrower; or
 - (c) is not paid to the Lender for any other reason whatsoever including, without limitation, by reason of:
 - (i) any legal limitation, disability, incapacity, lack of any power or lack of authority of or affecting any person; or
 - (ii) any of the transactions relating to the Secured Moneys being void, voidable or unenforceable (whether or not the matters or facts relating thereto have been or ought to have been within the knowledge of the Lender);
- then the Guarantor undertakes to pay to the Lender the amounts necessary to compensate the Lender for any losses, damages, costs and expenses suffered by the Lender as a consequence.
- 20.5 If the Borrower defaults in the due and punctual payment or satisfaction of any of the Secured Moneys, the Guarantor shall pay the whole amount of the Secured Moneys to the Lender within five Business Days of demand. The Lender may make such a demand on the Guarantor from time to time and whether or not demand has been made on the Borrower.
- 20.6 The Guarantor shall pay to the Lender within five Business Days of demand the amounts referred to in Clause 20.4. The Lender may make such a demand from time to time and whether or not demand has been made on the Borrower.
- 20.7 The Guarantor agrees that the liability under clause 20.5 is that of principal debtor.

20.8 The Guarantor's obligations under this agreement shall be absolute and unconditional in any and all circumstances and shall not be prejudiced, released or otherwise affected by any one or more of the following (occurring with or without the consent of or notice to any person):

- (a) any release, failure or agreement not to sue, discharge, termination, relinquishment, compromise, release, waiver, concession, indulgence, replacement, amendment, variation, increase, decrease or compounding of the obligations of the Borrower or of any other person under this agreement or of any of the Secured Moneys;
- (b) any of the obligations of the Borrower or any other person under this agreement being or becoming wholly or partially illegal, void, voidable or unenforceable, whether by reason of any law or for any reason whatsoever;
- (c) any delay, laches, acquiescence, mistake, act, omission or negligence on the part of the Lender or any other person;
- (d) any defences being available to the Borrower under this agreement, that is, the Guarantor cannot benefit from any defences available to the Borrower;
- (e) any part of the moneys forming part of the Secured Moneys being or becoming irrecoverable or never having been recoverable or any part of the obligations forming part of the Secured Moneys being or becoming unenforceable or never having been enforceable;
- (f) any non-compliance by the Lender or any other person with the provisions of any law or with any provision of this agreement;
- (g) any law or judgment staying or suspending all or any of the rights of the Lender against the Borrower, or any other person (by operation of law or otherwise);
- (h) any person becoming or not becoming a guarantor of the Secured Moneys or any part thereof or any discharge or release of any such person;
- (i) the insolvency, bankruptcy, winding up, receivership or administration of the Borrower or any other person;
- (j) any setting aside or avoidance of any payment by the Borrower or any other person;
- (k) any failure of the Lender to enforce the Secured Property, or alteration or variation to this agreement;
- (l) the full or partial release of any Security Interest (including the equitable mortgage in Clause 11.1) which secures all or part of the Secured Moneys; or
- (m) any other fact, matter, circumstance or thing whatsoever which, (in the case of the Guarantor but for this provision), could or might operate to prejudice, release, discharge or otherwise affect the Borrower's or Guarantor's obligations under this agreement.

20.9 The Lender shall not be required to proceed against the Borrower or exhaust any remedies it may have against the Borrower or enforce this agreement, but shall be entitled to demand and receive payment from the Guarantor when any payment is due under this agreement and/ or to proceed directly against the Secured Property.

20.10 Unless and until the whole of the Secured Moneys have been paid or satisfied in full, the Guarantor shall not make any claim for any sum paid under this agreement or enforce any rights which it may have (whether by way of defence, indemnity, set-off, counterclaim, contribution, subrogation or otherwise) against the Borrower or its property.

21. Interpretation

21.1 In this agreement, unless the context otherwise requires:

'Almond Lots' has the meaning given to it in the Constitution of the Project.

'Application' means an application form attached to or accompanying a PDS, completed by a proposed Borrower, and lodged with the Lender which is comprised of the Macquarie Almond Investment 2011 Application Form and the Application for Finance Form.

'Borrower' means the person identified as the applicant for the Project Interests in the Application, where the person elects to fund the investment in Project Interests by utilising the Facility.

'Business Day' means a day on which banks are open for business in the State.

'Confirmation' means the confirmation to be issued by the Lender to the Borrower.

'Constitution of the Project' means the deed poll to be declared by the Responsible Entity to be the constitution for the Project.

'Default Rate' means the Interest Rate plus two per cent per annum.

'Drawing' means the aggregate of the outstanding principal amount drawn down under the Facility from time to time.

'Early Grower' a Grower whose Application is made and accepted on or before 15 June 2011.

'Event of Default' means any event specified as such in Clause 12.

'Facility' means the loan facility made available under clause 1.1.

'Facility Amount' means the lesser of:

- (a) the amount for the loan facility requested by the Borrower in the Application, which may not exceed the Maximum Loan; and
- (b) the amount for the loan facility approved by the Lender and notified to the Borrower in the Confirmation,

and excludes the establishment fee set out in Clause 7.2(h) (if applicable) that is included in the Facility Limit.

'Facility Limit' means the Facility Amount plus the establishment fee set out in Clause 7.2(h) (if applicable), as reduced in accordance with Clauses 4 and 5.

'First Joint Venturer' means the person named in the Application as the First Joint Venturer.

'Guarantor' means the person identified as such in the Application and any person added to or substituted for that Guarantor as required or approved by the Lender.

'Interest Payment Date' means the last day of each Interest Period.

'Interest Period' means each period determined in accordance with Clauses 3.2, 3.3 and 3.4.

'Interest Rate' means the rate displayed on the website www.macquarie.com.au/almonds at the date on which the Facility was approved (as notified to the Borrower by the Lender in the confirmation)

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'Joint Venture' has the meaning given to it in the Constitution of the Project.

'Joint Venturer' a First Joint Venturer or a Second Joint Venturer.

'Late Grower' a Grower whose Application is accepted on or after 30 June 2011.

'Lender' means Macquarie Bank Limited ABN 46 008 583 542 or its nominee notified to the Borrower.

'Material Adverse Effect' means a change which, in the Lender's reasonable opinion, has a material adverse effect on either the Borrower's or Guarantor's assets, revenue or financial condition, or either of their ability to perform their respective obligations under this agreement;

'Maturity Date' means, in respect of each instalment drawn down under the facility:

- (a) in respect of the one year Interest Free loan, 11 months after the first Interest Payment Date for the relevant instalment;
- (b) in respect of the five year Principal and Interest loan, 59 months after the first Interest Payment Date for the relevant instalment; and
- (c) in respect of the seven year Principal and Interest loan, 83 months after the first Interest Payment Date for the first instalment.

'Maximum Loan' means the maximum Facility Amount per Project Interest that a Borrower may apply for in the Application. The Maximum Loan amounts are specified in Schedule 1.

'Participating Proportion' has the meaning given to it in the Constitution of the Project.

'Official Directive' means any new or amended law (including without limitation any law which imposes a tax on goods and services), order, official policy, directive or request of any governmental agency, or any change in any interpretation or administration of any law, order, official policy, directive or request of any governmental agency.

'PDS' means the product disclosure statement(s) relating to the Project dated 28 April 2011.

'PPS Law' means:

- (a) the *Personal Property Securities Act 2009 (Cth)* (PPS Act) and any regulation made at any time under the PPS Act (as amended from time to time); and
- (b) any amendment made at any time to any other legislation as a consequence of a PPS Law.

'Potential Event of Default' means an act or omission which with the occurrence of any other act matter or thing or omission or the effluxion of time will or may become an Event of Default.

'Project' means the managed investment scheme known as "Macquarie Almond Investment 2011" ARSN 150 304 993.

'Project Contribution' means the net amounts payable by the Borrower to the Responsible Entity as provided in the Constitution of the Project and the agreements and arrangements arising as a result of the issue of the Interests to the Borrower including those set out in Schedule 1 to the Constitution of the Project.

'Project Interest' means an interest in the Project under the Project Constitution and the licences, agreements and arrangements arising as a result of the issue of an interest to the Borrower under the Project Constitution.

'Responsible Entity' means Macquarie Alternative Assets Management Limited (ABN 30 103 237 181) in its capacity as responsible entity of the Project.

'Second Joint Venturer' means the person named in the Application as the Second Joint Venturer.

'Secured Moneys' means all moneys, obligations and liabilities of any nature whatsoever that may now be, or might at any time in the future become or remain, due, owing or payable, whether actually or contingently, by the Borrower to the Lender on any account or for any reason whatsoever under the provisions of this agreement.

'Secured Property' means all of the Borrower's present and future right, title and interest in and to the Project Interests and all other Project Interests acquired after the Facility is granted by the Lender, including the right to receive all moneys under the Project together with all of the Borrower's present and future right title and interest in and to any insurance policies taken out in respect of the trees on the Almond Lots licensed to the Borrower under the Constitution of the Project.

'Security Interest' includes:

- (a) any security interest as defined in the PPS Law
- (b) any mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, arrangement for the retention of title and any other right, interest, power or arrangement of any nature whatsoever having the purpose or effect of providing security for, or otherwise protecting against default in respect of, the obligations of any person and any 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.

'State' means that State or Territory of the Commonwealth of Australia in which the office of the Lender is located as noted in the Application.

'Trustee Borrower' means a Borrower acting in its capacity as trustee of a trust.

