

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

Fee Reduction

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

How to Apply

Please have a read through the PDS and if you would like to invest the application pages can generally be found towards the back of the document. You will only need to send the application section back with a cheque/direct debit payable direct to the investment company (not ourselves). You should take note of any minimum investment amounts that may apply and proof of ID that is now required for the new Anti-Money Laundering regulations.

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



Sulieman Ravell
Managing Director



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.



**Navra Asia Pacific Growth Fund
Series 2**



Product Disclosure Statement
Dated 19 April 2010

Important Information

About the Issuer

NavralInvest Limited ABN 46 101 355 239 Australian Financial Services Licence No: 226358 (**NavralInvest**, the **Responsible Entity, we or us**) is the responsible entity of the Navra Asia Pacific Growth Fund ARSN 133 301 158 (**Fund**) and is the issuer of Units in the Fund. NavralInvest is the party responsible for preparing this product disclosure statement (**PDS**). Contact details of NavralInvest are set out on page 1.

About the PDS

This PDS dated 19 April 2010 contains an offer made by NavralInvest to subscribe for Units in the Fund only. It is a separate offer from any other offer of Units in the Fund that we may make at any time in the future. Any such subsequent offer will be made under a separate product disclosure document.

Warning

This PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required to be lodged with ASIC. NavralInvest will notify ASIC that this PDS is in use in accordance with Section 1015D of the Corporations Act 2001. ASIC takes no responsibility for the contents of this PDS.

This is an important document. You should read it carefully before completing the application form that is part of or accompanies this PDS. Neither NavralInvest nor any company in the NavralInvest group nor RBS Group (Australia) Pty Limited (RBS) nor any company in the RBS Group of companies guarantees the repayment of capital, the performance of the Fund or the payment of income by the Fund.

Classes of Units in the Fund

The Units issued in accordance with this PDS are one class of Units in the Fund – Series 2. After the issue of Series 2 Units, the Fund will have more than one class of Units on issue and may issue more classes over time. Investors in one class of Units will only have rights to the Fund assets that are referable to the class(es) of Units which they hold. As each class of Units may be referable to different Fund assets, Investors in different classes may receive different outcomes and returns.

Please refer to Section 6 “Risks of Investing” particularly “Multiple Classes of Units” for details of the risks specific to having multiple classes of Units in the Fund.

Advice and Investment Decisions

None of NavralInvest, The Royal Bank of Scotland plc (ABN 30 101 464 528 Australian Financial Services Licence No 241114) (“Index Sponsor”), RBS Group (Australia) Pty Limited (ABN 78 000 862 797 Australian Financial Services Licence No 247013) (“RBS”), their related bodies corporate and their directors, officers or employees makes any recommendation as to the suitability of Units for any Investor or makes any representation or gives any assurance as to the performance of the Units or any particular rate of overall return.

Labour standards, environmental, ethical and social considerations are not taken into account in the selection, retention or realisation of investments.

This PDS does not constitute personal advice or contain a recommendation to invest. This PDS does not take into account your investment objectives, financial position or particular needs. Before making an investment decision on the basis of this PDS, you need to consider or obtain independent financial and taxation advice about whether an investment in the Units of the Fund under this PDS is suitable in light of your personal circumstances. No person is authorised by the Responsible Entity to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of the Responsible Entity.

Risks

All investments involve a degree of risk. You should carefully consider the important investment considerations and general risks that are set out in Section 6 of this PDS.

Electronic Copies of this PDS

This PDS is available in paper form and in electronic form from our website at www.navrainvest.com.au. If an electronic copy of this PDS is printed, all pages, including the Application Form, must be printed. If this PDS is made available to another person, they must be provided with the entire electronic file or printout, including the Application Form. A paper copy of this PDS (and any supplementary documents) may be obtained free of charge on request by calling NavralInvest on 1300 656 131, by contacting NavralInvest at its address set out in the contact details on page 1 or by contacting your financial adviser.

Updating Information

The information in this PDS is up-to-date at the time of preparation. However, some information can change from time to time. NavralInvest may make available updated information in relation to this PDS. This may include matters ASIC requires NavralInvest to tell Investors about on a regular basis. Investors may access this information at www.navrainvest.com.au and are encouraged to visit this website regularly for this purpose.

Alternatively, you may request a paper copy of the information, free of charge, by calling NavralInvest on 1300 656 131, by contacting NavralInvest at its address set out in the contact details on page 1 or by contacting your financial adviser. The information that NavralInvest will make available by way of these updates will include material information that NavralInvest is required to disclose to investors on a continuous disclosure basis. If new information is materially adverse, it may need to be contained in a supplementary or replacement product disclosure statement.

Use of this PDS

NavralInvest authorises the use of this PDS as a disclosure document for private clients, financial advisers and institutional investors as well as clients and prospective clients of an Investor Directed Portfolio Services (**IDPS**), an IDPS-like service (commonly referred to as a master trust, wrap account, nominee or custody service) or a managed discretionary account.

Except for applications from IDPS or IDPS-like services, Units in the Fund which are specified in this PDS cannot be issued unless the Application Form attached to either paper or electronic copy of this PDS is used.

Overseas Investors

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this PDS comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

Any offer to which this PDS relates is available to persons receiving the PDS within Australia and is not being made, directly or indirectly, in any other jurisdiction in which the offer would constitute a violation of the relevant laws or require registration or lodgement of the PDS, or any other document.

Further information

If you need help about investing in the Fund, we suggest that you contact us or speak to a licensed financial adviser.

All references in this PDS to monetary amounts are references to Australian dollars, unless the contrary is stated.

RBS – Loan Provider and Hedge Provider

RBS is not the issuer of the Units in the Fund. RBS is both the Loan Provider and the Hedge Provider. RBS takes no responsibility for the contents of this PDS and has no liability to Investors on the PDS.

Glossary

You should note that a Glossary of definitions appears in Section 15 of this PDS. You should read these definitions carefully.

This PDS should be read carefully and in its entirety before deciding whether or not to invest in the Fund.

Visit www.navrainvest.com.au
for information updates.



The name and contact details of the responsible entity for the Fund are:

NavraInvest Limited ABN 46 101 355 239
Australian Financial Services Licence No: 226358

Suite 203, Level 2
21 Berry Street
North Sydney NSW 2060

Tel: 1300 656 131
Fax: 02 9087 1877

info@navrainvest.com.au
www.navrainvest.com.au

Contents

Section 1: Highlights	2
Section 2: Key Features of the Offer	3
Section 3: The Fund	8
Section 4: The Underlying Investment Strategy	12
Section 5: The Loan	14
Section 6: Risks of Investing	15
Section 7: Fees and Other Costs	19
Section 8: Loan Agreement	23
Section 9: How to Withdraw	27
Section 10: Taxation	29
Section 11: About NavraInvest and its Service Providers	37
Section 12: Additional Information	38
Section 13: Unit Holder Rights and Obligations	41
Section 14: Material Contracts	42
Section 15: Glossary	44
Section 16: How to Complete the Application Form	47

Section 1: Highlights

This PDS invites you to invest in the Fund. To invest in the Fund, Investors must apply for a loan for 100% of the Investment Amount. Units will not be issued to Investors if the Loan application has not been approved.

The principal objective of the Fund is to provide retail and wholesale investors with the opportunity to have exposure to a managed portfolio of stocks of 100 companies (reconstituted daily from a pool of 150 stocks) that conduct business in the Asia Pacific region and are listed on a prominent securities exchange with a view to providing Investors with a Minimum Investment Return of 50% of the Issue Price i.e. \$0.50 per Unit (inclusive of Contingent Coupons) if the investment is held in the Fund until the Maturity Date. See Minimum Investment Return, below.

The name of the investment structure, as described in this PDS, is known in financial markets as 'Carpe Diem™', which is a trade mark of The Royal Bank of Scotland Group.

The Offer

The Fund is an Australian Unit Trust registered as a managed investment scheme.

You are invited to apply for Series 2 Units in the Fund at an Issue Price of \$1.00 per Unit.

The minimum Investment Amount is \$25,000 and thereafter in multiples of \$5,000.

In order to apply for Units, you must also apply for a Loan from the Loan Provider to fund 100% of the Issue Price of your Units ("Investment Amount").

The Investment

The Fund will invest in the Hedge Contract, which provides exposure to the Dynamic Asian ACES (**Underlying Investment Strategy**). The Underlying Investment Strategy is a rule-based absolute returns long/short strategy employed over a pool of 150 stocks of companies that conduct business in the Asia Pacific region and are listed on a prominent securities exchange. Please refer to Section 4 for more details.

On each annual Interest Payment Date, you will have the option whether to continue with the Loan and your investment in the Units (in which case you will need to prepay interest for the next year) or whether to terminate the Loan and your investment in the Units. If you terminate, you may receive a Net Redemption Amount calculated by reference to the Underlying Investment Strategy Value, Participation Rate and the Loan Amount in addition to any Contingent Coupon due for that year. Please refer to Section 2.2 for more details.

Distributions

There may be an annual Contingent Coupon at the end of each year during the Investment Term depending on the performance of the Underlying Investment Strategy. The amount of the Contingent Coupon will vary between 0% and 10% of the Issue Price depending on the performance of the Underlying Investment Strategy. The annual Contingent Coupon will be capped at 10% of the Issue Price i.e. \$0.10 per Unit.

Minimum Investment Return

If you hold the Units for the whole Investment Term, you will receive a Minimum Investment Return of 50% of the Issue Price (i.e. \$0.50 per Unit inclusive of Contingent Coupons). Investors will not receive the Minimum Investment Return if the Hedge Contract terminates early. Please refer to Section 6 "Risks of Investing" and, in particular, the part dealing with "Early Maturity Event".

The Minimum Investment Return is inclusive of Contingent Coupons paid to Investors throughout the Investment Term. This means that if a total of \$0.50 per Unit has been paid in Contingent Coupons over the Investment Term, then the Minimum Investment Return will have been achieved (i.e. there will be no additional payment). Please refer to Section 2.2 for how the Net Redemption Amount is calculated.

The Minimum Investment Return is provided to the Fund under the Hedge Contract. It is therefore possible that Investors may receive less than the Minimum Investment Return (where it applies) if the Fund has unforeseen expenses or other liabilities. Please see "Fund Risk" in Section 6 for more details.

The Loan

On making an application for Units, you must also apply for the Loan. There is a compulsory Loan of 100% of the Issue Price of your Units. The Loan Provider is RBS. The Loan is a limited recourse loan. Interest on the Loan is prepaid annually in advance. The Loan is for a minimum term of 1 year and a maximum term of 9 years and 11 months.

Your Units in the Fund will be issued to and held by the Custodian in separate trusts on your behalf. The Custodian grants a Fixed Charge over the Units to the Loan Provider to secure your obligations under the Loan. You therefore acquire the Units subject to the Fixed Charge.

Hedge Provider and Hedge Contract

RBS is the Hedge Provider and provides a hedge through the use of the Hedge Contract. The Hedge Contract is a contract entered into between NavralInvest (as Responsible Entity of the Fund) and RBS to provide the Fund with:

- an exposure to the Underlying Investment Strategy;
- the Minimum Investment Return; and
- any Contingent Coupons.

The Hedge Contract is a deferred purchase agreement and is the property of the Fund. The Hedge Provider, in accordance with the Hedge Contract, will undertake to deliver to the Fund a basket of ASX listed shares on or around the Maturity Date. These ASX listed shares will be equal in value to the Net Redemption Amount on the Maturity Date. As at the date of this PDS the basket of ASX listed shares are expected to be:

- BHP Billiton Limited;
- Telstra Corporation Limited;
- National Australia Bank Limited;
- Woolworths Limited; and
- Wesfarmers Limited.

The Hedge Contract gives RBS the ability to terminate the Hedge Contract if an Early Maturity Event occurs. If RBS determines that an Early Maturity Event has occurred, the Loan will terminate and Units will be redeemed. If this occurs, Investors will receive the Early Maturity Value and the Minimum Investment Return feature will not apply. If the Early Maturity Value is less than the Loan Amount outstanding, then you will receive no additional return above the Contingent Coupons already received and, given the limited recourse nature of the Loan, you can walk away from your investment without any further obligations to the Loan Provider. Please refer to Section 6, "Risks of Investing", particularly "Early Maturity Event".

Refer to Section 3 "The Fund" for information on what happens when the Hedge Contract ends and Section 9 "How to Withdraw".

Section 2: Key features of the Offer

2.1 Timetable

As at the date of this PDS, the key dates for the Offer are as follows:

Offer Opens	19 April 2010
Offer Closes	15 June 2010
Unit Issue Date	29 June 2010
Maturity Date	29 May 2020
Loan Drawdown Date	29 June 2010
Interest Payment Dates	29 June 2010 and then annually on each 18 June, from 18 June 2011 to 18 June 2019
Coupon Calculation Dates	Annually on each 29 May, from 29 May 2011 until 29 May 2020
Coupon Payment Dates	Annually on each 18 June, from 18 June 2011 to 18 June 2020
Loan Reset Dates / Redemption Value Calculation Dates	Annually on each 29 June, from 29 June 2011 to 29 June 2019 and on 29 May 2020 (Maturity Date)

Dates and times are indicative only. The Responsible Entity reserves the right to vary the dates and times related to the Offer, without prior notice. The Responsible Entity also reserves the right to accept late applications, reject applications and/or close the Offer early or decide not to proceed with the offer if it is unable to enter the Hedge Contract without prior notice. Navrainvest may need to vary dates if the Hedge Provider varies dates under the Hedge Contract. Any changes will be notified on the website of the Responsible Entity: www.navrainvest.com.au. While the current Offer is scheduled to close at 3.00 pm (Sydney time) on 15 June 2010, you are encouraged to submit your Application Form so that it is received by the Responsible Entity on or before 10 June 2010.

If your Application Form is received on 15 June 2010 and the Responsible Entity receives a large number of Application Forms on that date, there is no guarantee that your Application Form will be processed or that Units will be issued to you. Accordingly, you are encouraged to submit your Application Form prior to this date.

Applications for Units are to be made by completing the Application Form attached to this PDS or by printing the Application Form attached to the PDS from the Responsible Entity's website at www.navrainvest.com.au.

2.2 Key Features

The table below is a summary guide only to the key features of the Fund and the offer that is made through this PDS. It also provides a guide as to where more detailed information may be found in this PDS. You should read this PDS carefully and seek professional financial, taxation and legal advice before making an investment decision.