21.2. In this agreement, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) references to any document (including this agreement) include any variation or replacement to that document; and
- (c) references to any party to this agreement include references to its respective successors and permitted assigns.

21.3. In this agreement, where the Borrower or Guarantor comprises two or more persons, then except as otherwise provided in respect of a Joint Holder, a reference to the Borrower or Guarantor is a reference to any two or more of them jointly and to each of them individually.

EXECUTED AS AN AGREEMENT.

SIGNED by

as attorney for [THE BORROWER] under
power of attorney dated

in the presence of (WITNESS)

Signature of witness

Name of witness (BLOCK LETTERS)

Address of witness

Suburb

State postcode

Occupation of witness

By executing this agreement, the attorney states that the attorney has received no notice of revocation of the power of attorney.

SIGNED by

as attorney for [THE GUARANTOR] under
power of attorney dated

in the presence of (WITNESS)

Signature of witness

Name of witness (BLOCK LETTERS)

Address of witness

Suburb

State postcode

Occupation of witness

By executing this agreement, the attorney states that the attorney has received no notice of revocation of the power of attorney

C

SAMPLE
DO NOT COMPLETE

EXECUTED by MACQUARIE BANK LIMITED
in accordance with section 127(1) of the
Corporations Act 2001 (Cth) by authority of
its directors in the presence of:

Signature of witness

Name of witness (BLOCK LETTERS)

Signature of director/company secretary* delete
whichever is not applicable

Name of director/company secretary* (BLOCK
LETTERS) *delete whichever is not applicable

SCHEDULE 1 – DRAWDOWN AMOUNTS AND TIMING

The maximum amounts and timing of drawdowns under the Facility are set out below.
All amounts are per Project Interest. These amounts do not include the establishment fee set out in Clause 7.2(i), which
will be included in the Facility Limit.

A. PRINCIPAL AND INTEREST LOANS

1. Borrowers who are not Joint Venturers – Early Growers
 - (a) When the Application is accepted – \$8,910
 - (b) On 31 October 2011 – \$3,960
 - (c) On 31 October 2012 – \$3,410
2. Borrowers who are not Joint Venturers – Late Growers
 - (a) When the Application is accepted – \$12,870
 - (b) On 31 October 2012 – \$3,410
3. First Joint Venturers – Early Growers
 - (a) When the Application is accepted – \$8,910
4. First Joint Venturers – Late Growers
 - (a) When the Application is accepted – \$12,870
5. Second Joint Venturers – Early Growers
 - (a) On 31 October 2011 – \$3,960
 - (b) On 31 October 2012 – \$3,410
6. Second Joint Venturers – Late Growers
 - (a) On 31 October 2012 – \$3,410

B.12 MONTH INTEREST FREE LOAN

1. Borrowers who are not Joint Venturers – Early Growers
 - (a) When the Application is accepted – \$8,910
2. Borrowers who are not Joint Venturers – Late Growers
 - (a) When the Application is accepted – \$12,870
3. First Joint Venturers – Early Growers
 - (a) When the Application is accepted – \$8,910
4. First Joint Venturers – Late Growers
 - (a) When the Application is accepted – \$12,870
5. Second Joint Venturers – Early Growers
 - (a) Nil
6. Second Joint Venturers – Late Growers
 - (a) Nil

NOTICE OF MORTGAGE – MACQUARIE ALMOND INVESTMENT 2011

**TO: Macquarie Alternative Assets Management Limited
(ABN 30 103 237 181)**

The terms defined in the Deed Poll declared by you to be the constitution for the Macquarie Almond Investment 2011 ('Project') dated 28 April 2011 have the same meaning when used in this Notice.

You are hereby given notice that under a Loan and Security Agreement (a copy of which can be obtained from Macquarie Bank Limited (ABN 46 008 583 542) ('Lender') dated on or about the date of this Notice, between the Borrower and the Lender, the Borrower has mortgaged in favour of the Lender by way of equitable mortgage all of its present and future right, title and interest in and to its Project Interests, including the right to receive all moneys under or in respect of the Project.

In the event that the Lender notifies you that the Borrower is in default of its obligations under the Loan and Security Agreement, or some or all of those Project Interests have been terminated, or the Borrower has received proceeds from an insurance claim with respect to its Project Interests, you are irrevocably authorised and directed to pay to the Lender or as it may direct, all moneys which become payable to the Borrower under, or in respect of the Project.

The authority and instructions contained in this Notice cannot be revoked or varied without the consent of the Lender.

Dated 2011

For and on behalf of the Borrower

For and on behalf of Macquarie Bank Limited

**TO: 1 The Borrower
2 Macquarie Bank Limited (ABN 46 008 583 542)**

We acknowledge receipt of the above Notice of Mortgage and agree to be bound by its terms.

We confirm that we are aware of the terms and conditions of the Loan and Security Agreement.

For and on behalf of Macquarie Alternative Assets Management Limited (ABN 30 103 237 181)

C



Glossary

Term	Definition
12 Month Interest Free Loan	A full recourse loan made available by Macquarie Bank to approved Investors, in respect of their Investment in the Project, and repaid in 12 equal monthly repayments of principal only.
Advisers	Financial services licensees or their representatives.
AFS	Australian Financial Services Limited ABN 50 116 900 362.
Almond Lot	An identifiable allotment of approximately ¼ hectare of Land.
Almond Trees	The almond trees owned or to be owned by the Landowner and planted or to be planted on the Orchard.
Almondco	Almondco Australia Limited ABN 81 062 887 352.
Almonds	In relation to each Investor, the almonds harvested or to be harvested on the Investor's Almond Lots.
Applicant	An applicant for Interests.
Application	An application for Interests.
Application Amount	The number of Interests for which an Applicant applies multiplied by the Application Payment.
Application Form	The application form for Interests included in the back of this PDS or available online at macquarie.com.au/almonds .
Application Payment	\$8,910 per Interest (including \$810.00 GST) for Early Growers. \$12,870 per Interest (including \$1,170.00 GST) for Late Growers. Payable on Application by cheque or direct debit, as detailed in Section 7 <i>Fees and Other Costs</i> .
ASIC	Australian Securities and Investments Commission.
Borrower	An Investor whose application for an Investment Loan is made and accepted.
Constitution	The constitution dated 6 April 2011 for the Project as amended from time to time.
Contractor	Contractors appointed by MAS to carry out various services on the Orchard as required.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
CPI	The Consumer Price Index as defined in the Constitution, which is the Consumer Price Index (weighted average eight capital cities, all groups index) published from time to time by the Australian Bureau of Statistics. If there is any suspension or discontinuance of the Consumer Price Index or if its method of calculation is materially altered, then the Consumer Price Index will be a substitute index which reflects movements in the cost of living in all of the capital cities of Australia.
Drawing	The aggregate of the outstanding principal amount drawn down under the Investment Loan from time to time.
Early Grower	An Investor who was issued with their Interest on or before 15 June 2011.
Established Orchard	An area of approximately 170ha of the Land that has been planted with Almond Trees in October 2008 and developed as an Orchard that is anticipated to bear its first crop during the year ending 30 June 2011.
Finance Application Form	The application form for an Investment Loan from Macquarie Bank, included in the back of this PDS or available online at macquarie.com.au/almonds .
First Joint Venturer	The Joint Venturer noted as the First Joint Venturer in an Application and who is responsible for the specified percentage of Project Costs and benefits as detailed in Section 7.7 <i>Joint Venturers</i> and any of their permitted successors, assigns or transferees.
Fixed Management Fee	The fixed Management Fees charged by the RE for managing the Project as detailed in Section 7 <i>Fees and Other Costs</i> .
Fractional Interest	A percentage of an Interest issued to Joint Venturers and held as tenant in common.
Grower	An Investor who is an Early Grower or a Late Grower.
GST	As defined in <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> .
Guarantor	A person who chooses to guarantee, or is required to guarantee, an Investment Loan for a Borrower.
Independent Horticulturalist	An external consultant that will provide independent advice and monitor and review the practices of MAS. Scholefield Robinson is currently the Independent Horticulturalist.
Interest	A whole interest in the Project issued under the Constitution. Fractional Interests are a fraction of a whole Interest and, unless otherwise provided in the Constitution, have fractional entitlements and obligations.

Term	Definition
Investment	An investment in the Project, as the context requires.
Investment Loan	A full recourse loan made available by the Lender to approved Investors, in respect of their Investment in the Project.
Investor	An investor in the Project.
Irrigation Infrastructure	Irrigation pipelines, pumps, water storages, filtration and fertigation systems, modules and connections owned by the Landowner and attributable to the Project.
Joint Venture Applicant	An Applicant who is applying as a Joint Venturer.
Joint Venturer	An Investor who elects to participate in the Project as a joint venturer.
Land	The land on which the Orchard is established and the Project is conducted.
Landlord	See Landowner.
Landowner	Macquarie Farm Assets and Resources Management Limited ABN 61 116 582 524.
Late Grower	An Investor who was issued with their Interest after 30 June 2011.
Lease or Lease Agreement	A lease over the Land granted or to be granted by the Landowner to the RE.
Lender	Macquarie Bank Limited (or its nominee member of the Macquarie Group).
Licence	A licence to access and use Almond Lots and associated Orchard Assets granted by the RE to an Investor.
Licence Fee	Fee payable under the Licence as detailed in Section 7 <i>Fees and Other Costs</i> .
Loan and Security Agreement	The agreement (if any) between an Investor and Macquarie Bank in respect of the Investment Loan. The Loan and Security Agreement is contained in Appendix C.
Loan Establishment Fee	An upfront fee that may be payable on an Investment Loan.
Loan Facility Amount	For a Borrower, is the total amount of loan funding under an Investment Loan.
MAAML	Macquarie Alternative Assets Management Limited ABN 30 103 237 181.
Macquarie or Macquarie Bank	Macquarie Bank Limited ABN 46 008 583 542 and its related bodies corporate and, when referred to as lender to an Investor in the Project, includes Macquarie Bank Limited's nominee.
Management Fees	Fees charged by the RE for managing the Project, as detailed in Section 7 <i>Fees and Other Costs</i> . Management Fees include the Fixed Management Fee and the Variable Management Fee.
MAS	Macquarie Agricultural Services Pty Limited ABN 60 116 381 634.
MASPL Management Agreement	The agreement entered into between the RE and MAS under which the RE subcontracts some of its management obligations under the Constitution to MAS (being the operational and harvesting obligations).
New Orchard	An area of up to 50 hectare of the Land that is available for planting Almond Trees and development as Orchard.
Notice of Mortgage	An addendum to the Macquarie Loan and Security Agreement which details the obligation of the RE to pay to the Lender any proceeds receivable by the Grower, in the event of Grower default of the Loan and Security Agreement. See Appendix C <i>Loan and Security Agreement and Notice of Mortgage</i> .
Offer	The offer of Interests under this PDS.
Operating Fee	The Operating Fee payable as detailed in Section 7 <i>Fees and Other Costs</i> .
Orchard	The almond orchard to be established for the Project by the Landowner on the Land and on which the Investors will carry on their almond growing business, being all of the Almond Lots and Orchard Assets.
Orchard Assets	Assets owned by the Landowner and attributable to the Almond Lots, including Irrigation Infrastructure, Almond Trees and other fixed assets required to grow the Almonds on the Almond Lots.
Orchard Manager	MAS.
PDS	Product Disclosure Statement.
Permanent Water Licence	A Permanent Water Licence authorises the use of water from the specified irrigation system specified in that licence for the purposes of irrigation. The right continues each year until the Permanent Water Licence is cancelled or sold.
Principal and Interest Loan	A full recourse loan made available by Macquarie Bank to approved Investors, in respect of their Investment in the Project, and repaid in monthly repayments of principal and interest over a period of five or seven years.

Term	Definition
Proceeds	In relation to each Investor in the Project, the Investor's Proportional Interest in: <ul style="list-style-type: none"> ■ Sale Proceeds; and ■ Any moneys payable under any insurance policy applicable to the Investor's Almond Lot(s).
Processor and Marketer	A person or entity that agrees to process, market and buy or sell Almonds under a Supply Agreement. Almondco is currently the Processor and Marketer for the Project.
Processing and Marketing Costs	Fees and costs (which may include any portion of overheads) charged by the Processor and Marketer for processing, marketing or selling Almonds, and fees, costs and payments that take into account costs associated with any plant or other expansion required to accommodate the volume of the Project harvests.
Product Ruling	The ATO Product Ruling PR 2011/7 which has been issued for Early Growers in the Project.
Production Period	The period of time when the RE determines in its absolute discretion that it is commercially viable to sell Almonds, from the day the harvesting of the Investor's Almond Lots commences until the day all of the Almonds relating to that particular harvest are sold.
Project	The managed investment scheme known as the Macquarie Almond Investment 2011 ARSN 150 304 993.
Project Costs	Costs payable by Investors in the Project, including the Application Payment, Management Fees, Licence Fees and any other costs incurred by an Investor.
Project Term	The term of the Project, being approximately 22 years.
Proportional Interest	For an Interest, is at any time the proportion which the Interest bears to all Interests then on issue, or as adjusted by the RE in accordance with the Constitution.
RE	The responsible entity of the Project from time to time, the first RE being MAAML.
RE Fee	The RE Fee payable to the RE as detailed in Section 7 <i>Fees and Other Costs</i> .
Sale Proceeds	Gross Almond Proceeds less the cost of processing, marketing and selling the Almonds, (excluding any GST component of these costs).
Scheme Property	The assets, property, rights and benefits (if any) which are held or required to be held by the RE or a custodian in connection with the Project.
Scholefield Robinson	Scholefield Robinson Horticultural Services Pty Ltd ABN 63 008 199 737.
Second Joint Venturer	The Joint Venturer noted as the Second Joint Venturer in an Application and who is responsible for the specified percentage of Project Costs and benefits as detailed in Section 7.7 <i>Joint Venturers</i> .
Special Resolution	A resolution passed by at least 75 per cent of the votes cast by Investors entitled to vote on the resolution.
Standard Applicant	An Applicant who is not a Joint Venture Applicant.
Supply Agreement	An agreement between a Processor and Marketer and the RE as agent for each Investor under which the Processor and Marketer agrees to do any or all of process, market and buy or sell the Almonds and distribute to the RE on behalf of Investors.
Tax Act	The <i>Income Tax Assessment Act 1936</i> or the <i>Income Tax Assessment Act 1997</i> .
Temporary Water	A temporary water purchase which entitles the purchaser to a 'once-off' right to draw (use) the relevant amount of water from a particular irrigation system for the purposes of irrigation.
Total Proceeds	In relation to each Investor in the Project: <ul style="list-style-type: none"> ■ the Investor's Proceeds; and ■ the Investor's Proportional Interest in any interest earned on the monies described above; and ■ any other monies payable to an Investor in relation to the Project.
Variable Management Fee	The variable component of Management Fees as detailed in Section 7 <i>Fees and Other Costs</i> .
Water Allocation	A percentage of the water share volume that is made available to a Permanent Water Licence holders in a given water system during a given irrigation season. The Water Allocation in each water system is set by the relevant managing water authority at intervals throughout the irrigation seasons after assessment of the available water resources.
Water Licences	The water licences owned, or provided by the Landowner for the Project, through either Permanent Water Licences or Temporary Water, pursuant to the provisions of the Lease.



How to apply

There are two Application Forms attached to this PDS:

- **Application Form for Interests in the Project;** and
- **Finance Application Form for an Investment Loan** from Macquarie Bank. You only need to complete this form if you are applying for an Investment Loan from Macquarie Bank.

Mail your completed Application Form and your Finance Application Form (if any), together with the amount payable on Application (if you have chosen cheque as your preferred method of payment) to:

**Macquarie Almond Investment
GPO Box 4294
Sydney NSW 1164**

The RE and Macquarie Bank may rely on a faxed or emailed copy of an Application Form to process your application for Interests or an Investment Loan. However they require you to send in your original application to above address.

There is no assurance that you will be issued the number of Interests for which you apply or any Interests at all. The RE may, in its sole discretion, accept or reject any Application or allocate to any Applicant a lesser number of Interests than that applied for. The RE intends to exercise its discretion to accept or reject Applications within one month after receipt.

If your Application is rejected or scaled back, the appropriate portion of the amount paid with the Application will be returned to you within 30 days of being rejected or scaled back. You will not be entitled to any interest on the portion of the Application monies returned to you.

If your Application is scaled back, and you have applied for an Investment Loan, your Loan Facility Amount will be scaled back proportionately.

You should note that the amount paid on Application will be held on trust for you by the RE. Any interest paid on this money will be paid to the RE.

This PDS contains important information about investing in the Project. You should read this PDS before applying for Interests or an Investment Loan.

YOUR GUIDE TO THE APPLICATION FORM FOR INTERESTS

Please read the following important information on how to apply for Interests in the Macquarie Almond Investment 2011.

- **If you are a Standard Applicant,** complete Section A (green pages) of the Application Form attached to this PDS; or
- **If you are a Joint Venture Applicant,** the First Joint Venturer must complete Section A (green pages) of the Application Form attached to this PDS. The Second Joint Venturer must complete Section B (grey pages) of the Application Form attached to this PDS.

The instructions below relate to both Section A and Section B of the Application Form.

Please complete all relevant parts of the Application Form in BLOCK LETTERS, using black or blue ink. The instructions are cross-referenced to each part of the form.

1 Applicant details

If you are an Individual Applicant (including additional Applicants), please complete part 1A.

If you are an Individual trustee Applicant, please complete parts 1A and 1C.

If you are a Corporate Applicant, please complete part 1B.

If you are a Corporate trustee Applicant, please complete parts 1B and 1C.

Type of Investor	Correct form	Samples of incorrect form
Individual Use given names, not initials	John Alfred Smith	J.A. Smith
Company Use full company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s) Do not use the name(s) of the Trust	Janet Smith <Janet Smith Family A/C>	Janet Smith Family Trust
Deceased estates Use executor(s) personal name(s) Do not use the name of the deceased	Michael Smith <Est. John Smith A/C>	Estate of Late John Smith
Superannuation funds Use name of trustee of fund Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

2 Tax File Number

Please read the information regarding the provision of your Tax File Number ('TFN'), or Australian Business Number ('ABN'), here. If you decide to supply your TFN or ABN, please do so in the relevant spaces in part 1 of the Application Form.

If you do not supply your TFN or a valid exemption (or in certain cases an ABN), tax will be deducted from any interest income earned from the Project at the highest marginal tax rate plus the Medicare Levy and forwarded to the Australian Taxation Office. It is not an offence if you decide not to supply us with your TFN or ABN.

If you are exempt from quoting your TFN you must indicate this or tax will be deducted from any interest income earned from the Project.