Fund	
Fund	The Navra Asia Pacific Growth Fund. The Fund is an Australian unit trust registered as a managed investment scheme (ARSN 133 301 158).
Units	Series 2 Units in this Fund are available for investment under this PDS.
Offer	
Issue Price	\$1.00 per Unit
Minimum Investment Amount	\$25,000 (i.e. 25,000 Units) and thereafter in multiples of \$5,000
Maximum Investment Term (of the Hedge Contract)	9 years and 11 months You may, however, retain your Units in the Fund after the Hedge Contract expires. See Section 3 "The Fund" for information on what happens when the Hedge Contract ends.
Investment	
Underlying Investment Strategy	Dynamic Asian ACES, up to the Maturity Date. The Underlying Investment Strategy is a rule-based absolute returns long/short strategy employed over a pool of 150 stocks of companies that conduct business in the Asia Pacific region and are listed on a prominent securities exchange. If you choose to stay invested in the Fund after the Maturity Date, you will no longer have exposure to the Underlying Investment Strategy. Instead, you will have exposure to the assets of the Fund, being the basket of ASX listed shares. As at the date of this PDS the basket of ASX listed shares are expected to be: <ul style="list-style-type: none"> • BHP Billiton Limited; • Telstra Corporation Limited; • National Australia Bank Limited; • Woolworths Limited; and • Wesfarmers Limited.

Investment Returns on the Maturity Date and Redemption Value Calculation Dates

Net Redemption Amount on the Maturity Date	<p>Where you hold your Units until Maturity and do not terminate the Loan and redeem your Units prior to the final Interest Payment Date, and where Early Maturity does not occur, your Units will have a value equal to the Net Redemption Amount calculated as set out below.</p> <p>Net Redemption Amount = Max (0, Participated Growth, Catch-up Level)</p> <p>Where: Participated Growth = Participation Rate (Year 10) * [Underlying Investment Strategy Value (Year 10) – Loan Amount]</p> <p>Underlying Investment Strategy Value (Year 10) is the closing value of the Underlying Investment Strategy on the Maturity Date</p> <p>Catch-up Level = Minimum Investment Return – Sum (Contingent Coupons (year 1 to year 10 inclusive))</p> <p>Investors who elect to withdraw from the Fund will be entitled to receive the Net Redemption Amount on the Maturity Date free of the Loan Amount.</p> <p>The Net Redemption Amount will be delivered to the Fund as a basket of ASX listed shares. As at the date of this PDS the basket of ASX listed shares are expected to be:</p> <ul style="list-style-type: none"> • BHP Billiton Limited; • Telstra Corporation Limited; • National Australia Bank Limited; • Woolworths Limited; and • Wesfarmers Limited. 	Section 3 - Please see this section for some worked examples.
Minimum Investment Return	<p>A cash payment equal to 50% of the Issue Price (i.e. \$0.50 per Unit) over the Investment Term if Early Maturity does not occur, you hold the Units to Maturity, and you do not terminate the Loan and redeem your Units prior to the final Interest Payment Date.</p> <p>The Minimum Investment Return includes Contingent Coupons paid throughout the Investment Term. This means that if \$0.50 per Unit has been paid in Contingent Coupons during the Investment Term then the Minimum Investment Return will have been achieved.</p>	
Net Redemption Amount on Redemption Value Calculation Dates	<p>On each annual Interest Payment Date, you will have the option to terminate the Loan and your investment in the Units, in which case you will receive the Net Redemption Amount set out below.</p> <p>Net Redemption Amount = Max [0, Participation Rate (Year)* (Underlying Investment Strategy Value (Year) – Loan Amount)]</p> <p>Where: Underlying Investment Strategy Value (Year) is the closing value of the Underlying Investment Strategy on the Redemption Value Calculation Date (Year)</p> <p>The Net Redemption Amount is in addition to any Contingent Coupons that you may receive (or have received) on any preceding Coupon Payment Dates.</p> <p>Investors will be entitled to receive the Net Redemption Amount on a Redemption Value Calculation Date free of the Loan Amount. This is because the Net Redemption Amount formula, above, deducts the Loan Amount.</p>	
Withdrawal Amount after the Maturity Date	<p>If you decide to withdraw after the Maturity Date, your redemption proceeds will be the exit price multiplied by the number of Units you withdraw. The exit price will be determined by the Responsible Entity based on the value of the net value of the Fund assets (as specified in the Fund's Constitution).</p> <p>The Minimum Investment Return will not apply.</p>	
Participation Rate	<p>The Net Redemption Amount depends on the Participation Rate applicable on the Redemption Value Calculation Date.</p> <p>The Participation Rate affects the level of exposure that you have to the Underlying Investment Strategy on the Redemption Value Calculation Date.</p> <p>The Participation Rate is variable over the Investment Term. Over the first 4 years, the Participation Rate is less than 100% which means that if you terminate the Loan and your investment in Units in these years, you will receive less than 100% exposure to the Underlying Investment Strategy on the Redemption Value Calculation Date.</p> <p>From years 6 to 10, the Participation Rate is greater than 100% which means you will receive more than 100% exposure to the Underlying Investment Strategy on the Redemption Value Calculation Date.</p> <p>The Participation Rates below are indicative only. They are the Participation Rates that would have applied as at the date of this PDS and may be reset on the Unit Issue Date. The actual Participation Rates will be published at www.navrainvest.com.au on or as soon as reasonably practicable after the Unit Issue Date.</p>	

Year	Interest Payment Date	Redemption Value Calculation Date	Participation Rate
0	29 June 2010	N/A	N/A
1	18 June 2011	29 June 2011	50%
2	18 June 2012	29 June 2012	60%
3	18 June 2013	29 June 2013	70%
4	18 June 2014	29 June 2014	80%
5	18 June 2015	29 June 2015	100%
6	18 June 2016	29 June 2016	120%
7	18 June 2017	29 June 2017	140%
8	18 June 2018	29 June 2018	160%
9	18 June 2019	29 June 2019	180%
10	N/A	29 May 2020	200%

Distributions during Investment Term

Contingent Coupons You may receive annual Contingent Coupons equal to the Coupon Amount. The Coupon Amount depends on the Strategy Value Growth calculated on each Coupon Calculation Date. Each Contingent Coupon is subject to a cap of \$0.10 per Unit per year.

Coupon Amount The Coupon Amount is calculated as set out below:

Coupon Amount (Year) = Min [Maximum Coupon Amount, Achieved Growth (Year)]

Where:

Achieved Growth (Year) = Coupon Payout Percentage (Year) * Strategy Value Growth (Year)

Strategy Value Growth (Year) = Max [0, Underlying Investment Strategy Value (Year) – Initial Strategy Value]

Underlying Investment Strategy Value (Year) = closing value of the Underlying Investment Strategy on the Coupon Calculation Date (Year)

If the Achieved Growth calculated as set out above exceeds the Maximum Coupon Amount, then the Coupon Amount (Year) = Maximum Coupon Amount for that year. A Performance Fee will be paid to the Index Sponsor from the amount by which the Achieved Growth exceeds the Maximum Coupon Amount.

The Underlying Investment Strategy Value will decrease each year by the value of the Coupon Amount and Performance Fee (if any).

Maximum Coupon Amount \$0.10 per Unit per year

Coupon Payout Percentage The Coupon Amount depends on the Coupon Payout Percentage applicable as set on the Units Issue Date.

The Coupon Payout Percentage affects the level of exposure that you have to the Underlying Investment Strategy in the calculation of the Coupon Amount.

The Coupon Payout Percentages below are indicative only. They are the Coupon Payout Percentages that would have applied as at the date of this PDS and may be reset on the Unit Issue Date. The actual Coupon Payout Percentages will be published at www.navrainvest.com.au on or as soon as reasonably practicable after the Unit Issue Date.

Year	Coupon Calculation Date	Coupon Payment Date	Coupon Payout Percentage
0	N/A	N/A	N/A
1	29 May 2011	18 June 2011	100%
2	29 May 2012	18 June 2012	100%
3	29 May 2013	18 June 2013	100%
4	29 May 2014	18 June 2014	100%
5	29 May 2015	18 June 2015	100%
6	29 May 2016	18 June 2016	100%
7	29 May 2017	18 June 2017	100%
8	29 May 2018	18 June 2018	100%
9	29 May 2019	18 June 2019	100%
10	29 May 2020	18 June 2020	100%

Loan

Loan Provider	RBS Group (Australia) Pty Limited	Section 5																						
Borrower	Each Investor in the Units	Section 5																						
Loan Term	Minimum of 1 year, maximum of 9 years and 11 months	Section 5																						
Limited Recourse	The Loan Provider's recourse is limited to your Units. Otherwise, the Loan Provider has no recourse against you for the Loan Amount (\$1.00 per Unit) or any other amount after the first year's interest prepayment is made.	Section 5																						
Interest Payments	<p>Interest is prepaid annually in advance. You must prepay the Net Interest Payment for the first year on the first Interest Payment Date for the Loan to be drawn down and the Units purchased.</p> <p>In the following years, you will have the choice whether or not to prepay interest for the following year.</p> <p>If you choose to continue the Loan, the amount of the Net Interest Payment in the given year will be automatically deducted from your nominated bank account by the Loan Provider on the applicable Interest Payment Date. This allows the Loan to continue for the following year which commences on the next Loan Reset Date and extends to the Loan Reset Date a year later. Investors should make sure there are sufficient funds in their nominated bank account to cover the Net Interest Payment.</p> <p>If the Loan Provider has not received the Net Interest Payment, in a given year, from you on the applicable Interest Payment Date the Loan shall automatically terminate on the next Loan Reset Date.</p> <p>You may request the Loan Provider to extend the Interest Payment Date, in a given year, up until the business day in Sydney immediately preceding the Loan Reset Date in that year. The decision of the Loan Provider will be made in its absolute and sole discretion and will be final.</p> <p>For the first Interest Payment Date, Interest Payment = 8.5% p.a. * Loan Amount = \$0.085 per Unit</p> <p>For subsequent Interest Payment Dates,</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Interest Payment (Year)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>2</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>3</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>4</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>5</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>6</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>7</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>8</td> <td>8.5% p.a. * Loan Amount = \$0.085 per Unit</td> </tr> <tr> <td>9</td> <td>8.5% p.a. * 11/12 * Loan Amount = \$0.0779 per Unit</td> </tr> <tr> <td>10</td> <td>N/A</td> </tr> </tbody> </table>	Year	Interest Payment (Year)	1	8.5% p.a. * Loan Amount = \$0.085 per Unit	2	8.5% p.a. * Loan Amount = \$0.085 per Unit	3	8.5% p.a. * Loan Amount = \$0.085 per Unit	4	8.5% p.a. * Loan Amount = \$0.085 per Unit	5	8.5% p.a. * Loan Amount = \$0.085 per Unit	6	8.5% p.a. * Loan Amount = \$0.085 per Unit	7	8.5% p.a. * Loan Amount = \$0.085 per Unit	8	8.5% p.a. * Loan Amount = \$0.085 per Unit	9	8.5% p.a. * 11/12 * Loan Amount = \$0.0779 per Unit	10	N/A	
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Net Interest Payment	<p>For the first Interest Payment Date: Net Interest Payment = 8.5% p.a. * Loan Amount</p> <p>For subsequent Interest Payment Dates: Net Interest Payment (Year) = Interest Payment (Year) – Coupon Amount (Year)</p> <p>If the Net Interest Payment (Year) is negative, this means that you have received a Contingent Coupon from the investment that exceeds the loan interest payment due. In this case, you will receive a net payment and are not required to make any interest payment for that year.</p>	Section 5																						
Loan Amount	\$1.00 per Unit	Section 5																						
Repayment of the Loan Amount	An Investor is required to repay the Loan Amount in accordance with the Loan Agreement.	See Section 8 "Loan Agreement" and Section 9 "How to Withdraw"																						

Fees

Loan Administration Fee	2% of the Loan Amount. This is paid by the Investor to the Loan Provider at the time of the initial investment.	Section 7
Management Fee	1.56% p.a. This fee is deducted from the Underlying Investment Strategy Value on a daily basis. This fee is paid to the Index Sponsor and represents the cost of applying the Underlying Investment Strategy.	Section 7
Performance Fee	The Performance Fee is 5.0% and is calculated using the following formula: Performance Fee (Year) = 5.0% * Max [0, Achieved Growth (Year) – Maximum Coupon Amount]	Section 7
Responsible Entity Fee	1.65% p.a. This is paid yearly in advance to the Responsible Entity by RBS.	Section 7
Transactional and Operational Costs	1.56% - 4.68% p.a. deducted from the Underlying Investment Strategy Value weekly and payable to the Index Sponsor.	Section 7

General Terms

Calculation Agent	The entity appointed by the Index Sponsor from time to time	
Hedge Provider	RBS Group (Australia) Pty Limited	
Business Days	Sydney, London	
Governing Law	Australian law	
Cooling-off	A cooling-off period applies to your investment in the Units	Section 12
Withdrawals and Liquidity	<p>Investors are encouraged to invest for at least the Maximum Investment Term. However, Investors are able to walk away on the annual Interest Payment Dates.</p> <p>Furthermore, if your circumstances change unexpectedly during the Investment Term, the Responsible Entity will consider a request for early withdrawal monthly on the last business day of each month. Any such early withdrawal will be at the discretion of the Responsible Entity and in any event will be subject to the Responsible Entity's ability to unwind part of the Hedge Contract with the Hedge Provider.</p> <p>Please note that Investors will not get a refund of prepaid interest if they redeem early between annual Loan Reset Dates. Any amount received on early withdrawal will be applied first in repayment of the Loan Amount and the balance (if any) will be paid to you.</p>	See Section 9 "How to Withdraw" for more details
Net Valuation / Indicative Pricing	This is determined and published by RBS Group (Australia) Pty Limited in its complete discretion. The Net Valuation is determined by netting the valuation of the Units and amount outstanding under your Loan.	
Early Maturity / Early Maturity Value	<p>The Hedge Contract with RBS Group (Australia) Pty Limited (the Hedge Provider) may be terminated early if an Early Maturity Event occurs. In this case, the Units will also be terminated early ("Early Maturity").</p> <p>Upon Early Maturity the Loan is immediately due and payable, the Early Maturity Value is applied to pay the Loan Amount and the Fixed Charge is enforceable.</p> <p>The Minimum Investment Return only applies where the Units are held to Maturity and therefore will not apply if an Early Maturity Event occurs.</p> <p>If an Early Maturity Event occurs, the amount you will receive will be based on the Underlying Investment Strategy Value and is the value of the Hedge Contract as determined by the Hedge Provider in its absolute discretion (the "Early Maturity Value"). The Early Maturity Value will be different to the Net Redemption Amount and the Net Valuation. The calculation of the Early Maturity Value may also include deductions for any fees, transaction costs, administration costs or taxes involved with an Early Maturity Event, including without limitation the costs of unwinding any hedge put in place by the Hedge Provider to meet its obligations under the Hedge Contract, recoupment of any adviser commissions paid on the investments made in the Fund, any cost of funding and loss of profit or potential gain or any loss of bargain.</p> <p>If Early Maturity occurs, and the Early Maturity Value is less than the Loan Amount outstanding then you will receive no additional return above the Contingent Coupons already received and, given the limited recourse nature of the Loan, you can walk away from your investment without any further obligations to the Loan Provider.</p>	See Section 6 "Risks", particularly "Early Maturity Event" and "Early Maturity and Withdrawal Risk"

Section 3: The Fund

The Navra Asia Pacific Growth Fund (**Fund**) is a registered managed investment scheme that is regulated by the *Corporations Act 2001* and its Constitution, dated 16 September 2008. Further details as to the Constitution are in Section 13. As at the date of the preparation of this PDS an offer of Series 1 Units in the Fund had been made by us.