Collection of TFNs is authorised, and its use and disclosure are strictly regulated, by the tax laws and *Privacy Act 1988 (Cth)*.

For more information about the use of TFNs contact your tax adviser or the Australian Taxation Office.

If you quote your TFN, you also authorise MAAML and Macquarie to disclose it to their nominee companies for the purposes relating to the Interests and the Investment Loan (if any).

3 Macquarie Online Services

To gain access to Macquarie's online services, you will require a Macquarie Access Code ('MAC'). If you already have a MAC, answer 'Yes' to the question and write your MAC. If you do not have a MAC, answer 'No' and you will be provided with one on acceptance of your Application.

4 Introduction to the Macquarie Almond Investment

In this part, let us know how you heard about the Macquarie Almond Investment 2011.

5 Investment details

Write the number of Interests for which you wish to apply. The minimum subscription is one Interest.

If you are an Early Grower, your Application Amount is calculated as the number of Interests multiplied by \$8,910 (which includes \$810 GST).

If you are a Late Grower, your Application Amount is calculated as the number of Interests multiplied by \$12,870 (which includes \$1,170 GST).

6 Amounts payable with Application

This part is only applicable to Section A (Standard Applicants and First Joint Venturers).

At this point, if you wish to apply for an Investment Loan, you should complete the separate Finance Application Form, before continuing the Application Form for Interests.

The amount payable with your Application is calculated as:

Application Amount (from part 5)

Less: Amount subject to funding (if any)*

Equals: Amount payable with your Application via cheque or direct debit

* This is the amount you are borrowing to fund your Application Amount, excluding any Loan Establishment Fee that may be included in your loan amount. This figure can be found in your Finance Application Form (part 6).

Once you have calculated the amount payable with your Application, choose your preferred method of payment, being either cheque or direct debit. If you choose cheque, please write in the relevant details. Be sure to attach the cheque when you submit your Application Form.

7 (Section A) or 6 (Section B) – Direct Debit Authority and Bank Account Details

All Applicants must complete this part, even if you have chosen cheque as the method of payment in part 6 (Section A only). All future amounts payable by you and any distribution made to you will be processed through the account nominated in this part.

Please read the information, then write down your bank account details in the spaces provided. Ensure that all Applicants sign the authority.

8 (Section A) or 7 (Section B) — Consents/ Acknowledgements

Please read this information carefully.

9 (Section A) or 8 (Section B) — Important Privacy Information

Please read the information regarding your privacy.

10 (Section A) or 9 (Section B) — Declarations and Signatures

Please read the information in this part carefully before signing the Application Form.

Ensure that all Applicants sign the Application Form in this part and clearly state their full name. A company must execute in accordance with the company's constitution and the Corporations Act. For companies with a sole director and secretary, this person should sign in the first signature box. The company seal must be affixed if required by the company's constitution.

Note that all Applicants must have a witness sign the Application Form.

Anti-Money Laundering and Counter-Terrorism Financing ('AML/CTF')

In December 2006 the Australian Government introduced the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* ('AML/CTF'), which requires reporting entities, such as financial advisers and product issuers, to conduct client identification and verification checks. Macquarie (herein, MBL, and MAAML) is required to comply with AML/CTF.

Applying for this product can be done in one of two ways, depending on whether you are an Applicant investing via a licensed financial adviser or a direct Applicant. If you are investing through a financial adviser, your identification and verification checks can be conducted by your financial adviser who will also complete the relevant identification form issued by Investment and Financial Services Association Limited and the Financial Planning Association of Australia ('IFSA/FPA Form'). These forms are available from macquarie.com.au/aml

If you are investing in this product by applying directly to MAAML, please complete the Application Form that is provided in or accompanies this PDS. Please also ensure that you provide all the required verification material as described in the Application Form.

MAAML or Macquarie may, from time to time, be required to contact you to request additional information for identification or verification purposes.

By applying for Interests offered under the Macquarie Almond Investment 2011 you agree to the following:

- a) at the reasonable request of Macquarie, to supply, or procure the supply of, any documentation and other evidence and perform any acts to enable Macquarie to comply with any laws relating to AML/CTF; and
- b) if Macquarie suspects that you are in breach of any laws relating to AML/CTF applicable in Australia or elsewhere, or Macquarie believes it is required to take action under any laws relating to AML/CTF or any other applicable law in Australia or elsewhere, Macquarie may take any action it considers appropriate, including refusing to issue you with any

Interests, or transferring your Macquarie Almond Investment 2009 Interests, and refusing or ceasing to provide you with services, in order to comply with any laws relating to AML/CTF or any request of a relevant authority; and

- c) Macquarie may in its absolute discretion, with or without notice to you, disclose or otherwise report the details of any transaction or activity, or proposed transaction or activity in relation to your Macquarie Almond Investment 2011 Interests (including any personal information (as defined in the *Privacy Act 1988 (Cth)*) that you may have provided to Macquarie) to any reporting body authorised to accept reports under any laws relating to AML/CTF applicable in Australia or elsewhere.

YOUR GUIDE TO THE FINANCE APPLICATION FORM

You must complete the Finance Application Form only if you are applying for an Investment Loan from Macquarie Bank.

If you are investing in the Project through a Joint Venture, and each Joint Venturer wishes to apply for an Investment Loan, each Joint Venturer must complete a separate Finance Application Form.

Please complete all relevant parts of the Finance Application Form in BLOCK LETTERS, using black or blue ink. The instructions are cross-referenced to each part of the form.

1 Borrower details

If you are an Individual Borrower (including additional Borrowers), please complete part 1A.

If you are an Individual trustee Borrower, please complete parts 1A and 1C.

If you are a Corporate Borrower, please complete part 1B.

If you are a Corporate trustee Borrower, please complete parts 1B and 1C.

2 Additional information — self-employed Borrower

If you are self-employed, please provide additional information regarding your business in this part.

3 Address details

Write your address details here.

4A Finance Application checklist

If you are applying for a total Investment Loan amount of greater than \$100,000, you will need to provide supporting documentation verifying your income, as outlined in the Finance Application Checklist provided. If you apply for a total Investment Loan amount of greater than \$250,000, you will need to provide supporting documentation also verifying your assets and liabilities (as well as income) as outlined in the Finance Application Checklist.

Please note that Macquarie Bank Limited reserves the right to request, at its discretion, any of the supporting documentation outlined in the Finance Application Checklist for all Applicants applying for an Investment Loan.

4B Statement of position – Borrower

Please complete the information required in this section regarding your assets, liabilities, annual income and annual expenditure.

5 Guarantor details

This part is to be completed for all Guarantors. See Section 9.2 *Credit Approval* for information on persons who are required to be Guarantors.

6 Investment loan details

Firstly, select whether you want to apply for a 12 Month Interest Free Loan or a Principal and Interest Loan.

If you wish to apply for a 12 Month Interest Free Loan, complete part 6A.

If you wish to apply for a Principal and Interest Loan, complete part 6B.

6A/6B 12 month interest free loan/principal and interest loans

1. Write down your Application Amount. This can be found in part five of your Application Form for Interests.
2. Choose your desired loan option.
3. Input your desired loan amount for each payment, up to 100 per cent of the payment amount.
4. A Loan Establishment Fee is applicable for the 12 month Interest Free Loan from Macquarie Bank. The amount of the fee is calculated as 1.00 per cent of your loan amount. This fee is then added to your Loan Facility Amount.

If credit approval is given for a smaller Loan Facility Amount than you request, you will be taken to have applied for a reduced number of Interests corresponding to the Loan Facility Amount which is approved.

7 Direct debit authority and bank account details

All payments in relation to the Investment Loan will be made by direct debit. All Borrowers must complete this part.

Please read the information, then write down your bank account details in the spaces provided. Ensure that all Borrowers sign the authority.

8 Consents/acknowledgements

Please read this information carefully.

9 Important privacy information

Please read the information regarding your privacy.

10 Declarations and signatures

Please read the information in this part carefully before signing the Finance Application Form.

Ensure that all Borrowers and Guarantors (if any) sign the Finance Application Form in this part and clearly state their full name. A company must execute in accordance with the company's constitution and the Corporations Act. For companies with a sole director and secretary, this person should sign in the first signature box. The company seal must be affixed if required by the company's constitution.

Note that all Borrowers and Guarantors must have a witness sign the Application Form.

11 Certificate from Trustee's solicitor

You must complete this part if you are a corporate trustee or individual trustee Borrower.

LODGEMENT INSTRUCTIONS

Mail the completed Application Form and Finance Application Form (if any) to:

**Macquarie Almond Investment
GPO Box 4294
Sydney NSW 1164**

CHECKLIST

HAVE YOU ...

- Provided your ABN/TFN?
- Signed the Application Form? If more than one Applicant, have all Applicants signed the form?
- If you are participating as a Joint Venturer, has the First Joint Venturer completed Section A (green pages) and the Second Joint Venturer completed Section B (grey pages)?
- If you are applying for an Investment Loan, completed the Finance Application Checklist in part 4A of the Finance Application Form?
- Signed the Direct Debit Authority in part 7 (Section A), part 6 (Section B if applicable) and part 7 (Finance Application Form if applicable)?
- Have all Applicants', Borrowers' and Guarantors' (if any) signatures been witnessed, and the witness statements signed?
- If you have chosen cheque as your preferred method of payment of the amount payable with your Application, have you attached the cheque to your Application Form?