NavraInvest is the responsible entity of the Fund. You will find additional information about NavraInvest in Section 11.

The principal objective of the Fund is to provide investors:

- with the opportunity to have exposure to the Dynamic Asian ACES (Underlying Investment Strategy) up to the Maturity Date. The Underlying Investment Strategy is a rule-based long/short investment strategy that seeks to deliver absolute returns to investors regardless of equity market conditions and with a low correlation to other asset classes. The Underlying Investment Strategy invests in stocks from Asian countries. See Section 4 for more information on the Underlying Investment Strategy;
- with the opportunity to have exposure to a basket of ASX listed securities after the Maturity Date.

Combined with

- a 100% limited recourse Loan;
- the potential for a minimum total return of 50% on the Issue Price (i.e. \$0.50 per Unit inclusive of Contingent Coupons paid during the Investment Term) where the Units are held to Maturity; and
- the potential for annual Contingent Coupons depending on the Underlying Investment Strategy Value (which are used to offset your obligation to pay the prepaid interest in the first instance).

Investors should note that there is no guarantee that the Fund's objective will be achieved. The Minimum Investment Return only applies to Units held from the Unit Issue Date to the Maturity Date and will not apply if an Investor terminates the Loan and redeems the Units prior to the Maturity Date or if there is an Early Maturity Event. See Section 6, "Risks of Investing" for more details.

Classes of Units in the Fund

The Units issued in accordance with this PDS are one class of Units in the Fund – Series 2. After the issue of Series 2 Units, the Fund will have more than one class of Units on issue and may issue more classes over time. Investors who purchase Units in accordance with this PDS will only have exposure to the Hedge Contract outlined in this PDS. As each class of Units may be referable to different Fund asset, Investors in different classes may receive different outcomes and returns.

Please refer to Section 6 "Risks of Investing" particularly "Multiple Classes of Units" for details of the risks specific to having multiple classes of Units in the Fund.

Contingent Coupons

You may receive annual Contingent Coupons equal to the Coupon Amount. The Coupon Amount depends on the Strategy Value Growth and the Coupon Payout Percentage. Each Contingent Coupon is subject to a cap of \$0.10 per Unit per year. Please refer to Section 2.2 for how the Coupon Amount is calculated. The initial

Coupon Payout Percentage will be confirmed and fixed on the Unit Issue Date and will be available at www.navrainvest.com.au.

Net Redemption Amount

On the Maturity Date, or an earlier Redemption Value Calculation Date if you chose to discontinue the Loan and your investment, you will be entitled to receive the Net Redemption Amount as calculated on the relevant Redemption Value Calculation Date (the last Redemption Value Calculation Date is also the Maturity Date). The Net Redemption Amount depends on the Participation Rate and the Underlying Investment Strategy Value on the Redemption Value Calculation Date. The calculation of the Net Redemption Amount differs depending on whether it is the Maturity Date or another Redemption Value Calculation Date. For the Maturity Date, the Net Redemption Amount also takes into account any Contingent Coupons you have received so that you will receive the Minimum Investment Return over the Investment Term. Upon a Redemption Value Calculation Date, the Minimum Investment Return does not apply. Please refer to Section 2.2 for details of how these amounts are calculated.

Minimum Investment Return at Maturity

If you hold the Units until the Maturity Date, and Early Maturity has not occurred, you will receive a Minimum Investment Return of 50% on your Issue Price (i.e. \$0.50 per Unit). The Minimum Investment Return includes Contingent Coupons paid throughout the Investment Term. This means that if \$0.50 per Unit has been paid in Contingent Coupons then the Minimum Investment Return will have been achieved.

Volatility Managed Dynamic Exposure

The Underlying Investment Strategy is dynamically managed by reference to the realised market volatility over the previous 20 days. Exposure is increased during periods of low volatility and decreased during periods of high volatility.

Annual Walk-Away

On each annual Interest Payment Date you can choose whether to continue or discontinue the Loan and your investment in the Units. If you choose to discontinue the Loan, your investment in the Units will be terminated and you will receive a payment determined by reference to the Underlying Investment Strategy Value and Loan Amount. See Section 9 "How to Withdraw" for more details.

Limited Recourse Loan

You receive a Loan for the entire Issue Price per Unit. Interest is payable annually in advance. The Lender's recourse to recover the Loan Amount is limited to your Units in the Fund.

Leverage and Enhanced Exposure

As you receive a Loan for the entire Issue Price per Unit your exposure to the Underlying Investment Strategy is leveraged. In addition, in the later years of the Investment Term, the Participation Rate will be in excess of 100% (up to 200%) which means that you will have enhanced exposure to the Underlying Investment Strategy in the later years.

Cash Returns

The amount you receive with respect to any redemption proceeds is paid in cash in Australian Dollars.

Diversification

The Underlying Investment Strategy has a very low correlation with the equity markets.

Absolute Returns

The Underlying Investment Strategy is a rule-based investment strategy developed by RBS that seeks to deliver absolute returns to Investors regardless of equity market conditions.

After the Hedge Contract ends

The Fund invests in the Hedge Contract which matures on the Maturity Date. Under the Hedge Contract the Fund will receive a basket of ASX listed shares with a value equal to the Net Redemption Amount described in Section 2.2 of this PDS. The Hedge Provider expects to settle the Hedge Contract as soon as it can after the Maturity Date, however, it may take some time to do so. You may retain your Units in the Fund after the expiry of the Hedge Contract however after the Maturity Date you will no longer have exposure to the Underlying Investment Strategy. Instead, you will have exposure to the assets of the Fund, ASX listed shares. The price of Units will relate to those assets in the Fund.

A reminder notice will be sent to you before the Maturity Date of the Hedge Contract so that you can assess

whether or not to continue to hold your Units after the Fund receives the proceeds from the Hedge Contract, being the Net Redemption Amount. The relevant ASX listed shares that may be delivered to the Fund will be notified in the reminder notice.

Once you notify the Fund you wish to redeem your Units, the Fund will process your redemption in accordance with the Constitution.

Delivery of a basket of ASX listed shares

As at the date of this PDS the ASX listed shares are expected to be:

- BHP Billiton Limited;
- Telstra Corporation Limited;
- National Australia Bank Limited;
- Woolworths Limited; and
- Wesfarmers Limited.

These shares have been chosen as they are part of the pool of stocks used in the Underlying Investment Strategy. Please refer to Section 4 "Underlying Investment Strategy" for more details.

Risks

Please refer to Section 6: "Risks of Investing" for information about the risks of investing in the Fund.

Applications for Units and the Loan

You may apply for Units and the Loan by completing the Application Form and submitting it to the Responsible Entity at any time prior to the Offer Close Date. The current scheduled Offer Close Date is 3.00 pm (Sydney time) on 15 June 2010.

However, you are encouraged to submit your Application Form so that it is received by the Responsible Entity on or before 10 June 2010.

If your Application Form is received on 15 June 2010 and the Responsible Entity receives a large number of Application Forms on that date, there is no guarantee that your Application Form will be processed or that the Loan Provider will accept your application for a Loan and Units will be issued to you. Accordingly, you are encouraged to submit your Application Form prior to this date.

The Application Form is attached to this PDS and is also available on the Responsible Entity's website at www.navrainvest.com.au.

You should read the PDS to ensure you understand the terms, conditions and risks involved in investing in the Units. This document does not take into account the financial situation and particular needs of each investor, and nothing in the PDS is a recommendation by the Responsible Entity, RBS or any other person concerning the Units, or the Underlying Investment Strategy. Investors should seek independent financial and taxation advice before making a decision whether to invest in the Units.

Your Units will be subject to a Fixed Charge in favour of the Loan Provider and will be held by the Custodian. This will restrict your ability to deal with your Units.

Investment Pricing

The Responsible Entity intends to provide monthly indicative Unit prices based on the assets and liabilities attributable to the Units.

A link to indicative Unit prices and a full Unit price history will be published on the Responsible Entity's website at www.navrainvest.com.au.

Worked Examples

Here are some examples demonstrating how the Net Redemption Amount of the Units at the Maturity Date is calculated. The examples are hypothetical only and are not forecasts or simulations of Unit returns nor are they a reference to past performance. The actual returns on the Units in the Fund may be materially different from what is shown in these examples.

These examples may help Investors decide if the Fund is a suitable investment. No content in this section or elsewhere in the PDS is investment advice – as such, Investors should speak to their financial adviser before investing in the Fund.

In these examples it is assumed that Investors decide to invest in the minimum amount of 25,000 Units.

How does the investment perform?

Units have the potential for returns on the Maturity Date depending on the performance of the Underlying Investment Strategy. The examples below demonstrate how the returns are calculated and what Investors get during the Investment Term and the value of the Units on the Maturity Date. This is dependant on whether the returns generated by the Underlying Investment Strategy over the life of the investment have been negative, positive or neutral and whether Contingent Coupons have been paid during the Investment Term.

Assumptions

The below examples also assume that there are no Early Maturity Events or Adjustment Events.

Rounding

All calculations for the purpose of these worked examples will be made to not fewer than two decimal places.

How is the Net Redemption Amount at Maturity calculated?

Set out in the table below are some assumed values for the Underlying Investment Strategy Value over the Investment Term for three different scenarios. In Scenario 1, the Underlying Investment Strategy Value steadily climbs throughout the Investment Term and pays out regular Coupon Amounts every year. In Scenario 2, the Underlying Investment Strategy Value falls below the starting level by the end of the Investment Term but pays out regular Coupon Amounts every year. In Scenario 3, the Strategy Value falls below the starting level by the end of the Investment Term and pays out no Coupon Amounts throughout the Investment Term. The Net Redemption Amount is in addition to any Coupon Amounts you may have received to date in relation to your Units.

Date	Underlying Investment Strategy Value		
	Scenario 1	Scenario 2	Scenario 3
Unit Issue Date	\$1.00	\$1.00	\$1.00
Coupon Amounts paid throughout the Investment Term	\$0.45	\$0.45	0.00
Maturity Date	\$2.10	\$0.90	\$0.85

The following examples show how the Net Redemption Amount of the Units at the Maturity Date is calculated, based on the assumed Underlying Investment Strategy Values set out in the table above.

The Net Redemption Amount of the Units is calculated in accordance with the following formula:

Net Redemption Amount = Max (0, Participated Growth, Catch-up Level)

Where:

Participated Growth = Participation Rate (Year 10) * [Underlying Investment Strategy Value (Year 10) – Loan Amount]

Underlying Investment Strategy Value (Year 10) is the closing value of the Underlying Investment Strategy on the Maturity Date.

Catch-Up Level = Minimum Investment Return – Sum (Contingent Coupons (Year 1 to Year 10 inclusive))

Scenario 1

Based on the values set out in the table above, the Net Redemption Amount per Unit at Maturity for Scenario 1 would be:

Net Redemption Amount per Unit = Max [0, 200% * (\$2.10 - \$1.00), (\$0.50 - \$0.45)]
= Max (0, \$2.20, \$0.05)
= \$2.20 per Unit
For a holding of 25,000 Units, this would be \$55,000

Scenario 2

Based on the values set out in the table above, the Net Redemption Amount per Unit at Maturity for Scenario 2 would be:

Net Redemption Amount per Unit = Max [0, 200% * (\$0.90 - \$1.00), (\$0.50 - \$0.45)]
= Max (0, -\$0.20, \$0.05)
= \$0.05 per Unit
For a holding of 25,000 Units, this would be \$1,250

Scenario 3

Based on the values set out in the table above, the Net Redemption Amount per Unit at Maturity for Scenario 3 would be:

Net Redemption Amount per Unit = Max [0, 200% * (\$0.85 - \$1.00), (\$0.50 - \$0)]
= Max (\$0, -\$0.30, \$0.50)
= \$0.50 per Unit
For a holding of 25,000 Units, this would be \$12,500

How is the Net Redemption Amount on any Redemption Value Calculation Date calculated?

Set out in the table below are some assumed values for the Underlying Investment Strategy Value at the end of Year 5 for two different scenarios. In Scenario 1, the Underlying Investment Strategy Value steadily climbs throughout the Investment Term. In Scenario 2, the Underlying Investment Strategy Value falls below the starting level by the end of the Investment. The Net Redemption Amount is in addition to any Coupon Amounts you may have received to date in relation to your Units. Note that the Minimum Investment Return does not apply if the Units are redeemed prior to the Maturity Date.

Date	Underlying Investment Strategy Value	
	Scenario 1	Scenario 2
Unit Issue Date	\$1.00	\$1.00
Redemption Value Calculation Date	\$1.50	\$0.90

The following examples show how the Net Redemption Amount of the Units at the Redemption Value Calculation Date in Year 5 is calculated, based on the assumed Underlying Investment Strategy Values set out in the table above.

The Net Redemption Amount of the Units is calculated in accordance with the following formula:

Net Redemption Amount = Max [0, Participation Rate (Year 5) * (Underlying Investment Strategy Value (Year 5) – Loan Amount)]

Where:

Underlying Investment Strategy Value (Year 5) is the closing value of the Underlying Investment Strategy on the Redemption Value Calculation Date (Year 5).

Scenario 1

Based on the values set out in the table above, the Net Redemption Amount per Unit at Maturity for Scenario 1 would be:

$$\begin{aligned}\text{Net Redemption Amount per Unit} &= \text{Max } [0, 100\% * (\$1.50 - \$1.00)] \\ &= \text{Max } [0, \$0.50] \\ &= \$0.50 \\ &\text{For a holding of 25,000 Units, this would be } \$12,500\end{aligned}$$

Scenario 2

Based on the values set out in the table above, the Net Redemption Amount per Unit at Maturity for Scenario 2 would be:

$$\begin{aligned}\text{Net Redemption Amount per Unit} &= \text{Max } [0, 100\% * (\$0.90 - \$1.00)] \\ &= \text{Max } [0, -\$0.10] \\ &= \$0.00\end{aligned}$$

You will not receive a Net Redemption Amount under this scenario. You simply walk away as the Loan Amount is non-recoverable from you.

Section 4: The Underlying Investment Strategy

The Dynamic Asian ACES (Underlying Investment Strategy) is a rule-based investment strategy that seeks to deliver absolute returns to Investors. The Underlying Investment Strategy is underpinned by a high-frequency rebalancing, long/short strategy developed by The Royal Bank of Scotland plc (**Index Sponsor**) that aims to deliver absolute returns to Investors regardless of general equity market conditions.

Selection of Stocks

A pool of 150 highly liquid stocks is selected by applying a number of filters to a much larger universe comprising stocks from a wide range of Asia Pacific countries. The filters or selection criteria emphasize the liquidity, market capitalization and the ability to “short” (sell) stocks. It is on this filtered universe of 150 Asia Pacific stocks that the strategy will be applied. The Index Sponsor reviews the stock selection in the universe at least annually in September.

Securities are only considered for inclusion in the universe if they meet the following selection criteria. The Index Sponsor may also take into account, in their discretion, other criteria, including:

- conduct business in one of the following countries - Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea, Taiwan, Bangladesh, Cambodia, China, Cook Islands, Fiji, French Polynesia, India, Indonesia, Kazakhstan, Kyrgyzstan, Macau, Malaysia, Marshall Islands, Mongolia, Northern Mariana Islands, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Sri Lanka, Thailand, Turkmenistan, Uzbekistan, Vietnam (these countries can be removed and added to by the Index Sponsor at its discretion);
- listed in one of the following countries – United States, Australia, Japan, Singapore, United Kingdom (these countries can be removed and added to by the Index Sponsor in its discretion);
- the issuer of the security must (in the opinion of the Index Sponsor) be an operating company and not a closed-end fund, exchange-traded fund, investment vehicle, royalty trust or real estate investment trust; and
- the security must have a market capitalisation of at least £500,000,000.

The securities to be included in the universe are then determined as follows:

- all eligible securities (selected as set out above) are ranked by average daily traded value over the previous 6 months;
- issuers of securities which have multiple share classes will only have their most liquid share class included (highest average daily traded value over the previous 6 months);
- the largest 150 securities are selected by average daily traded value over the previous 6 months;
- should temporary reduction in liquidity occur, the securities may be temporarily removed from the list of eligible securities until liquidity returns to normal levels;
- a reserve list of 10 securities is maintained in case of corporate actions in relation to securities included in the universe.

As at the date of this PDS, the pool of stocks are:

1 Baidu Inc Spon ADR Rep A	40 Westfield Group Stapled Units	79 Sohu Com Inc Com
2 Mitsubishi Ufj Fin	41 Nippon Tel&Tel Cp	80 Kubota Corp
3 Mizuho Finl Gp	42 Sumitomo Metal Mng	81 China Life Ins Co Ltd Spon ADR Rep H
4 Sumitomo Mitsui Fg	43 Mitsui Fudosan Co	82 Capitaland Ltd
5 BHP Billiton Ltd	44 East Japan Railway	83 Inpex Corporation
6 Toyota Motor Corp	45 Sumitomo Rlty&Dev	84 Petrochina Co Ltd Sp ADR
7 Gs Yuasa Corp	46 Infosys Technologies Ltd Sp ADR	85 Nikon Corp
8 Nomura Holdings	47 CSL	86 Sumitomo Trust & Bkg
9 Toshiba Corp	48 Icici Bk Ltd ADR	87 Tdk Corp
10 Nintendo Co Ltd	49 Sanyo Electric Co	88 Japan Steel Works
11 Honda Motor Co	50 Tokio Marine Hldg	89 Santos Limited
12 Orix Corp	51 Fanuc Ltd	90 Aiful Corp
13 Mitsubishi Corp	52 Tokyo Electron	91 Daiichi Sankyo Com
14 Telstra Corp Ltd	53 Kddi Corp	92 Mitsubishi Elec Cp
15 Rio Tinto Limited	54 Fast Retailing Co	93 Ngk Insulators
16 Taiwan Semiconductor Sp ADR	55 Yingli Green Energy Hldg Co ADR	94 CNOOC Ltd Sponsored ADR
17 Sony Corp	56 Woolworths Ltd	95 Elpida Memory Inc
18 Natl Australia Bk	57 Hitachi	96 Ctrip Com Intl Ltd ADR
19 Canon Inc	58 Netease Com Inc Sponsored ADR	97 Sumitomo Corp
20 Cmnwlth Bk Of Aust	59 Seven & I Holdings	98 Suzuki Motor Corp
21 Aust & Nz Bank Grp	60 Kyocera Corp	99 Singapore Telecomm
22 Westpac Bkg Corp	61 Woodside Petroleum	100 Nippon Denko Co
23 Softbank Corp	62 Tokyo Elec Power	101 Bluescope Steel
24 Mitsui & Co	63 QBE Ins Group	102 Kao Corp
25 Nippon Steel Corp	64 Japan Tobacco Inc	103 Asahi Glass Co
26 Nissan Motor Co	65 Mitsubishi Hvy Ind	104 Nec Corp
27 Komatsu	66 Fuji Film Hld Corp	105 Yamada Denki Co
28 Sharp Corp	67 Denso Corp	106 Daikin Industries
29 Mitsubishi Estate	68 Sumitomo Metal Ind	107 T&D Holdings Inc
30 Mitsui O.S.K.Lines	69 Wesfarmers Ltd	108 Kawasaki Heavy Ind
31 Shin-Etsu Chemical	70 Itochu Corp	109 Advantest Corp
32 Meidensha Corp	71 Marubeni Corp	110 Ricoh Co
33 Jfe Holdings Inc	72 Dbs Group Hldgs	111 Posco Sponsored ADR
34 Takeda Pharmaceuti	73 Shanda Interactive Entmt Ltd Sp ADR	112 Iseki & Co
35 Panasonic Corp	74 Newcrest Mining	113 Sina Corp Ord
36 Ntt Docomo	75 Fujitsu	114 Nippon Elec Glass
37 Daiwa Secs Group	76 Macquarie Gp Ltd	115 Utd O/S Bank
38 Suntech Pwr Hldgs Co Ltd ADR	77 Bridgestone Corp	116 Yahoo Japan Corp
39 China Mobile Limited Sp ADR	78 Astellas Pharma	117 Daiwabo Holdings

118 Au Optronics Corp Sp ADR
 119 Sumitomo Electric
 120 Mazda Motor Corp
 121 Cyber Agent
 122 HDFC Bank Ltd ADR Reps 3 Shs
 123 Ldk Solar Co Ltd Sp ADR
 124 Olympus Corp
 125 Ividen Co Ltd
 126 Nidec Corporation
 127 Kirin Holdings Co
 128 Murata Mfg Co

129 Tokyo Tatemono Co
 130 Nippon Yusen Kk
 131 Nitto Denko Corp
 132 Secom Co
 133 All Nippon Airways
 134 Eisai Co
 135 Kansai Elec Power
 136 Central Japan Rlwy
 137 Hitachi Const Mach
 138 Wilmar Interl Ltd
 139 Furukawa Electric

140 Fosters Group
 141 Konica Minolta Hld
 142 Shionogi & Co
 143 Isuzu Motors
 144 Tokyo Gas Co
 145 Sumco Corporation
 146 Oversea-Chinese Bk
 147 Rohm Co Ltd
 148 Sompo Japan Ins
 149 Hoya Corp
 150 Haseko Corporation

The stocks in this universe are updated annually and will be published at www.navrainvest.com.au

Strategy Application

Every trading day, the performances of all the members of the universe are observed by the Calculation Agent. The selection criteria value is calculated for each security in the available universe and securities are ranked according to this benchmark. A low selection criteria value corresponds to securities which are considered to have underperformed their respective sectors and conversely a high selection criteria value corresponds to securities which are considered to have outperformed their respective sectors.

On the first effective trading day for a new securities universe after a yearly review, 50 securities which have a low selection criteria value are selected to compose the "Long Basket", equally weighted (Buy Low) and 50 securities which have a high selection criteria value are selected to compose the "Short Basket", equally weighted (Sell High).

In order to reduce concentration risk from individual countries within the portfolio of securities, the securities universe is divided into geographic regions. The notional invested in each of the short positions will be the same as the notional invested in long positions. Each geographic basket is composed of a number of securities in the same proportionate representation of that region in the total universe. For example, if North Asia securities form 70% of the universe of securities, the Long and Short baskets will consist of 35 North Asian securities in each basket.

Each business day following the initial position building, up to 20% of the long and short positions in each geographic region can be replaced according to the latest selection criteria value, implementing the "buy low, sell high" trading strategy. In total, up to 10 securities in each of the Long and Short Baskets will be replaced daily.

To be eligible for selection, the securities must meet the following criteria:

- the security, or the assets of the security issuer, have not been transferred to a government authority, agency or instrumentality;
- the security has not ceased to be listed or traded (or an announcement made that this will occur);
- the security is not subject to any restrictions on acquisition by the Index Sponsor or internal policy reasons of the Index Sponsor; and
- the rate at which the Index Sponsor can borrow the security is equal to or less than a limit set by the Index Sponsor (the limit is set at the sole and absolute discretion of the Index Sponsor and may change from time to time).

Volatility Stabilisation

Lastly, the Underlying Investment Strategy includes dynamically managed exposure to the returns on the Long Basket and Short Basket. Exposure is increased during periods of low volatility and decreased during periods of high market volatility.

The 20-day realised volatility is calculated and the exposure is determined by reference to the table below:

20 Day Realised Volatility	Exposure
0.00%-7.52%	133.00%
7.52%-10.00%	100.00%
10.00%-12.50%	80.00%
12.50%-17.50%	57.14%
17.50%-22.50%	44.44%
22.50%-27.50%	36.36%
27.50%-32.50%	30.77%
32.50%-37.50 %	26.67%
37.50%-42.50%	23.53%
> 42.50%	0%

Underlying Investment Strategy Value

The Underlying Investment Strategy Value is the closing value of the Underlying Investment Strategy on the relevant date.

Components of the Underlying Investment Strategy

Dynamic Asian ACES (AUD), the Underlying Investment Strategy, is described by RBS internally as the "Risk-Stabilised RBS Enhanced Asian Aces Investable Yield Index (AUD)". This index is constructed by reference to the "Risk-Stabilised RBS Enhanced Asian Aces Investable Index (AUD)" (Underlying Investable Index), a volatility controlled index with fees which, in turn, is constructed by reference to the "RBS Enhanced Asian Aces Index (AUD)" (Underlying Index).

A copy of the Underlying Investment Strategy, Underlying Index and Underlying Investable Index rules and methodology will be made available from the Offer Open Date until the Maturity Date upon request at the offices of the Index Sponsor at RBS Tower, 88 Phillip Street, Sydney NSW 2000. Investors should note that this description of the Underlying Investment Strategy is subject to the detailed provisions of the Underlying Investment Strategy rules. In order to view any of the rules, an Investor will be required to give certain non-disclosure representations to the Index Sponsor.

After the Maturity Date

After the Maturity Date, the basket of ASX listed shares delivered to the Fund under the Hedge Contract will be subject to market movements that will be reflected in the value of your investment (after fees, costs and expenses from the operation of the Fund). The Responsible Entity will not undertake any active management of the investment after the Maturity Date.

Section 5: The Loan

Investors must borrow 100% of the Issue Price on the Loan Drawdown Date. The Loan Provider is RBS. The Loan is a limited recourse loan and the Loan Provider's recourse is limited to your Units. Otherwise the Loan Provider has no recourse against you for the Loan Amount (\$1.00 per Unit) or any other amount after the first year's interest pre-payment is made. Interest on the Loan is prepaid annually in advance. The Loan is for a minimum term of 1 year and a maximum term of 9 years and 11 months.

The Loan is drawn down on the Loan Drawdown Date and the Loan monies are applied directly to pay the Issue Price on your Units.

First Year's Prepaid Interest

Under the Loan, you are required to prepay interest for the first year on the first Interest Payment Date for the Loan to be drawn down and Units issued.

The Net Interest Payment per Unit for the first year is calculated as follows:

Net Interest Payment = 8.5% p.a. * Loan Amount

Therefore, per Unit, the Net Interest Payment which must be prepaid on the first Interest Payment Date is \$0.085 per Unit (i.e. 8.5% p.a. * \$1.00).

Continuation or Discontinuation of the Loan

On each annual Interest Payment Date, you must decide whether or not to prepay interest for the following year i.e. you must choose whether or not you wish to continue the Loan and your investment in the Units.

If you choose to continue the Loan, the amount of the Net Interest Payment in the given year will be automatically deducted from your nominated bank account by the Loan Provider on the Interest Payment Date. This allows the Loan to continue for the following year which commences on the next Loan Reset Date and extends to the Loan Reset Date a year later. Investors should make sure there are sufficient funds in their nominated bank account to cover the Net Interest Payment.

You may request the Loan Provider to extend the Interest Payment Date, in a given year, up until the business day in Sydney immediately preceding the Loan Reset Date for that year. The decision of the Loan Provider will be made in its absolute and sole discretion and will be final.

If you do not pay the Net Interest Payment, in a given year, by the applicable Interest Payment Date (or any such later date in the Loan Provider's discretion), the Loan will automatically terminate on the next Loan Reset Date. Your investment in the Units will also terminate on the Loan Reset Date and you will receive the Net Redemption Amount calculated in accordance with the formula set out in Section 2.2.

Subsequent Years' Prepaid Interest

If you choose to continue with the Loan after the first year's prepaid interest, you will need to prepay the annual Net Interest Payment, in a given year, by the respective Interest Payment Date each year.

The Net Interest Payment is calculated as follows:
Net Interest Payment (Year) = Interest Payment (Year) – Coupon Amount (Year)

If the Net Interest Payment, in a given year, is negative, this means that you will receive a net amount from the investment that exceeds the Loan interest payment due. In this case, you are not required to make any interest payment for that year.