Notes

Notes

ENTS / ACKNOWLEDGMENTS (CONTINUED)

Authority for MAAML to obtain certain credit information

To enable MAAML to assess my/our application for personal or commercial credit, I/we authorise MAAML:

- To obtain from a credit reporting agency a credit report containing personal information about me/us in relation to personal credit provided by MAAML.
- To obtain from a credit reporting agency a credit report containing personal credit information about me/us in relation to commercial credit provided by MAAML.
- To obtain a report from a credit reporting agency containing information about my/our commercial activities or my/our commercial credit worthiness in relation to personal credit provided by MAAML.

Authority to exchange information

I/We authorise MAAML to give to and obtain for any related corporation, credit provider, any broker, adviser, financial consultant, accountant or lawyer acting for me/us or on my/our behalf in connection with any consumer or commercial credit information about me/us including in connection with funding or managing financial accommodation by means of an arrangement involving securitisation.

I/We understand this information can include information that has any bearing on my credit worthiness, credit standing, credit history or credit capacity.

I/We understand that this information may be:

- used by MAAML to:
 - assess my/our creditworthiness;
 - assess an application by me/us for credit;
 - assist me/us to avoid defaulting on my/our credit obligations;
- used and disclosed by MAAML to:
 - give notice of a default by me/us to other credit providers and any collection agent of MAAML;
 - allow a credit reporting agency to create or maintain a credit information file containing information about me/us.

9 IMPORTANT PRIVACY INFORMATION (to be read by ALL Applicants)

Access

You can access, correct or update any personal information we hold about you by contacting us on 1800 080 033.

Purpose

MAAML collects and uses personal information for the following purposes:

- To process your Application.
- To administer your Investment.
- To tell you about products and services (unless you ask us not to).

Disclosing your information

You agree and consent that MAAML may disclose information we hold about you in the following circumstances (even if the disclosure is to an organisation overseas which is not subject to privacy obligations equivalent to those which apply to us):

- To related organisations who tell you about services or products they offer which could be useful to you (unless you ask them not to).
- To companies and representatives that provide services on our behalf, for example printing statements or notices which we send to you.
- Collecting or assisting in the recovery of debts or providing professional advice.
- To your agents and representatives (for example your broker, adviser, solicitor or accountant) or any administrator, liquidator, trustee in bankruptcy, legal personal representative or executor.
- If the disclosure is required or authorised by law.

What happens if you do not disclose the information

You may choose not to give personal information about you to MAAML. Depending on the type of personal information, the consequences set out below may apply if you do not give it to MAAML.

- Refer to part 2 of Section A of this Application Form for the consequences if you do not supply your Tax File Number ('TFN') or a valid exemption (or in certain cases an Australian Business Number ('ABN')).
- MAAML may not be able to approve your Application for Interests in the Project.

The collection of your personal information may be required by the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, rules and other subordinate instruments ('AML/CTF Laws').

10 DECLARATION AND SIGNATURES (to be read by ALL Applicants)

Before signing this Application Form you should ensure that all the relevant sections have been completed correctly. If the page with your signature(s) is not attached to the other seven pages of this Application Form please contact us or your adviser.

I/We acknowledge and declare that:

- a) I/We have read and understood the PDS dated 28 April 2011 to which this Application Form relates.
- b) All the information provided in this Application Form is true and correct.
- c) MAAML can provide information on the status of my/our Investment to my/our nominated financial adviser or usual stockbroker or any associated Macquarie Group company.
- d) If at any time I/we supply MAAML with personal information about another individual, I/we will ensure that I am/we are authorised to do so and agree to inform that individual of the matters set out in parts 8 and 9 of Section A of this Application Form as they relate to that individual.
- e) I/We agree to MAAML collecting, using and disclosing my/our personal information as set out in parts 8 and 9 of Section A of this Application Form. Unless you cross the box below, MAAML and other companies in the Macquarie Group may use your personal information to offer you products or services that may be of interest to you.

I do not consent to the use of my information for this purpose.
- f) I/we agree to be bound by the Constitution for the Macquarie Almond Investment 2011 and the PDS.
- g) The consents and authority referred to in part 8 of Section A of this Application Form apply to my/our application for Interests.
- h) I/We consent to MAAML paying upfront commissions to my/our financial adviser based on my/our Investment.

ACKNOWLEDGMENTS

This part of the Application Form is to be read by all Applicants.

Before signing this Application Form you should ensure that all the relevant sections have been completed correctly. If the page with your signature(s) is not attached to the other 9 pages of this Application Form please contact us or your adviser.

Acknowledgment and authority to give certain credit information

I/We understand that pursuant to the *Privacy Act 1988 (Cth)* MAAML may give a credit reporting agency certain personal information about me/us, including:

- Details to identify me/us, e.g. name, sex, date of birth.
- The fact that I/we have applied for credit and the amount or that MAAML is a current credit provider to me/us.
- Payments which become more than 60 days overdue and for which collection action has started.
- Cheques drawn by me/us for at least \$100 which MAAML has dishonoured more than once.
- That, in the opinion of MAAML, I/we have committed a serious credit infringement.
- Advice that payments previously notified as unpaid are no longer overdue.
- The fact that credit provided to me by MAAML has been paid or otherwise discharged.

Authority for MAAML to obtain certain credit information

To enable MAAML to assess my/our application for personal or commercial credit, I/we authorise MAAML:

- To obtain from a credit reporting agency a credit report containing personal information about me/us in relation to personal credit provided by MAAML.
- To obtain from a credit reporting agency a credit report containing personal credit information about me/us in relation to commercial credit provided by MAAML.
- To obtain a report from a credit reporting agency containing information about my/our commercial activities or my/our commercial credit worthiness in relation to personal credit provided by MAAML.

Authority to exchange information

I/We authorise MAAML to give to and obtain from any related corporation, credit provider, any broker, adviser, financial consultant, accountant or lawyer acting for me/us or on my/our behalf in connection with any consumer or commercial credit information about me/us including in connection with funding or managing financial accommodation by means of an arrangement involving securitisation.

I/We understand this information can include information that has any bearing on my credit worthiness, credit standing, credit history or credit capacity.

I/We understand that this information may be:

- used by MAAML to:
 - assess my/our creditworthiness;
 - assess an application by me/us for credit;
 - assist me/us to avoid defaulting on my/our credit obligations;
- used and disclosed by MAAML to:
 - give notice of a default by me/us to other credit providers and any collection agent of MAAML;
 - allow a credit reporting agency to create or maintain a credit information file containing information about me/us.

8 IMPORTANT PRIVACY INFORMATION (to be read by ALL Applicants)

Access

You can access, correct or update any personal information we hold about you by contacting us on 1800 080 033.

Purpose

MAAML collects and uses personal information for the following purposes:

- To process your Application.
- To administer your Investment.
- To tell you about products and services (unless you ask us not to).

Disclosing your information

You agree and consent that MAAML may disclose information we hold about you in the following circumstances (even if the disclosure is to an organisation overseas which is not subject to privacy obligations equivalent to those which apply to us):

- To related organisations who tell you about services or products they offer which could be useful to you (unless you ask them not to).
- To companies and representatives that provide services on our behalf, for example printing statements or notices which we send to you.
- Collecting or assisting in the recovery of debts or providing professional advice.
- To your agents and representatives (for example your broker, adviser, solicitor or accountant) or any administrator, liquidator, trustee in bankruptcy, legal personal representative or executor.
- If the disclosure is required or authorised by law.

What happens if you do not disclose the information

You may choose not to give personal information about you to MAAML. Depending on the type of personal information, the consequences set out below may apply if you do not give it to MAAML.

- Refer to part 2 of Section B of this Application Form for the consequences if you do not supply your Tax File Number ('TFN') or a valid exemption (or in certain cases an Australian Business Number ('ABN')).
- MAAML may not be able to approve your Application for Interests in the Project.

The collection of your personal information may be required by the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, rules and other subordinate instruments ('AML/CTF Laws').

DECLARATIONS & SIGNATURES (to be read by ALL Applicants)

Before signing this Application Form you should ensure that all the relevant sections have been completed correctly. If the page with your signature(s) is not attached to the other nine pages of this Application Form please contact us or your adviser.