If the Net Interest Payment in a given year is positive, you will need to make the payment by the applicable Interest Payment Date (or any such later date in the Loan Provider's discretion).

Repayment of the Loan Amount

The Loan Amount is repaid as outlined in Section 9 "How to Withdraw".

Fixed Charge and Custodian

Your Units will be issued to, and held by, the Custodian in a separate trust. The Custodian grants a Fixed Charge over each separate trust in favour of the Loan Provider. You therefore acquire your Units subject to the Fixed Charge, and you appoint the Custodian to hold the Units on your behalf and subject to the Fixed Charge until your obligations under the Loan are satisfied in full.

Please read Section 14 for a description of the material contracts applicable to the Units.

Section 6: Risks of Investing

All investments are subject to varying risks and degrees of risk. Importantly, the value of an investment can rise and fall both in the short term and in the long term.

NavralInvest aims to manage risk prudently. However, there is no assurance that NavralInvest will be successful and in addition a number of risks associated with an investment in the Fund are outside the control of NavralInvest.

While NavralInvest has endeavoured to disclose all material risks, Investors should be aware that the list of risks is not an exhaustive list and should be treated as a general guide only.

General Investment Risks

General Risks of the Investment

Exposure to the Fund involves some risks, including but not limited to those set out below. The value of the Units can go up as well as down. Investors may receive an amount less than what they have paid for the investment (being their prepaid interest) if they withdraw from their investment prior to the Maturity Date, or if there is an Early Maturity Event, or if NavralInvest defaults on its payment obligations.

Share Market Risk

It is impossible to predict whether the value of the Underlying Investment Strategy will rise or fall. Trading prices of the shares included in the Underlying Investment Strategy will be influenced by complex and interrelated political, economic, financial, environmental and other factors, including:

- general movements in local and international share markets;
- prevailing economic conditions, including interest rates and inflation;
- profitability of the shares included in the Underlying Investment Strategy;
- the distribution payment policy of each of the shares included in the Underlying Investment Strategy;
- government policy with regard to tariffs, subsidies and other types of support for particular types of industries or some of the constituent shares included in the Underlying Investment Strategy; and
- changes in law affecting the market relevant to the shares included in the Underlying Investment Strategy.

Early Maturity Event

The Hedge Contract with RBS may be terminated early if an Early Maturity Event occurs. In this case, the Units will also be terminated (**Early Maturity**).

Upon Early Maturity the Loan is immediately due and payable, the Early Maturity Value is applied to pay the Loan Amount and the Fixed Charge is enforceable.

The Minimum Investment Return only applies where the Units are held to Maturity and therefore will not apply if an Early Maturity Event occurs. If an Early Maturity Event occurs, the amount the Fund will receive under the

Hedge Contract will be based on the Underlying Investment Strategy Value at that time, which will be different to the Net Redemption Amount and the Net Valuation. The calculation of the amount may also include deductions for any fees, transaction costs or taxes, including any loss of profits and deductions for adverse market movements involved with an Early Maturity Event. Monies arising from the occurrence of Early Maturity will first be applied to the Loan.

Early Maturity Events include:

- any arrangements entered into by the Hedge Provider in order to hedge the Hedge Provider's obligations in respect of the Hedge Contract in whole or in part are terminated, closed out, cancelled, redeemed or cannot reasonably be established, maintained or re-established;
- where the Hedge Provider has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of or any political subdivision or any authority thereof or therein having power to tax, or any change in the application of official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Unit Issue Date;
- a Change in Law;
- an Adjustment Event occurs or is expected to occur and in the Hedge Provider's reasonable opinion is not possible or desirable to deal with by adjustments only;
- if the Hedge Provider determines in good faith that the performance of its obligations in relation to or under the Units or Hedge Contract has or will become, in circumstances beyond the reasonable control of the Hedge Provider, impossible, unlawful, illegal or otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power;
- any actual or proposed event that may reasonably (in the Hedge Provider's opinion) be expected to lead to any of the events above occurring, other than an event which the Hedge Provider causes to occur; or
- termination, cancellation, close-out, redemption or material suspension of the Underlying Investment Strategy.

If Early Maturity occurs, and the Early Maturity Value is less than the Loan Amount outstanding then you will receive no additional return above the Contingent Coupons already received and, given the limited recourse nature of the Loan, you can walk away from your investment without any further obligations to the Loan Provider.

Adjustment Events

Adjustment Events will affect the Hedge Contract and in turn, the Fund.

The types of adjustments that may occur include:

- substitution of the Underlying Investment Strategy, or part of it, with any other similar strategy;
- adjustment, amendment or substitution of the composition of the Underlying Investment Strategy;
- variation of any of the terms referred to in the PDS;
- adjustment or amendment of any variable, date, rate, formula, amount, definition or calculation as set out or used in the PDS;
- suspension of any of the necessary calculations referred to in this PDS as appropriate until reliable values can be obtained;
- calculation of a substitute level for the Underlying Investment Strategy based on but not restricted to the last published level of the Underlying Investment Strategy and such level may be zero;
- variation of any of the terms of the Hedge Contract, including the substitution of the Delivery Asset (as defined in the Hedge Contract); and/or
- use of the closing level of the Underlying Investment Strategy published on any alternative price source;

in a manner consistent with any adjustment or change made to the Hedge Provider's hedging arrangement. The Hedge Provider will notify NavralInvest of any adjustment that it proposes to make before the adjustment occurs or as soon as reasonably practicable after the adjustment occurs and the Hedge Provider will determine and notify NavralInvest of the effective date of that adjustment. NavralInvest will in turn notify Investors of any adjustments.

Adjustment Events include the following:

- the Underlying Investment Strategy is not calculated and announced by the Calculation Agent and/or the Index Sponsor;
- there is a suspension or material limitation on the exchanges on which securities in the Underlying Investment Strategy are traded;
- a force majeure event occurs, or any other event occurs which the Hedge Provider determines in good faith results in the performance of its obligations having become or becoming, in circumstances beyond its reasonable control, impossible, unlawful, illegal or otherwise prohibited;
- a Hedging Disruption or Increased Cost of Hedging or any termination of the Hedge Provider's hedging

arrangement or the adjustment or change of the Hedge Provider's hedging arrangements occurs;

- the Calculation Agent and/or the Index Sponsor ceases or advises that it will cease, for any reason, to calculate the Underlying Investment Strategy;
- any adjustment made to the Underlying Investment Strategy required for clarification or for minor or technical reasons including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any ambiguity or defective provision contained in the methodology or rules relating to the Underlying Investment Strategy;
- other adjustments made to the Underlying Investment Strategy necessary to ensure the integrity of the Underlying Investment Strategy;
- any other amendments, changes or variations to the Underlying Investment Strategy.

Market Disruption Event

If a Market Disruption Event occurs under the Hedge Contract and the Hedge Provider makes any adjustments or takes any other action as a result, NavralInvest will make adjustments and take action in a manner consistent with any adjustments made or action taken under the Hedge Contract. This may include the delay of the relevant date for any calculation, determination, delivery, sale, transfer, disposal or other action, including delay of the Interest Payment Dates, Coupon Payment Dates, Loan Reset Dates, Redemption Value Calculation Dates and or Coupon Calculation Dates. A Market Disruption Event may also be deemed to be an Adjustment Event.

Market Disruption Events include:

- any events which disrupt or impair (as determined by the Hedge Provider) the ability of market participations to effect transactions in, or obtain market values, for relevant assets;
- the suspension or material limitation of trading in securities or derivative contracts which comprise the Underlying Instrument Strategy;
- the suspension or material limitation of trading in securities or derivative contracts on the ASX or the primary exchange upon which they are traded;
- any other similar events in the Hedge Provider's discretion.

Credit Risk

The ability of RBS to perform its obligations under the hedging arrangements and to pay to the Fund the Minimum Investment Return will depend on its creditworthiness during the Investment Term and at Maturity. RBS only has a contractual relationship with NavralInvest. You do not have a contractual relationship with RBS in relation to the Minimum Investment Return and do not have any recourse to RBS for this amount.

Tax Risk

A summary of the tax treatment of the Units is contained in Section 10 "Taxation". You should be aware that this

tax treatment may not be applicable to your specific circumstances and may change over time, affecting your entitlement to the tax benefits on the Units.

Fund Risks

All investment vehicles, including managed funds such as the Fund, have some inherent risks. For example, the Fund could be terminated or NavralInvest could be replaced as responsible entity. Investing in the Fund may achieve different results than investing individually for tax reasons at either the Fund's end or an Investor's end, and because of investments and withdrawals by other Investors.

Minimum Investment Return under the Hedge Contract is a feature provided to the Fund, not to individual Investors and while the Responsible Entity intends to pass this benefit on to Investors, it may be impacted by unexpected expenses incurred by the Fund. In addition, the Minimum Investment Return may not apply in certain limited circumstances. See "Early Maturity Event" above for further information.

Risks specific to the Fund

Leverage

You only pay the first year's prepaid interest (\$0.085 per Unit) to invest in the Units. However, you receive Units with an Issue Price of \$1.00 per Unit. This means that your exposure to the Underlying Investment Strategy is leveraged. Leverage means that based upon your investment you will have magnified exposure to both increases and decreases in the Underlying Investment Strategy Value. Any fall in the value of the Underlying Investment Strategy will therefore have a magnified effect on the Net Valuation. The Units themselves are not leveraged.

Early Maturity or Withdrawal Risk

On each annual Interest Payment Date, you may elect to discontinue the Loan and your investment in the Units and receive the Net Redemption Amount (if any). However, if your circumstances change unexpectedly between the annual Interest Payment Dates, the Issuer will consider a request for Early Maturity on a monthly basis. Withdrawal from the Fund will be subject to the Responsible Entity's ability to unwind part of the Hedge Contract with the Hedge Provider.

Where you withdraw or redeem your Units prior to the Maturity Date the Minimum Investment Return does not apply. The amount you receive will differ to the amount you would receive on the Maturity Date and may be significantly less. Any amount received on early withdrawal will be applied first in repayment of the Loan Amount and the balance (if any) will be paid to you.

The amount NavralInvest receives from unwinding the Hedge Contract early will depend on the economic value that the Hedge Provider achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Hedge Contract. The economic value that the Hedge Provider achieves will be reliant on

several factors including but not limited to the level and volatility of the stocks in the Underlying Investment Strategy, Australian and offshore interest rates and the remaining term to Maturity. The actual size of the impact of these factors on the unwind price will vary and is not quantifiable at the time you acquire your Units. RBS may also incur costs when executing the early unwind, including expenses and losses suffered by the Hedge Provider as a result of the early termination of the Hedge Contract and their related hedging arrangements. Such amounts may include, but are not limited to costs incurred in terminating the Hedge Provider's hedge positions, taxes or fees paid that are non-recoverable, administrative cost of processing the early termination, or loss of profits on the terminated positions.

Point to point return risk

The calculation of the Net Redemption Amount and Coupon Amount is determined using the Underlying Investment Strategy Value on the relevant Redemption Value Calculation Date and the Coupon Calculation Date, respectively.

There is a risk that if the Underlying Investment Strategy (or any component of the Underlying Investment Strategy) performs poorly on those dates, then the Net Redemption Amount or Coupon Amount would be lower than if the return on Underlying Investment Strategy was calculated using the average of a number of observation dates taken either during or at the end of the Investment Term.

Currency Risk

The Underlying Investment Strategy is denominated in Australian Dollars. However, the underlying constituent stocks are denominated in various global currencies. Therefore, the Underlying Investment Strategy Value is exposed to exchange rate movements between the Australian Dollar and the applicable underlying global currencies.

Changes in risk tolerance and preference

An Investor's personal circumstance, financial situation or investment objectives may change over time. So may their views as to the level of risk that they are comfortable taking or their investment time horizon. These are factors that each Investor must take into account in making a decision as to whether the Fund is suitable to them, both initially and in the long term.

Exercise of discretion

Investors should note that the Index Sponsor and Calculation Agent have a number of discretions in the determination of the Underlying Investment Strategy and the calculation of the Underlying Investment Strategy Value. Investors have no power to direct the Index Sponsor or the Calculation Agent concerning the exercise of any discretion.

Multiple classes of Units

The Fund intends to manage the assets, liabilities and distributions attributable to each class of Units separately but legally, they are all assets and liabilities of the Fund as a whole. As such, if the Fund becomes

insolvent, all classes of Units may be affected. Similarly if a particular class of Units becomes insolvent then creditors may make a claim for all of the assets in the Fund and not just the assets of the insolvent class of Units.

For tax purposes the net income of the Fund is determined for the Fund as a whole. This means that losses attributable to one class of Units may offset income or gains of another. Please refer to Section 10 "Taxation" for information about taxation.

Changes to the Underlying Investment Strategy

The methodology and rules relating to the Underlying Investment Strategy and calculation of the Underlying Investment Strategy Value may be amended, modified or adjusted from time to time by the Index Sponsor. Any such amendment may have an adverse effect on the Underlying Investment Strategy without the consent of or notice to Investors. Similarly, the rules relating to the Underlying Investment Strategy may be amended, modified or adjusted from time to time and this will affect the returns on the Underlying Investment Strategy and therefore the Units.

Changes to the Underlying Investment Strategy such as the inclusion of securities in the universe, availability of securities for selection in the universe may occur in a number of circumstances. Examples include:

- share issuance, purchase, redemption, rights offerings (and other similar corporate actions) in relation to the securities included in the universe;
- corporate actions;
- merger or acquisition of the issuer of a security;
- spin-off / demerger of the issuer of a security;
- bankruptcy of the issuer of a security;
- delisting of a security.

The above list is not exhaustive

Changes to the calculation of the Underlying Investment Strategy Value

The calculation of the Underlying Investment Strategy Value may be amended if a disruption event occurs on the relevant date. Examples include:

- price source disruption – information relevant to the calculation of the Underlying Investment Strategy Value is temporarily or permanently discontinued, unavailable or not announced or published;
- disappearance of any security included in the Long Basket or Short Basket;
- the number of securities included in the Long Basket and Short Basket that are traded on is materially reduced or the liquidity of these securities is otherwise reduced for any reason;
- change of law, rules or regulations or their interpretation;
- settlement disruption – trading or settlement any security included in the Long Basket or Short Basket is subject to material disruption (temporary or permanent);
- trading suspension – in the last hour prior to the close of trading on the date on which the Underlying Investment Strategy Value is calculated, one of the securities included in the Long Basket or Short Basket is subject to a material (in the Index Sponsor's opinion) suspension or limitation on trading;
- a force majeure event.

The above list is not exhaustive

Holding your Units after the Maturity Date

Where you withdraw or redeem your Units after the Maturity Date the Minimum Investment Return does not apply. The amount you receive will differ to the amount you would receive on the Maturity Date and may be significantly less.

In addition, you will be subject to the risks of being exposed to the basket of ASX listed shares delivered on the Maturity Date under the Hedge Contract.

Section 7: Fees and Other Costs

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

You should consider whether features such as superior investment performance or the provision for 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.

Fees and Other Costs

The following sections show fees and costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

For information on taxation, please refer to Section 10 "Taxation" of this PDS.

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

Type of Fees or Costs	Amount	How and When Paid
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment	Nil	There is no establishment fee payable when you invest in the Fund.
Contribution Fee ¹ The fee on each amount contributed to your investment	Nil	Not Applicable.
Withdrawal Fee The fee on each amount you take out of your investment (this may also be referred to as the Exit Fee)	Nil	Not Applicable.
Termination Fee The fee to close your investment	Nil	There is no withdrawal fee payable when you close your investment in the Fund.
Management Costs ²		
The fees and costs for managing the investment. These are comprised of:		
Management Fee	1.56% p.a.	This is calculated and deducted from the Underlying Investment Strategy Value daily. This fee is paid to the Index Sponsor and represents the cost of applying the Underlying Investment Strategy. This fee is not negotiable.
Performance Fee	5.0% of the amount by which the Achieved Growth exceeds the Maximum Coupon Amount (calculated in accordance with the formula on page 7)	This is deducted from the Underlying Investment Strategy Value and is determined each year on the Coupon Calculation Date. This fee is paid to the Index Sponsor as a performance incentive for the structuring and maintenance of the Underlying Investment Strategy. This fee is not negotiable.
Additional Service Fees		
Investment Switching Fee The fee of changing investment options	Nil	Not applicable.

¹An additional fee will apply on the amount borrowed for investment in the Fund. Please refer to "Loan Administration Fee" below in the "Additional Explanation of Fees and Costs" section for more information. ²Fees and expenses are inclusive of GST less an estimate for RITCs.

Additional Explanation of Fees and Costs

Management Fee

The management fee is 1.56% p.a. (inclusive of GST), calculated daily and deducted from the Underlying Investment Strategy Value daily. This amount is paid to the Index Sponsor and represents the costs charged by the Index Sponsor to maintain the Underlying Investment Strategy for the Fund (which include, among other costs, operational, administrative and personnel costs).

Performance Fee

The performance fee is 5.0% (inclusive of GST) of the amount by which the Achieved Growth exceeds the Maximum Coupon Amount (calculated in accordance with the formula on page 7). This is deducted from the Underlying Investment Strategy Value and is determined each year on the Coupon Calculation Date. This fee is paid to the Index Sponsor as a performance incentive for the structuring and maintenance of the Underlying Investment Strategy.

For example, assuming a Coupon Payout Percentage of 100%, if on the relevant Coupon Calculation Date the Strategy Value Growth = \$0.20, a coupon of \$0.10 will be paid. As there is Achieved Growth of \$0.20, the Index Sponsor will receive a Performance Fee equal to $5\% * (\text{Achieved Growth} - \text{Maximum Coupon Amount}) = 5\% * (\$0.20 - \$0.10) = \0.005 per Unit. The Underlying Investment Strategy Value will then drop by \$0.105 (Coupon Amount + Performance Fee).

Responsible Entity Fee

The Responsible Entity is paid a fee of 1.65% p.a. (inclusive of GST), paid yearly in advance by RBS out of RBS' own monies. This is not an additional cost to Investors. The Responsible Entity fee is intended to reimburse Navralinvest, as the Responsible Entity, and enable it to pay the costs and ongoing, ordinary expenses of the Fund, including the fees payable to the Custodian, the Fund Administrator and the Fund Auditor. Such costs and expenses include the fees and/or commissions payable to financial advisers for the distribution of the Fund and the costs incurred in establishing, running and promoting the Fund.

The Responsible Entity fee will not cover abnormal operating expenses of the Fund referred to below.

Loan Administration Fee

The loan administration fee is the fee to establish your Loan. A fee of 2% of the Loan Amount will be charged by and is payable to the Loan Provider. Assuming an investment of 100,000 Units, (i.e. an Investment Amount of \$100,000), the loan administration fee will be \$2,000. The loan administration fee is a single upfront payment payable by direct debit from your nominated bank account at the same time as the initial Net Interest Payment.

The Loan Provider may, at its discretion, pay or rebate all or part of the loan administration fee to Investors, distributors of Units, the Responsible Entity or any of its related parties.

Expense Recoveries

The Responsible Entity is entitled to be reimbursed for certain expenses incurred in managing the Fund. They may include expenses properly incurred in the administration, custody, management, compliance and promotion of the Fund. Other expenses including tax and operating costs, such as audit, legal and tax consulting fees, are also recoverable out of the assets of the Fund. The Responsible Entity expects it will be able to pay all ordinary expenses of the Fund from the Responsible Entity fee. However, the Constitution gives the Responsible Entity the right to recover expenses from the assets of the Fund. This may reduce your returns. In the event that expenses or other liabilities arise it may be necessary for the Responsible Entity to unwind part of the Hedge Contract to cover such costs. The value achieved by unwinding the Hedge Contract may be reduced by the costs associated with the unwind, and this will negatively impact returns. Please see Section 6 in relation to "Early Maturity Withdrawal Risk" for more information.

Abnormal Operating Expenses

These are costs which are not generally incurred in the day-to-day running of the Fund. The Fund's Constitution allows for the recovery of these expenses if incurred by the Responsible Entity in connection with the performance of its duties and obligations in operating the Fund and does not set a maximum limit on the amount that can be recovered. Abnormal operating expenses are not included in the Management Costs nor are they paid by Navralinvest.

Abnormal operating expenses include events such as the costs of a meeting of unit holders or legal costs incurred defending legal proceedings.

Abnormal operating expenses are deducted from the Fund as and when they arise and are deducted from the Fund's assets and therefore are accounted for in the unit price of the Fund in the same way as expense recoveries (see discussion above). Please see Section 6 in relation to "Fund Risk" and Early Maturity Withdrawal Risk" for more information.

Transaction and Operational Costs

Transaction and operational costs are the costs of buying and selling investments, such as brokerage fees and government charges. Transaction costs are incurred as part of the management of the Underlying Investment Strategy. They are deducted from the Underlying Investment Strategy Value daily. They are an additional cost to you, although not explicitly paid by you. Given the frequency of trading involved in the Underlying Investment Strategy, these costs may be significantly

higher than a buy and hold style strategy. These are estimated to be between 1.56% and 4.68% p.a. (although they can be reset by the Index Sponsor each quarter in their sole discretion). Assuming that the Underlying Investment Strategy Value is \$25,000, these costs will be between \$390 and \$1,170.

GST

Unless otherwise stated, all fees and charges are shown inclusive of Goods and Services Tax (**GST**) net of any Reduced Input Tax Credits (**RITC**) expected to be available to the Fund.

Tax

The taxation implications for investing in the Fund are set out in Section 10 "Taxation".

Change of Fees

The fees and costs involved in managing and operating the Fund may change for a variety of reasons, including changes in the economic, regulatory and competitive environment.

Investors will receive not less than 30 days' notice of any proposed change. Investors may withdraw from the Fund if they wish, but subject to payment of applicable withdrawal or other fees. Please see Section 6 in relation to "Early Maturity Withdrawal Risk" for more information. NavralInvest reserves the right to waive, defer or reduce any of the fees and expenses described in this PDS without prior notice.

Differential Fees

The Responsible Entity, in its discretion, may charge, rebate or waive some of the fees (including the loan administration fee) to certain Investors. The payment and terms of rebates or waivers are at the discretion of NavralInvest. These rebates are payable from the fees to which the Responsible Entity is entitled under the Constitution and therefore do not affect other unit holders.

Additional fees and costs that may be charged

Any costs directly associated with transactions made on your unit holder account will be charged to you by deduction from your account if and when they occur. These include but are not limited to government taxes, special request fees, bank transaction and dishonour fees and any other charges incurred as a result of you transacting on your account.

They do not include the costs of processing your subscription or redemption requests, maintaining your unit holder account on the register and regular reporting

to you as a unit holder. NavralInvest anticipates that these costs will be covered by the Responsible Entity fee. However, if the costs are not met from the Responsible Entity fee they will be recoverable from the assets of the Fund in the same way as abnormal operating expenses referred to above.

Fees Payable Under the Constitution

Under the Constitution of the Fund the Responsible Entity is entitled to charge fees higher than those disclosed in this PDS.

However, the Responsible Entity has decided not to charge these fees or seek reimbursement of expenses from the Fund in relation to Units other than as disclosed in this PDS. Please contact the Responsible Entity for a copy of the Fund's Constitution

Investing via a master trust, wrap account or other platform

If your investment is via a master trust, wrap account or other administration platform ("Platform"), there will be fees and costs in addition to the fees described in this PDS which are charged by the master trust, wrap account or Platform operator. The master trust, wrap account or Platform operator will provide you with details of those fees and costs.

Commissions and Adviser Remuneration

NavralInvest may pay out of its own monies to financial advisers an upfront commission of 2% (including GST) of the Investment Amount. NavralInvest may also pay out of its monies trailing commissions of up to 0.55% per annum (including GST) of the Loan Amount to your financial advisers. Trailing commissions will not be payable for any year in which an Investor walks away from or otherwise redeems their investment.

Any fees, costs and commissions payable to brokers, platforms and other intermediaries in relation to the distribution of Units will be borne by NavralInvest.

Adviser Service Fees

Your financial adviser may also charge you fees and costs in addition to those described above for providing you with initial and ongoing advice. Adviser service fees apply on an individually negotiated basis, so you should speak to your financial adviser about any adviser service fee that applies. Details of the fees and costs charged by your financial adviser, as well as the manner in which an adviser service fee will be paid by you, will be in the financial services guide and statement of advice which your financial adviser will give you. Always discuss fees with your financial adviser.

Example of Annual Fees and Other Costs**

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

EXAMPLE A Where no performance fee is payable		Balance of \$100,000 with contributions of \$5,000 during year*
Management Costs #	1.56%	For every \$100,000 you have in the Fund, you will be charged \$1,560 each year.##
Performance Fee	5.0% of the amount the Achieved Growth calculated (in accordance with the formula on page 7) exceeds the Maximum Coupon Amount	And, for every \$100,000 you have in the Fund you will be charged \$0 each year where the criteria for a performance fee has not been met.
EQUALS Cost of Fund		If you had an investment of \$100,000 at the beginning of the year and the investment remained in the Fund throughout the year, you would be charged fees of: \$1,560 What it costs you will depend on the fees you negotiate with your Fund or financial adviser.

* The form of the table specified by the Corporations Regulations assumes that an additional sum is put into the Fund during the year. It assumes that the additional \$5,000 you put in was on the last day of the year. As currently structured, at the end of the initial offer period, no further Units will be issued and the reference to the additional sum should be ignored.

An additional fee will apply on the amount borrowed and contributed for investment in the Fund. Please refer to "Loan Administration Fee" above in this section for more information.

**Interest payments on the Loan also apply. See Section 5 "The Loan" for more information.

Assuming a 100% Participation Rate and positive growth in the Underlying Investment Strategy

EXAMPLE B Where a performance fee is payable		Balance of \$100,000 with contributions of \$5,000 during year*
Management Costs #	1.56%	For every \$100,000 you have in the Fund, you will be charged \$1,560 each year.^
Performance Fee	5.0% of the amount the Achieved Growth calculated (in accordance with the formula on page 7) exceeds the Maximum Coupon Amount	And, for every \$100,000 you have in the Fund you will be charged \$500 each year where the criteria for a performance fee has been met.##
EQUALS Cost of Fund		If you had an investment of \$100,000 at the beginning of the year and the investment remained in the Fund throughout the year, you would be charged fees of: \$2,060 What it costs you will depend on the fees you negotiate with your Fund or financial adviser.

The performance fee example above assumes that the Achieved Growth for the year is \$0.20 per Unit. As such, the performance fee will be 5%* (Achieved Growth - Maximum Coupon Amount) = \$0.005 per Unit.

* The form of the table specified by the Corporations Regulations assumes that an additional sum is put into the Fund during the year. It assumes that the additional \$5,000 you put in was on the last day of the year. As currently structured, at the end of the initial offer period, no further Units will be issued and the reference to the additional sum should be ignored.

An additional fee will apply on the amount borrowed and contributed for investment in the Fund. Please refer to "Loan Administration Fee" above in this section for more information.

**Interest payments on the Loan also apply. See section 5 "The Loan" for more information.

^ Assuming a 100% Participation Rate and positive growth in the Underlying Investment Strategy

Section 8: Loan Agreement

This is the form of Loan Agreement entered into between a successful applicant of the Units and the Loan Provider.

Operative Provisions

1 Definitions and Interpretations

1.1 Definitions

Terms which are capitalised and not defined in this Loan Agreement are defined in Section 15 "Glossary" of the PDS.

1.2 Acknowledgment

Each Investor acknowledges that by entering into the Loan Agreement, it may only use the Loan for the purposes of investing in the Units.

2 Loan

2.1 Loan Provider to the Fund

(a) On and from the Unit Issue Date the Loan Provider will make a Loan to you in an amount equal to \$1.00 per Unit.

(b) Each Investor irrevocably directs and authorises the Loan Provider to draw down the Total Loan Amount (being the Loan Amount multiplied by the number of Units issued to the Investor) and pay the amount directly to the Issuer in satisfaction of the Investor's obligation to pay the Investment Amount.

2.2 Limited Recourse Loan

The Loan is a limited recourse facility whereby the Loan Provider's recourse against the Investor for repayment of the Loan is limited to the interest of the Investor in the Units purchased using the Loan Amount and to any right, title and interest in the Units including Contingent Coupons, proceeds or distributions. The Loan Provider will not take any action against the Investor in relation to the Loan to recover any amount beyond enforcing the Fixed Charge.

3 Using the Loan

3.1 Initial Advance

You are automatically taken to have requested an advance on the Unit Issue Date of the Loan for the Investment Amount on that date.

4 Interest

4.1 Interest

(a) By Offer Close, you must prepay to the Loan Provider the first year's prepaid interest calculated in accordance with paragraph (c)(i) below.

(b) On or before each subsequent Interest Payment Date, you must prepay to the Loan Provider the Net Interest Payment (if positive), for the period from the Loan Reset Date to the next Loan Reset Date (both inclusive). If you do not pay this amount by the Interest Payment Date (or such later date as the Loan Provider allows in their sole discretion), the Loan will be automatically terminated in accordance with clause 5.