I/We acknowledge and declare that:

- a) I/We have read and understood the PDS dated 28 April 2011 to which this Application Form relates.
- b) All the information provided in this Application Form is true and correct.
- c) MAAML can provide information on the status of my/our Investment to my/our nominated financial adviser or usual stockbroker or any associated Macquarie Group company.
- d) If at any time I/we supply MAAML with personal information about another individual, I/we will ensure that I am/we are authorised to do so and agree to inform that individual of the matters set out in parts 7 and 8 of Section B of this Application Form as they relate to that individual.
- e) I/We agree to MAAML collecting, using and disclosing my/our personal information as set out in parts 7 and 8 of Section B of this Application Form. Unless you cross the box below, MAAML and other companies in the Macquarie Group may use your personal information to offer you products or services that may be of interest to you.
 I do not consent to the use of my information for this purpose.
- f) I/we agree to be bound by the Constitution for the Macquarie Almond Investment 2011 and the PDS.
- g) The consents and authority referred to in part 7 of Section B of this Application Form apply to my/our application for Interests.
- h) I/We consent to MAAML paying upfront commissions to my/our financial adviser based on my/our Investment
- i) I/We, the Applicant specified in part 1 of Section B of this Application Form, hereby irrevocably and by way of security appoint Macquarie Alternative Assets Management Limited ABN 30 103 237 181 AFSL 225758 and/or an entity associated with MAAML, and each of their officers, employees, agents and solicitors separately (the 'Attorney') as the true and lawful agent and attorney (with full power of substitution, delegation and revocation in respect thereof as the Attorney may deem expedient) to sign and deliver by any means, including affixing of electronic or facsimile signatures, on my/our behalf the following:
 - any other document, instrument, act or thing which, in the opinion of the Attorney, is necessary or desirable in connection with the Interests in the Project or the protection or perfection of the interest of MAAML or the exercise of the rights, powers and remedies of MAAML.
 I/We hereby further authorise the Attorney to do the following with respect to any of the documents referred to above:
 - complete any blanks;
 - make any amendments or additions;
 - do, execute and perform any other deed, matter, act or thing which in the opinion of the Attorney ought to be done, executed or performed to perfect the document and make it effective, in the absolute discretion of the Attorney;
 - to instruct MAAML or any broker or other person with respect to any dealings (including without limitation any lodgements, applications, redemptions, releases and the payment method and destination account of any distribution) with the Interests; and
 - to attend to the stamping or registration of all related and ancillary documentation (at my/our cost).
- j) I/We declare that anything done by the Attorney pursuant to the powers given to the Attorney will be binding on me/us as if those acts had been done by me/us.
- k) I/We agree to indemnify the Attorney against any loss or costs it suffers or incurs exercising the powers specified above. The Attorney may exercise the powers granted above even if it involves a conflict of duty or a conflict of interest.
- l) I/We acknowledge and declare that Macquarie Bank Limited ABN 46 008 583 542 ('MBL'):
 - has not authorised or caused the issue of the PDS;
 - does not make or purport to make any statement in the PDS (or any statement on which a statement in the PDS is based);
 - takes no responsibility for any part of the PDS other than the reference to its name and the references to the Investment Loan facility included in the PDS with its consent; and
 - does not endorse or recommend investment under the PDS.
- m) I/We undertake that I/we will not knowingly do anything to put MAAML or MBL in breach of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, rules and other subordinate instruments ('AML/CTF Laws'). I/we undertake to notify MAAML or MBL if I am/we are aware of anything that would put any member of Macquarie Group in breach of AML/CTF Laws.
- n) If requested I/we undertake to provide additional information and assistance and comply with all reasonable requests to facilitate MAAML or MBL's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction.
- o) I/We undertake that I/we am/are not aware and have no reason to suspect that:
 - the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar activities ('Illegal Activities'); and
 - proceeds of investment made in connection with this product will fund illegal activities.
- p) MAAML and MBL are subject to AML/CTF Laws. In making an application pursuant to this PDS I/we consent to MAAML and MBL disclosing in connection with AML/CTF Laws any of my/our personal information (as defined in the *Privacy Act 1988 (Cth)*) they have.
- q) In certain circumstances MAAML or MBL may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. If this occurs, MAAML and MBL are not liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify MAAML and MBL if MAAML and/or MBL are found liable to a third party in connection with the freezing or blocking of my/our account.
- r) MAAML and MBL retain the right not to issue Interests or provide loans to any applicant that MAAML or MBL decides, in its sole discretion.
- s) **I/We acknowledge that investments in the Fund are not deposits with or other liabilities of Macquarie Bank Limited ABN 46 008 583 542, or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income and principal invested.**
- t) **I/We further acknowledge that neither Macquarie Bank Limited, Macquarie Alternative Assets Management Limited ABN 30 103 237 181, Macquarie Agricultural Services Pty Limited ABN 60 116 381 634, Macquarie Farm Assets and Resources Management ABN 61 116 582 524 nor any other member company of the Macquarie Group, guarantees the performance of the Fund nor do they guarantee the repayment of capital from the Fund or any particular rate of return.**

ECKLIST

To assist you with completing the Application Form, please review the checklist below and ensure you have completed the sections that are relevant to your investment with MBL.

Type of Applicant	Documentation Required
Individual/Joint/Sole Trader	<input type="checkbox"/> Completed Application Form
	For applicants with a financial adviser make sure <u>both</u> of the following are provided:
	<input type="checkbox"/> "Adviser/Broker Details" section (including the declaration); and
	<input type="checkbox"/> IFSA/FPA Identification Form (available from macquarie.com.au/aml).
Corporate	Direct applicants must provide <u>one</u> of the following:
	<input type="checkbox"/> Original certified copy of Australian Drivers Licence; or
	<input type="checkbox"/> Original certified copy of Australian Passport; or
	<input type="checkbox"/> Original copy of a card issued under a State or Territory law for the purpose of proving a person's age which contains a photograph of the person in whose name the document is issued; or
	<input type="checkbox"/> Original copy of a foreign passport or similar document issued for the purpose of international travel that contains a photograph and the signature of the person in whose name the document is issued. Please note, where any document relied on is in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.
For alternative sources of verification, please see "Fulfilling your documentation requirements" at the back of this Application Form.	
Trust	<input type="checkbox"/> Completed Application Form
	For applicants with a financial adviser make sure <u>both</u> of the following are provided:
	<input type="checkbox"/> "Adviser/Broker Details" section (including the declaration); and
	<input type="checkbox"/> IFSA/FPA Identification Form (available from macquarie.com.au/aml).
Trust	Direct applicants must provide <u>one</u> of the following:
	<input type="checkbox"/> Original certified copy of an extract of the Trust deed; or
	<input type="checkbox"/> A notice (such as a notice of assessment) issued by the Australian Taxation Office within the last 12 months; or
	<input type="checkbox"/> A letter from a solicitor or qualified accountant verifying the name of the trust.
	AND
<input type="checkbox"/> Full identification details for one of the Trustees (refer to documentation requirements for the 'Individual/Joint/Sole Trader' or 'Corporate' as applicable above).	

If you have any questions, please contact the Client Services Team on 1800 080 033.

Please send your completed Application Form and all accompanying documentation to:

Client Service Team – Macquarie Almond Investment
 GPO BOX 4294
 Sydney
 NSW 1164

DOCUMENTATION REQUIREMENTS**What is an original certified copy?**

An original certified copy is a document that has been certified as a true copy of the original document by one of the following:

- 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.
- Finance company officer with two or more continuous years of service with one or more finance companies (for the purposes of the *Statutory Declaration Regulations 1993*).
- An officer with two or more continuous years of service with one or more financial institutions (for the purposes of the *Statutory Declaration Regulations 1993*).
- A permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public.
- An agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public.
- A Justice of the Peace.
- 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 of a court.
- A magistrate.
- A chief executive officer of a Commonwealth court.
- A registrar or deputy registrar of a court.
- An Australian police officer.
- An Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955*).
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership.
- A notary public (for the purposes of the *Statutory Declaration Regulations 1993*).
- Alternative sources of identification for Individuals / Joint / Sole Trader Applicants

Australian Documentation

An original or original certified copy of one of:

- Australian birth certificate; or
- Australian citizenship certificate; or
- Pension card issued by Centrelink; or
- Health card issued by Centrelink;

And an original notice issued to an individual, of a kind listed below, that contains the name of the individual and his or her residential address:

- Issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual; or
- Issued by the Australian Taxation Office within the preceding 12 months that records a debt payable to or by the individual by or to the Commonwealth under a taxation law; or
- Issued by a local government body or utilities provider within the preceding three months that records the provision of services to that address or to that person; or

Foreign Documentation

An original or original certified copy of a current:

- National Identity Card issued by a foreign government containing a photograph and signature of the person in whose name the card is issued; and
- Foreign driver's licence that contains a photograph of the person in whose name it was issued.

Where any document relied on as part of the procedure is in a language that is not English, it must be accompanied by an English translation prepared by an accredited translator.

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Macquarie Almond Investment 2011 – Finance Application Form



EACH JOINT VENTURER MUST FILL IN A SEPARATE FINANCE APPLICATION FORM.

To: Macquarie Bank Limited ABN 46 008 583 542 (or its nominee lenders, assignees, transferees, participants or subparticipants, as required) ('the Lender').

This Finance Application Form relates to a Product Disclosure Statement (the 'PDS') dated 28 April 2011 issued by Macquarie Alternative Assets Management Limited ABN 30 103 237 181 AFSL 225758 ('MAAML') for the offer of Interests in the Macquarie Almond Investment 2011. Terms defined in the PDS have the same meaning in this Finance Application Form. The PDS contains important information about investing in the Macquarie Almond Investment 2011 and borrowing under the Investment Loan which you are advised to read before completing this Finance Application Form.

PLEASE COMPLETE THIS FORM USING BLACK INK AND PRINT WELL WITHIN THE BOXES IN CAPITAL LETTERS. MARK APPROPRIATE ANSWER BOXES WITH A CROSS (X). START AT THE LEFT OF EACH ANSWER SPACE AND LEAVE A ONE BOX GAP BETWEEN WORDS.

1A INDIVIDUALS

Please select one of the following options:

Individual borrower Individual trustee borrower (also complete 1C)

Borrower's title

Mr Mrs Miss Ms Dr Other

First name

Middle name(s)

Surname

Occupation

Present employer (if self employed use trading name) and length of employment

Years Months

Previous employer (if self employed use trading name) and length of employment

Years Months

Joint Borrower

Borrower's title

Mr Mrs Miss Ms Dr Other

First name

Middle name(s)

Surname

Occupation

Present employer (if self employed use trading name)

Years Months

Previous employer (if self employed use trading name)

Years Months

1B CORPORATE BORROWERS

Please select one of the following options:

Corporate borrower Corporate trustee borrower (also complete 1C)

Company name

ACN/ABN

Trading name

Nature of Business

Years trading

Corporate borrowers are encouraged to submit their Finance Application Form before 1 June 2011 to avoid delays in processing.