(c) The Net Interest Payment is calculated as follows:

- (i) For the first Interest Payment Date:
Net Interest Payment = 8.5% p.a. * Loan Amount

- (ii) For subsequent Interest Payment Dates:
Net Interest Payment (Year) = Interest Payment (Year) – Coupon Amount (Year)

(d) If the Net Interest Payment is negative, then you are not required to make any payment to the Loan Provider.

(e) You irrevocably direct the Issuer and the Custodian to pay any Coupon Amounts payable first to the Loan Provider in satisfaction of the interest payable. Any Coupon Amount in excess of the Interest Payment (Year) remains payable to you. If you are a superannuation fund, this direction is revocable. However, if you do not pay the interest when it falls due, this will be a breach of the Loan Agreement and the Fixed Charge will be immediately enforceable.

4.2 No Entitlement to Refund of Net Interest Payments

The Investor will not be entitled to any refund of any Net Interest Payment in any circumstances (including in the case of an Early Maturity Event or where an Investor requests an early redemption of Units).

5 Automatic Termination of the Loan

(a) If, on an Interest Payment Date (or such later date as the Loan Provider allows in their sole discretion), you do not pay to the Loan Provider, a positive Net Interest Payment due under clause 4.1(b), then

- (i) the Loan will be automatically terminated on the next Loan Reset Date;
- (ii) your investment in the Units will terminate on the next Loan Reset Date;
- (iii) you will receive the Net Redemption Amount calculated in accordance with the formula set out in Section 2.2;

(b) You may request the Loan Provider to extend the Interest Payment Date up until the business day in Sydney immediately preceding the relevant Loan Reset Date. The decision of the Loan Provider will be made in its absolute and sole discretion and will be final.

6 Repaying

6.1 Repayment of Loan

(a) Subject to clause 7.3, an Investor, must repay the Loan on the Maturity Date (but no earlier than the Maturity Date) unless the Hedge Provider determines that Early Maturity occurs or the Investor requests an early redemption of Units, in which case the Investor must repay the Loan on or before the early maturity date or the Redemption Value Calculation Date (respectively).

(b) If the Investor requests an early redemption of its Units, the Investor will receive the Net Redemption Amount as calculated on the Redemption Value Calculation Date and, for any other date, the value obtained by unwinding a portion of the Hedge Contract less the Loan Amount (if such amount is positive). The Issuer or Loan Provider will provide the Investor with an estimate of the amount outstanding on the Loan, calculated in the Loan Provider's absolute discretion, and subject to interest rates, liquidity, loan break costs and other relevant factors, upon request from the Investor. The Investor may use this estimate to decide whether or not to proceed with early repayment of the Loan

but should note that it is only an estimate and the final amount may vary.

(c) If Early Maturity occurs, proceeds will be paid to the Fund under the Hedge Contract. Proceeds from the occurrence of Early Maturity are described in Section 6.

(d) If you request an early redemption of Units or if Early Maturity occurs, you irrevocably direct the Issuer and the Custodian to pay any Net Redemption Amount or Early Maturity proceeds payable first to the Loan Provider in satisfaction of the Loan Amount. Any Net Redemption Amount or Early Maturity proceeds in excess of the Loan Amount remains payable to you. If the Net Redemption Amount or Early Maturity proceeds are less than the Loan Amount then you can walk-away from your investment. If you are a superannuation fund, this direction is revocable. However, if you revoke, this will be a breach of the Loan Agreement and the Fixed Charge will be immediately enforceable.

7 Security

7.1 Granting a Fixed Charge over the Units

(a) Each Investor acknowledges that the Custodian grants the Loan Provider a fixed charge ('the Fixed Charge') over the Investor's Units and rights relating to the Units ('the Secured Property') on the terms of the Fixed Charge.

(b) Each Investor acknowledges and agrees that its interest in the Secured Property under the Custody Deed is subject to the interest of the Loan Provider under the Fixed Charge and that the Loan Provider's interest ranks in priority to the Investor's interest. Each Investor agrees not to give any direction to the Custodian that would cause the Custodian to breach the Fixed Charge. The Investor irrevocably authorises the Loan Provider to direct the Custodian to do anything that the Loan Provider would be entitled to do pursuant to the Fixed Charge or this Loan Agreement.

(c) Each Investor agrees to direct the Custodian if requested by the Loan Provider, and irrevocably authorises the Loan Provider to direct the Custodian on its behalf, to do anything that in the opinion of the Loan Provider is necessary or desirable for the purposes of giving effect to a provision of the Fixed Charge or this Loan Agreement.

7.2 Role of the Custodian

Each Investor acknowledges and agrees that:

(a) the Custodian will be issued the Units to hold on its behalf pursuant to the terms of the Custody Deed;

(b) it is bound by the terms of the Custody Deed and (despite any provision of this PDS) so long as the Custodian is the holder of the Units, the Custodian is the only person with rights against the Issuer in respect of those Units;

(c) the Investor, and not the Custodian, is responsible for performing all obligations to the Issuer and the Loan Provider relating to the Units held by the Custodian on its behalf, and the Custodian authorises it to perform all those obligations on its behalf;

(d) the Issuer will give all notices required to be given by the Issuer to the Custodian as holder of the Investor's Units directly to the Investor.

7.3 Gaining legal title to the Units

(a) Superannuation Fund Investors can at any time acquire legal title to the Units by repaying the Loan to the Loan Provider together with any enforcement costs and other amounts payable to the Loan Provider under the Fixed Charge.

(b) The Superannuation Fund Investor may only exercise its right to repay the Loan and obtain legal title before the Maturity Date, and by providing 5 Business Days' prior notice to the Issuer. After the Investor exercises its rights under this clause and repays the outstanding Loan Amount in full, the Custodian will transfer the legal title to the Units into name of the Investor and will have no further obligations or liabilities to the Investor in connection with this agreement or the Units.

(c) If a Superannuation Fund Investor repays the Loan in accordance with clause 7.3(a) the Investor must continue to pay the Net Interest Payment to the Loan Provider on each Interest Payment Date as an access fee so as to continue their Units' exposure to the Underlying Investment Strategy. If the Net Interest Payment is not paid on the Interest Payment Date then the Units will be automatically terminated, will cease to have exposure to the Underlying Investment Strategy and the Superannuation Fund Investor will receive the Net Redemption Amount calculated in accordance with the formula in Section 2.2 of this PDS, ignoring the deduction of the Loan Amount as it will have been paid.

7.4 Investor's Liability

Where the Investor:

(a) does not repay the Loan Amount (if any) when due and payable; or

(b) becomes bankrupt or Insolvent, the Loan Provider may, in its absolute discretion, declare all amounts owing under the Loan to be due and payable and/or direct the Custodian to exercise its power of sale in respect of the Units the subject of the Fixed Charge. The liability of the Investor in relation to the Loan or any charge on the Loan may be enforced by the Loan Provider against the Investor only by exercising its rights under the Fixed Charge or any other rights it has in relation to the Units or other Secured Property. This clause does not limit any proceedings being brought or other action being taken by the Loan Provider to establish the Investor's liability or the Loan Providers rights under the Fixed Charge or otherwise in relation to the Units or such other Secured Property.

8. Transfer of the Loan

(a) The Loan Provider may novate, assign or sub-participate the Loan and any or all of its rights under the Loan at any time, provided that the terms of the Loan Agreement and the limited recourse nature of the Loan continue and are not amended.

(b) If an Investor transfers their Units under the Constitution for the Fund, then the Loan must be transferred with the Units and the transferee must agree to the terms of the Loan Agreement.

9. Set off Rights

(a) All monetary obligations imposed on the Investor under these Loan Terms are absolute, free of any right to counterclaim or set off and may only be satisfied once the payment has cleared.

(b) The Issuer may at any time (including without limitation during the Investment Term or at Maturity) set off any amount payable to it by the Investor or the Custodian against any amount payable by the Issuer to the Investor or the Custodian (on the Investor's behalf) whether payable under these Terms or otherwise. The Issuer may withhold any amount payable by it to the Investor (or the Custodian on behalf of the Investor) in satisfaction of any amount payable to it by the Investor.

(c) The Loan Provider may at any time (including without limitation during the Investment Term or at Maturity) set off any amount payable to it by the Issuer, the Investor or the Custodian against any amount payable by the Loan Provider (whether in its capacity as Loan Provider or Hedge Provider) to the Issuer, the Investor or the Custodian (on the Investor's behalf) whether payable under these Terms or otherwise. The Loan Provider may withhold any amount payable by it to the Investor (or the Custodian on behalf of the Investor) or Issuer (whether as Loan Provider or Hedge Provider) in satisfaction of any amount payable to it by the Investor.

10 General

(a) The Loan Provider may exercise a right or remedy or give or refuse its consent under this Loan Agreement in any way it considers appropriate (including by imposing conditions).

(b) The Loan Provider is not liable for any loss caused by the exercise or attempted exercise of, failure to exercise or delay in exercising a right or remedy under these Loan Terms.

(c) The rights and remedies of the Loan Provider under this Loan Agreement are in addition to other rights and remedies given by law independently of this Loan Agreement.

(d) Rights given to the Loan Provider under this Loan Agreement and the Investor's liabilities under it are not affected by anything which might otherwise affect them at law.

(e) The Investor agrees to do anything the Loan Provider asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

(i) to bind the Investor and any other person intended to be bound under this Loan Agreement;

(ii) to show whether the Investor is complying with this Loan Agreement.

11 Loan Provider's Obligations Unsecured

The Loan Provider's obligations under this Loan Agreement are direct and unsecured obligations of the Loan Provider and these obligations rank equally with the Loan Provider's existing unsecured debt, subject to insolvency, banking or similar laws affecting creditors' rights generally.

12 Taxes

(a) The Loan Provider and the Custodian are not liable for any taxes or other charges

(i) payable by the Investor in relation to or in connection with this Loan Agreement; or

(ii) payable by the Loan Provider or the Custodian or any other person on, as a consequence of, or in

connection with any supply to the Investor under or in connection with this Loan Agreement; and are not liable to pay the Investor any additional amount on account of any taxes or other charges.

(b) The Investor must:

(i) pay all taxes (including GST) and other charges for which the Investor becomes liable in relation to or in connection with this Loan Agreement; or

(ii) pay an additional amount to the Loan Provider and the Custodian on demand equal to any applicable taxes (including GST) and other charges for which the Loan Provider or the Custodian or any other person becomes liable on, as a consequence of, or in connection with any supply to the Investor under or in connection with this Loan Agreement.

13 Investor's Representations and Warranties

13.1 General

By signing the Application Form and lodging it with the Issuer and Loan Provider the Investor represents and warrants to the Custodian and the Loan Provider in its capacity as Loan Provider (as a continuing representation and warranty) that:

(a) the Investor has full legal capacity to make the Application and be bound by this Loan Agreement and has taken all actions that are necessary to authorise the Application and be bound by this Loan Agreement;

(b) the Investor has reviewed this Loan Agreement and has made its own independent investigations and appraisals of the taxation, legal, commercial and credit aspects;

(c) the Investor has not relied in any way on any statements made by the Loan Provider, the Custodian or their related entities or their servants, agents, employees or representatives in relation to this Loan Agreement and the Investor acknowledges that neither the Loan Provider or the Custodian has made any representations to the Investor regarding the suitability or appropriateness of the Loan pursuant to this Loan Agreement;

(d) the Investor understands that nothing in this Loan Agreement or any marketing material associated with this Loan Agreement can be considered investment advice or a recommendation to acquire the Loan;

(e) the Investor has obtained all consents which may be required by law to enable the Investor, as the case may be, to acquire the Loan and the Units;

(f) the Units being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to the Investor and the Investor is not a resident or national of any jurisdiction where the application for the Units or the Loan is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Loan Provider or any of its related bodies corporate;

(g) the Investor acknowledges that the section in the PDS entitled "Taxation" is provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each Investor. The

Investor acknowledges that it has sought its own independent advice on the taxation implications relevant to their own circumstances before making an investment decision; and

(h) the Investor has the power to enter into and perform its obligations under the Terms, and that its obligations under the Terms constitute valid and binding obligations of the Investor.

13.2 Superannuation Funds

By signing the Application Form and lodging it with the Issuer and Loan Provider, an Investor which is the trustee of a Fund ("Fund") which is a regulated superannuation fund (as that term is defined in the Superannuation Industry (Supervision) Act 1993 (SIS Act)) (Governing Rules) also represents and warrants to the Issuer (as a continuing representation and warranty) that:

(a) the Fund has been validly constituted (and where necessary, the relevant documents have been duly stamped according to the laws of the relevant state or territory) and the Fund is continuing at the date of this agreement;

(b) where the trustee is a body corporate, the trustee has been validly constituted;

(c) the trustee has been properly appointed as trustee of the Fund;

(d) the terms of the governing rules (as that term is defined in the SIS Act) ("Governing Rules") empower and authorise the Trustee (i) to invest in the Units; and (ii) to borrow as permitted by the SIS Act and (iii) to enter into and be bound by the Deferred Purchase Agreement;

(e) the terms of the Governing Rules do not restrict the right of the Trustee to be fully indemnified out of the assets of the Fund to satisfy a liability to any party which is properly incurred by the trustee as trustee of the Fund under the Units;

(f) investing in Units will be for the benefit and in the best interests of the Fund and its beneficiaries; and

(g) if investing as joint trustees, each applicant declares that the applicants are all trustees of one Fund and there are no other trustees of the Fund and that each joint trustee has the authority to act as agent for all of the joint trustees to give instructions or to receive notices on behalf of all of the joint trustees.

13.3 Notices

(a) The Investor agrees that any notice or statement to be given or demand to be made on the Investor under this Loan Agreement or required by the Corporation Act:

(i) will be effectively signed on behalf of the Loan Provider or the Custodian if it is executed by the Loan Provider or Custodian (as the case may be), any of its officers, its solicitor or its attorney;

(ii) may be served by being delivered personally to, by being left at, by being e-mailed to, or by being posted in a prepaid envelope or wrapper to the Investor's address (or e-mail address) notified to the Issuer or the Investor's registered office, place of business, or residence last known to the Loan Provider, or by being sent to the Investor by facsimile transmission;

(iii) may be posted on the Loan Provider's website or an announcement made in an Australian newspaper with national coverage, if providing notice in such a manner is allowed by the Corporations Act or any ASIC policy.