FINANCE APPLICATION CHECKLIST (CONTINUED)

FOR LOANS GREATER THAN \$250,000 – PROOF OF INCOME, PROOF OF ASSETS AND PROOF OF LIABILITY REQUIRED

You are required to provide proof of income as listed above PLUS

Proof of Assets – by providing the following:

- Recent bank statement (less than two months old) confirming savings or cash balances in your account name; **AND**
- Most recent share holding statements verifying ownership and holdings balance; **AND**
- Most recent council rates notice for each property owned

Proof of Liabilities – by providing the following:

- Three consecutive monthly statements of any mortgages or secured loans (less than six months old); **AND**
- Complete Margin loan statement (less than two months old); **AND**
- Complete monthly statement of any unsecured loans or credit card loans (less than two months old)

MBL reserves the right to request, at its discretion, any further supporting documentation as required for any Finance Application.

4B STATEMENT OF POSITION – BORROWER

If information provided below is inaccurate or incomplete, there may be delays in processing your Finance Application. The Lender reserves the right to request further information as required or confirmation of information disclosed. Asset and Liability information may be provided on a consolidated basis for joint borrowers only. If assets are not wholly owned, please state percentage ownership and complete applicable liabilities on an equivalent basis.

A list of addresses of properties owned, both residential and investment, is also to be included below, as referenced by the following table.

ASSETS			LIABILITIES		
Cash	AUD	<input style="width: 100%;" type="text"/>	Mortgage and Other Loans	AUD	<input style="width: 100%;" type="text"/>
Property (residential)*	AUD	<input style="width: 100%;" type="text"/>	Investment Borrowings	AUD	<input style="width: 100%;" type="text"/>
Property (investment)*	AUD	<input style="width: 100%;" type="text"/>	Macquarie Investment Loans	AUD	<input style="width: 100%;" type="text"/>
Macquarie Investment Assets	AUD	<input style="width: 100%;" type="text"/>	Leases and Credit cards	AUD	<input style="width: 100%;" type="text"/>
Shares	AUD	<input style="width: 100%;" type="text"/>	Other (details)	AUD	<input style="width: 100%;" type="text"/>
Motor Vehicles	AUD	<input style="width: 100%;" type="text"/>			
Other (details)	AUD	<input style="width: 100%;" type="text"/>			
TOTAL	AUD	<input style="width: 100%;" type="text"/>	TOTAL	AUD	<input style="width: 100%;" type="text"/>

ANNUAL INCOME			ANNUAL EXPENDITURE		
Salary (before tax)	AUD	<input style="width: 100%;" type="text"/>	Mortgage/Rent payments	AUD	<input style="width: 100%;" type="text"/>
Rental and dividend income (before tax)	AUD	<input style="width: 100%;" type="text"/>	Investment Loan Repayments	AUD	<input style="width: 100%;" type="text"/>
Commissions / bonus / overtime (before tax)	AUD	<input style="width: 100%;" type="text"/>	Macquarie Investment Repayments	AUD	<input style="width: 100%;" type="text"/>
Other net income (details)	AUD	<input style="width: 100%;" type="text"/>	Leases and Credit cards	AUD	<input style="width: 100%;" type="text"/>
			Living Expenses and School fees	AUD	<input style="width: 100%;" type="text"/>
			Other (details)	AUD	<input style="width: 100%;" type="text"/>
TOTAL	AUD	<input style="width: 100%;" type="text"/>	TOTAL	AUD	<input style="width: 100%;" type="text"/>

*Please list below the addresses of all properties owned:

First Property

Unit and Street No. and Name																			
SUBURB											STATE						POSTCODE		

Second Property

Unit and Street No. and Name																			
SUBURB											STATE						POSTCODE		

Third Property

Unit and Street No. and Name																			
SUBURB											STATE						POSTCODE		

(If more than three properties are owned, please attach a list of additional property addresses to this Finance Application Form).

R DETAILS

To be completed for all Guarantors. If you are a Corporate Borrower or a Corporate Trustee Borrower you will require a Guarantor. Other Borrowers may also require a Guarantor if requested by the Lender.

Guarantors Title

Mr
 Mrs
 Miss
 Ms
 Dr
 Other

First name

Middle name(s)

Surname

Any other name Guarantor known by

Work number

Home number

Fax number

Mobile number

Date of Birth (DD/MM/YYYY)

Driver's licence number*

Email address

* Please provide a copy of your passport if you do not have a driver's licence.

Present employer (if self employed use trading name) and length of employment

Years Months
 /

Occupation

Residential address (not a PO Box)

Unit and Street No. and Name																			
SUBURB											STATE						POSTCODE		

Mailing address

Unit and Street No. and Name																			
SUBURB											STATE						POSTCODE		

LOAN DETAILS

You can only apply for one type of loan below:

I wish to apply for a 12 Month Interest Free Loan.

Please complete part **6A** below.

I wish to apply for a Principal and Interest Loan.

Please complete part **6B** below.

6A 12 MONTH INTEREST FREE LOAN

Complete this section if you are applying for a 12 Month Interest Free Loan.

If you are a Second Joint Venturer, you cannot apply for a 12 Month Interest Free Loan.

Application Amount	(from part 5 of the Application Form)	\$	<input type="text"/>	<input type="text"/>	<input type="text"/>
A Loan for Application Amount	(This is also the amount that you need to insert into the Application Form in part 5)	Input your desired loan amount, up to 100% of your Application Amount.	A \$	<input type="text"/>	<input type="text"/>
B Loan Establishment Fee	1.00% of A		B \$	<input type="text"/>	<input type="text"/>
C Loan Facility Amount	A + B		\$	<input type="text"/>	<input type="text"/>

6B PRINCIPAL AND INTEREST LOANS

Each Joint Venturer must fill in a separate Finance Application Form.

Application Amount	(from part 5 of the Application Form)	\$	<input type="text"/>	<input type="text"/>	<input type="text"/>
Loan Option	(please select one option only)				
	<input type="checkbox"/> 5 year Principal + Interest				
	<input type="checkbox"/> 7 year Principal + Interest				
A Loan for Application Amount*	(This is also the amount that you need to insert into the Application Form in part 5)	Input your desired loan amount, up to 100% of your Application Amount.	A \$	<input type="text"/>	<input type="text"/>
B Loan for 31 October 2011 payment**	(To calculate your payment multiply your number of Interests by \$3,960)	Input your desired loan amount, up to 100% of the payment amount.	B \$	<input type="text"/>	<input type="text"/>
C Loan for 31 October 2012 payment**	(To calculate your payment multiply your number of Interests by \$3,410)	Input your desired loan amount, up to 100% of the payment amount.	C \$	<input type="text"/>	<input type="text"/>
D Loan Facility Amount	A + B + C		\$	<input type="text"/>	<input type="text"/>

* If you are a Second Joint Venturer, you are not liable for this payment, and therefore you can not finance it.

** If you are a First Joint Venturer, you are not liable for this payment, and therefore you can not finance it.

/ ACKNOWLEDGMENT

This part of the Finance Application Form is to be read by all Borrowers and Guarantors.

Acknowledgment and authority to give certain credit information

I/We understand that pursuant to the *Privacy Act 1988 (Cth)* the Lender may give a credit reporting agency certain personal information about me/us, including:

- Details to identify me/us, eg name, sex, date of birth.
- The fact that I/we have applied for credit and the amount that the Lender is a current credit provider to me/us.
- Payments which become more than 60 days overdue and for which collection action has started.
- Cheques drawn by me/us for at least \$100 which the Lender has dishonoured more than once.
- That, in the opinion of the Lender, I/we have committed a serious credit infringement in specified circumstances.
- Advice that payments previously notified as unpaid are no longer overdue.
- The fact that credit provided to me by the Lender has been paid or otherwise discharged.

Authority for the Lender to obtain certain credit information

To enable the Lender to assess my/our application for personal or commercial credit, I/we authorise the Lender:

- To obtain from a credit reporting agency a credit report containing personal information about me/us in relation to personal credit provided by the Lender.
- To obtain from a credit reporting agency a credit report containing personal credit information about me/us in relation to commercial credit provided by the Lender.
- To obtain a report from a credit reporting agency containing information about my/our commercial activities or my/our commercial credit worthiness in relation to personal credit provided by the Lender.

Authority to exchange information

I/We authorise the Lender to give to and obtain from:

- any related corporation
- any credit provider
- any broker, adviser, financial consultant, accountant or lawyer acting for me/us or on my/our behalf

in connection with any consumer or commercial credit information about me/us including in connection with funding or managing financial accommodation by means of an arrangement involving securitisation.

I/We understand this information can include information that has any bearing on my credit worthiness, credit standing, credit history or credit capacity.

I/We understand that this information may be:

- used by the Lender to:
 - assess my/our creditworthiness
 - assess an application by me/us for credit
 - assist me/us to avoid defaulting on my/our credit obligations
- used and disclosed by the Lender to:
 - give notice of a default by me/us to other credit providers and any collection agent of the Lender
 - allow a credit reporting agency to create or maintain a credit information file containing information about me/us.

Authority for the Lender to give information to Guarantor

I/We authorise the Lender to give to the Guarantor, or a person who is considering becoming a Guarantor, personal information about my/our credit worthiness, credit standing, credit history or credit capacity relating to the credit facilities the subject of the guarantee.

9 IMPORTANT PRIVACY INFORMATION (TO BE READ BY ALL BORROWERS AND GUARANTORS)

Access

You can access, correct or update any personal information we hold about you by contacting Macquarie on 1800 080 033.

Purpose

The Lender collects and uses personal information for the following purposes:

- To process your Application for an Investment Loan.
- To administer your Investment Loan(s).
- To tell you about products and services (unless you ask us not to).

Disclosing your information

You agree and consent that the Lender may disclose information we hold about you in the following circumstances (even if the disclosure is to an organisation overseas which is not subject to privacy obligations equivalent to those which apply to us):

- To related organisations who tell you about services or products they offer which could be useful to you (unless you ask them not to).
- To companies and representatives that provide services on our behalf, for example printing statements or notices which we send to you.
- Collecting or assisting in the recovery of debts or providing professional advice.
- To your agents and representatives (for example your broker, adviser, solicitor or accountant) or any administrator, liquidator, trustee in bankruptcy, legal personal representative or executor.
- If the disclosure is required or authorised by law.

What happens if you do not disclose the information

You may choose not to give personal information about you the Lender. Depending on the type of personal information, the consequences set out below may apply if you do not give it to the Lender:

- The Lender may not be able to approve your application for an Investment Loan.

The collection of your personal information may be required by the *Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)*, rules and other subordinate instruments.

ARATION AND SIGNATURES

This part of the Finance Application Form must be read and signed by all Borrowers and Guarantors (if applicable).

Before signing this Finance Application Form you should ensure that all the relevant sections have been completed correctly. If the page with your signature(s) is not attached to the other 10 pages of this Finance Application Form please contact us or your adviser.

I/We acknowledge and declare that:

- a) I/We have read and understood the terms and conditions of the Macquarie Loan and Security Agreement contained in the PDS dated 28 April 2011.
- b) All the information provided in this Finance Application Form is true and correct.
- c) The Lender can provide information on the status of my/our Investment Loan facility to my/our nominated financial adviser or usual stockbroker or any company associated with the Lender.
- d) If at any time I/we supply the Lender with personal information about another individual, I/we will ensure that I am/we are authorised to do so and agree to inform that individual of the matters set out in parts 8 and 9 of this Finance Application Form as they relate to that individual.
- e) I/We agree to the Lender collecting, using and disclosing my/our personal information as set out in parts 8 and 9 of this Finance Application Form. Unless you cross the box below, the Lender and other related companies may use your personal information to offer you products or services that may be of interest to you.

I do not consent to the use of my information for this purpose.

- f) I/We agree to be bound by the Loan and Security Agreement with the Lender.
- g) The Investment Loan provided to me/us pursuant to this Finance Application Form will be applied wholly or predominantly for business or investment purposes (or for both purposes).
IMPORTANT – You should not sign this declaration unless the Investment Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.
- h) The consents and authority referred to in part 8 of this Finance Application Form apply to my/our application for an Investment Loan and my/our application for Interests.
- i) In addition to the consents, acknowledgments and authority given in part 8 of this Finance Application Form, I/we, as the Guarantor, authorises the Lender to obtain from a credit reporting agency a credit report containing personal credit information about the Guarantor to assess whether to accept me/us as a Guarantor for the personal credit or commercial credit applied for by, or that may be or has been provided to, the Borrower named, and in doing so, the Guarantor acknowledges that the Lender may give and obtain personal information about me/us as per part 8 of this Finance Application Form.
- j) If credit approval is given for a smaller Investment Loan than I/we apply for, I/we will be taken to have applied for a reduced number of Interests in the Project corresponding to the Investment Loan amount(s) which are approved.
- k) I/We consent to the Lender paying commissions to my/our financial adviser based on the amount of my/our Investment Loan.

Power of Attorney

- l) I/We, the Borrower specified in part 1 of this Finance Application Form or the Guarantor specified in part 5 of this Finance Application Form as the case may be, hereby irrevocably and by way of security appoint Macquarie Bank Limited ABN 46 008 583 542 (and its nominee lender, assignee, transferee, participant or subparticipant, as required) ('Macquarie') and/or an entity associated with Macquarie, and each of its officers, employees, agents and solicitors separately (the 'Attorney') as the true and lawful agent and attorney (with full power of substitution, delegation and revocation in respect thereof as the Attorney may deem expedient) to sign and deliver, on my/our behalf the following:
 - the Loan and Security Agreement and Notice of Mortgage in substantially the form contained in the PDS;
 - any ASIC notification of charge or notification of a release of charge given under the Loan and Security Agreement;
 - any other document, instrument, act or thing, which, in the opinion of the Attorney, is necessary or desirable in connection with the protection or perfection of the interest of the Lender or the exercise of the rights, powers and remedies of the Lender.

I/We hereby further authorise the Attorney to do the following with respect to any of the documents referred to above:

 - complete any blanks;
 - make any amendments or additions;
 - do, execute and perform any other deed, matter, act or thing which in the opinion of the Attorney ought to be done, executed or performed to perfect the document and make it effective, in the absolute discretion of the Attorney; and
 - to attend to the stamping or registration of all related and ancillary documentation (at my/our cost).
- m) I/We declare that anything done by the Attorney pursuant to the powers given to the Attorney will be binding on me/us as if those acts had been done by me/us.
- n) I/We agree to indemnify the Attorney against any loss or costs it suffers or incurs exercising the powers specified above. The Attorney may exercise the powers granted above even if it involves a conflict of duty or a conflict of interest.
- o) I/We direct MAAML to pay, at any time when I/we are in default of any obligations under the Investment Loan, any amounts received in respect of any of my/our Interests to the Lender to be applied in accordance with the Loan and Security Agreement.

AML/CTF

- p) I/We undertake that I/we will not knowingly do anything to put the Lender in breach of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, rules and other subordinate instruments ('AML/CTF Laws'). I/we undertake to notify the Lender if I am/we are aware of anything that would put any member of Macquarie Group in breach of AML/CTF Laws.
- q) If requested I/we undertake to provide additional information and assistance and comply with all reasonable requests to facilitate the Lender's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction.
- r) I/We undertake that I/we am/are not aware and have no reason to suspect that:
 - the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar activities ('Illegal Activities'); and
 - proceeds of investment made in connection with this product will fund illegal activities.
- s) The Lender is subject to AML/CTF Laws. In making an application pursuant to this PDS I/we consent to the Lender disclosing in connection with AML/CTF Laws any of my/our personal information (as defined in the *Privacy Act 1988 (Cth)*) they have.
- t) In certain circumstances the Lender may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. If this occurs, the Lender is not liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify the Lender if the Lender is found liable to a third party in connection with the freezing or blocking of my/our account.
- u) The Lender retains the right not to provide loans to any applicant that the Lender decides, in its sole discretion.

CERTIFICATE FROM TRUSTEE'S SOLICITOR

To be completed for Corporate Trustee or Individual Trustee applicants who have also applied for an Investment Loan.

I certify that:

1. The Trust has been validly constituted and is subsisting at the date of this opinion.
2. The Trust Documents comprise all of the documents constituting the Trust and there has been no other amending documents.
3. The Trustee has been properly appointed as Trustee and is the sole trustee of the Trust.
4. The Trust Deed is duly stamped and executed.
5. The Trustee is empowered and authorised by the terms of the Trust Documents examined by me to enter into and bind the Trust to the transactions contemplated by the Loan and Security Agreement.
6. The terms of the Trust Documents examined by me do not restrict the right of the Trustee to be fully indemnified out of the assets of the Trust to satisfy any liability to the Lender properly incurred by the Trustee as trustee of the Trust arising out of the transactions contemplated by the Loan and Security Agreement.
7. The terms of the Trust Documents, consent(s), authorities or other documents examined by me enable the Trustee to enter into the transactions despite any conflict of interest and duty which may arise on the part of the Trustee; and, if the Trustee is a company, of any of its directors, when entering into the transactions contemplated by the Loan and Security Agreement.
8. The Trustee is empowered to open bank accounts.
9. I have been informed by the Trustee and/or the adult beneficiaries of the Trust that they are of the opinion that the transactions contemplated by the Loan and Security Agreement are for the benefit and in the best interests of the Trust. I have not made any independent investigation as to or advised on the commerciality of these transactions.

Solicitor's Title

Mr
 Mrs
 Miss
 Ms
 Dr
 Other

First name

Middle name(s)

Surname

Work number

Home number

Mobile number

Mobile number

Driver's licence number

Solicitors signature

Date (DD-MM-YYYY)

CORPORATE DIRECTORY

Responsible Entity of the Macquarie Almond Investment 2011

Macquarie Alternative Assets Management Limited
ABN 30 103 237 181
AFSL 225758
Registered Office:
No.1 Martin Place
Sydney NSW 2000
Phone: 1800 080 033

Auditor



Ernst & Young
ABN 75 288 172 749
Registered Office:
680 George Street
Sydney NSW 2000

Solicitors to the Responsible Entity

Allen & Overy
Level 7, Gold Fields House
1 Alfred Street
Sydney NSW 2000

Tax Advisers to the Responsible Entity

Allen & Overy
Level 7, Gold Fields House
1 Alfred Street
Sydney NSW 2000

 1800 080 033 Macquarie Almond Investment 2011
R1723
Royal Exchange
NSW 1225 macquarie.com.au/almonds agribusiness@macquarie.com