(b) A demand or notice if:

(i) posted will be deemed served two Business Days after posting;

(ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission;

(iii) posted on a website or published in a newspaper will be given the date of posting or publishing.

(c) Service by any of these methods will be valid and effectual even if the Investor does not receive the document or if the document is returned to the Loan Provider or Custodian unclaimed.

14 Amendment of Terms

The Loan Provider or the Custodian may from time to time by notice sent to the Investor make any modification, variation, alteration or deletion of, or addition to the terms of this Loan Agreement ("Change") where:

(a) the Change is necessary or desirable in the reasonable opinion of the Loan Provider to comply with any statutory or other requirement of law; or

(b) the Change is desirable to correct an inconsistency or error in this Loan Agreement (but only if such Change does not, in the opinion of the Loan Provider materially adversely affect or prejudice the interests of the Investor).

The Loan Provider will give the Investor notice of any Change to this Loan Agreement and the Investor will be bound by any such Change at the time the Investor is given such notice.

Section 9: How to Withdraw

As the Fund is a long-term investment Investors are encouraged to invest for at least the Maximum Investment Term. You have the following options should you wish to withdraw from the Fund.

Withdrawing your investment before the Maturity Date

There are two methods to redeem your Units before the Maturity Date.

Annual Redemption Calculation Dates

On each annual Interest Payment Date you can choose whether to continue or discontinue the Loan and your investment in the Units. If you choose to discontinue your investment, the Loan will be terminated, your Units will be redeemed and you will receive an amount equal to the Net Redemption Amount as calculated on the applicable Redemption Value Calculation Date.

Where you redeem your Units prior to the Maturity Date the Minimum Investment Return does not apply. The amount you receive will differ to the amount you would receive on the Maturity Date and may be significantly less. Any amount received will be applied first in repayment of the Loan Amount and the balance (if any) will be paid to you. If the amount is less than the Loan Amount outstanding then you will receive no additional return above the Contingent Coupons already received and, given the limited recourse nature of the Loan, you can walk-away from your investment without any further obligations to the Loan Provider. See Section 2 "Key features of the Offer" and, in particular, the discussion of the Net Redemption Amount on Redemption Value Calculation Dates.

Prior to an Interest Payment Date the Responsible Entity will send you:

- a notice outlining the Net Interest Payment applicable to that Interest Payment Date; and
- a standard redemption form.

You must inform the Responsible Entity prior to the applicable Interest Payment Date whether you want to (a) continue with the Loan and your investment in the Units, or (b) discontinue the Loan and redeem your Units.

Should you choose (a) please refer to the notice outlining the Net Interest Payment in order to determine what is required to continue your investment in the Fund.

Should you choose (b) please complete and return the standard redemption form in accordance with the instructions provided. The Responsible Entity will determine your Net Redemption Amount on the next Redemption Value Calculation Date.

Monthly Early Withdrawal

Investors are encouraged to invest for the Maximum Investment Term. However, if your circumstances

change unexpectedly during the Investment Term, the Responsible Entity will consider requests for an early withdrawal on the last Business Day of each month. Any such early withdrawal will be at the discretion of the Responsible Entity and in any event will be subject to the Responsible Entity's ability to unwind part of the Hedge Contract with the Hedge Provider.

If you withdraw prior to the Maturity Date, the Minimum Investment Return will not be available to you and the price you receive for Units will be determined by the Responsible Entity by reference to the fair market value of the Units on the early maturity date with reference to the value of the Hedge Contract, less any applicable fees, costs, taxes and transactional costs. In practice, the unwind price for the Hedge Contract will depend on a number of factors, including the economic value that RBS achieves on the unwinding of any securities or derivatives it has in place to hedge its exposure under the Hedge Contract. The economic value that RBS achieves will be reliant on several factors including but not limited to the level and volatility of the stocks in the Underlying Investment Strategy, Australian and offshore interest rates and the remaining term to maturity. The actual size of the impact of these factors on the unwind price will vary and is not quantifiable at the time you acquire your Units. RBS may also incur costs when executing the early unwind, including expenses and losses suffered by RBS as a result of the early termination of the Hedge Contract and their related hedging arrangements. Such amounts may include, but are not limited to costs incurred in terminating RBS's hedge positions, taxes or fees paid that are non-recoverable, administrative cost of processing the early termination, or loss of profits on the terminated positions.

Any amount received on early withdrawal will be applied first in repayment of the Loan Amount and the balance (if any) will be paid to you. If the amount is less than the Loan Amount outstanding then you will receive no additional return above the Contingent Coupons already received and, given the limited recourse nature of the Loan, you can walk away from your investment without any further obligations to the Loan Provider.

Withdrawing your funds on the Maturity Date

The Responsible Entity will contact you around three (3) months prior to the Maturity Date to ask you to choose whether you would like to withdraw your funds or remain invested in the Fund. If you wish to withdraw on the Maturity Date, simply inform the Responsible Entity by the due date specified. The Hedge Provider expects to settle the Hedge Contract as soon as it can after the Maturity Date, however, it may take some time to do so.

If you withdraw your investment then you will receive an amount equal to the Net Redemption Amount as calculated on the Maturity Date. See Section 2 "Key features of the Offer" and, in particular, the discussion of the Net Redemption Amount on the Maturity Date.

Withdrawing your funds after the Maturity Date

If you choose to stay invested in the Fund after the Maturity Date, you will no longer have exposure to the Underlying Investment Strategy. Instead, you will have exposure to the assets of the Fund, being a basket of ASX listed shares. The ASX listed shares that the Fund will hold after the Maturity Date will be notified to you in the notice the Responsible Entity will send approximately three (3) months prior to the Maturity Date. As at the date of this PDS the basket of ASX listed shares are expected to be:

- BHP Billiton Limited;
- Telstra Corporation Limited;
- National Australia Bank Limited;
- Woolworths Limited; and
- Wesfarmers Limited.

The value of your Units in the Fund following Maturity will be determined by the relevant market price of the ASX listed shares, less any relevant costs and taxes. The ASX listed shares will be subject to market movements that will be reflected in the value of your investment (after fees, costs and expenses from the operation of the Fund). The initial investment in those securities and their weighting may be changed at the discretion of the Responsible Entity, but the Responsible Entity will not undertake any active management of the investment after the Maturity Date.

If you decide to redeem your Units after the Maturity Date, you can do so by sending the Responsible Entity a standard redemption form by 2:00pm (Sydney time) on the last business day of the month. If the Responsible Entity receives a redemption request after this time, the Responsible Entity will process your redemption request on the last business day of the next month end. You can call the Responsible Entity on 1300 656 131 who will mail you a form, or you can download the form from www.navrainvest.com.au.

If you decide to withdraw after the Maturity Date, your redemption proceeds will be the exit price multiplied by the number of Units you withdraw. The exit price will be determined by the Responsible Entity based on the value of the net value of the Fund assets (as specified in the Fund's Constitution).

The Responsible Entity will generally process withdrawal requests on the last business day of each month.

Where you withdraw or redeem your Units after the Maturity Date the Minimum Investment Return does not apply. The amount you receive will differ to the amount you would receive on the Maturity Date and may be significantly less. See Section 2 "Key features of the Offer" and, in particular, the discussion of the Net Redemption Amount on Redemption Value Calculation Dates.

After the Maturity Date you will have no obligations under the Loan as the amount owing under the Loan was deducted from the proceeds or value of the ASX listed shares delivered to the Fund at the Maturity Date.

Receiving your funds

You will generally receive the proceeds of any redemption from the Fund by the end of the month after the date on which the payment (if any) is determined. However, the Responsible Entity expects you will generally receive the proceeds of any redemption within 10 – 15 business days of the date the payment (if any) is determined. Payments will only be made in the name of the Investor.

Suspension of Withdrawals

Under the Fund's Constitution, the Responsible Entity may suspend redemptions while the Units are liquid for a number of reasons, including if:

- (a) it is impractical for the Responsible Entity to calculate the Net Asset Value;
- (b) a redemption request would lead to insufficient cash in the Fund to satisfy the Fund's obligations;
- (c) assets of the Fund cannot be realised at an appropriate price or on appropriate terms due to matters outside the Responsible Entity's control;
- (d) if the Responsible Entity estimates 5% or more of the Fund's assets must be sold to satisfy redemption requests;
- (e) meeting redemption requests would be a burden on continuing Investors;
- (f) it is in the interest of Investors;
- (g) if the law otherwise permits.

Section 10: Taxation

BAKER & MCKENZIE

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Rio de Janeiro
San Diego
San Francisco
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Tijuana
Toronto
Valencia
Washington, DC

9 April 2010

The Directors
NavraInvest Limited
Suite 203, Level 2
21 Berry Street
North Sydney NSW 2060

Dear Directors,

Navra Asia Pacific Growth Fund Series 2: Tax Opinion

We refer to the *Navra Asia Pacific Growth Fund (Trust)* Product Disclosure Statement (*PDS*) dated on or about 19 April 2010.

This letter is a summary of the Australian income tax and stamp duty implications for an Investor who invests in the Trust pursuant to the PDS.

Our opinion is based on the law as at 9 April 2010. We have not discussed the consequences of this transaction in any other jurisdictions. This opinion is provided solely for the benefit of NavraInvest Limited (*Navra*) and is necessarily general in nature and does not take into account the specific taxation circumstances of each individual investor. Investors in the Trust must seek their own independent tax and general legal advice on this transaction before making any decision to invest in the Trust. Investors must not rely on this opinion.

Investors should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation administers the law, may change at any time.

This opinion does not discuss the requirements of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* or the *Superannuation Industry (Supervision) Regulations 1994 (Regs)*. We assume an investor that is a superannuation fund trustee does not breach the SIS Act or Regs by investing in this product (in particular the in-house asset, charging and borrowing restrictions).

Baker & McKenzie is not involved in the marketing of this transaction and its role should not be interpreted to mean that it encourages any party to invest.

References in this opinion to the:

1. "1936 Act" or "1997 Act" are references to the *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997*, respectively;
2. "CGT Provisions" are references to the capital gains tax provisions contained in Part 3-1 and 3-3 of the 1997 Act; and
3. "Commissioner" refers to the Federal Commissioner of Taxation.

All other capitalised undefined terms in this opinion have the same meaning as in the PDS.

1. Assumptions

The Trust

1.1 We have assumed that:

- (a) the Trust is unlisted and the unit register is kept in South Australia;
- (b) the Trust will hold the Hedge Contract until maturity and an early maturity event does not occur;
- (c) the amounts derived by the Trust will not be subject to tax in a jurisdiction outside Australia, by way of withholding or otherwise;
- (d) the Trust will have a positive net taxable and trust law income for each year of income of this transaction;
- (e) the Hedge Contract is negotiated on arms' length terms and the Hedge Provider is centrally managed and controlled in NSW;
- (f) the Trust does not hold a 90% or more interest in any entity listed on a recognised stock exchange directly or indirectly for stamp duty purposes;
- (g) the Commissioner will treat the Trust as a *fixed trust* for income tax purposes; and
- (h) the Trust's expenses will be tax accounted for in a manner that ensures that in assessing Investors on the net income of the Trust each year, the expenses of the Trust will be correctly allocated and Investors will only be assessed on the portion of the Trust's net income that relates to their particular investment and on the gains they have made from their investment.

Investor

1.2 We have assumed all Investors:

- (a) are Australian resident individuals acting from Australia in their own name;
- (b) are not *under a legal disability* as that phrase is understood for the purposes of section 97 of the 1936 Act;

- (c) hold the Units on capital account as a long term investment for the purposes of holding until the Maturity Date (i.e., investors will not terminate the Loan and their investment in their Trust Units on a Redemption Value Calculation Date);
- (d) are not traders in units, shares or securities and do not acquire the Units in the Trust (*Trust Units*) as trading stock or otherwise in the course of carrying on a business; and
- (e) undertake all transactions referred to above on arm's length terms.

2. The Trust

Trust Income

- 2.1 The taxable net income of the Trust is calculated as if the Trust were a separate Australian resident taxpayer. However, the Trust should not be taxed on this net income (as the Trust will fully distribute its income each year). Investors should include in their assessable income their share of the Trust's net taxable income, calculated by reference to the portion of the Trust's trust law income to which they are presently entitled. It is important to note that although the Trust has more than one class of units, it must determine its taxable income by reference to all of its investments. That is, the net income from each investment is not segregated, but rather the income and losses from each investment of the Trust should be aggregated for the purpose of determining the net income of the Trust.
- 2.2 The net income of the Trust should include:
- (a) the Contingent Coupons as ordinary income on receipt; and
 - (b) the Minimum Investment Return as ordinary income on receipt;
 - (c) dividends received on the ASX listed shares held after the Maturity (and franking credits attached to those dividends to the extent to which the dividends are franked); and
 - (d) any net capital gains made by the Trust from:
 - (i) the maturity of the Hedge Contract; and
 - (ii) the sale of the ASX listed shares.

This is discussed in greater detail below.

Net assessable capital gain of the Trust

- 2.3 In making an investment in the Hedge Contracts, the Trust has contracted to purchase from the Hedge Provider the ASX listed securities (*Delivery Assets*).
- 2.4 In *Taxation Determination TD 2008/22*, the Commissioner states that the Trust's rights under a Hedge Contract constitutes a discrete CGT asset and the delivery of the Delivery Assets on Maturity triggers CGT event C2 for the Trust. Based on this interpretation of the CGT Provisions, the Trust makes a capital gain on the

Maturity Date equal to the difference between the market value of the Delivery Assets (determined at that time) less the Trust's cost base in the Hedge Contract.

- 2.5 We consider that the Trust's cost base in a Hedge Contract should include:
- (a) the money the Trust pays to acquire the Hedge Contract;
 - (b) the incidental costs of acquisition and disposal; and
 - (c) the costs of ownership of the Hedge Contract, that are not otherwise allowable as a tax deduction.
- 2.6 If the period from when the Hedge Contract is entered into to when the Delivery Assets are delivered exceeds 12 months, any net capital gain made by the Trust recognised under paragraph 2.2(d) above may qualify for the 50% CGT discount under the CGT Provisions – with the result that only half the net capital gain recognised under 2.2(d) would be included in the Trust's assessable income.
- 2.7 The Trust may make a capital loss equal to the difference between the Trust's reduced cost base in the Hedge Contracts and the market value of the Delivery Assets (determined at that time). The reduced cost base of a Hedge Contract should include (a) and (b), but not (c) of the matters listed directly above.

Disposal of Delivery Asset

- 2.8 Where the Delivery Assets are sold by the Trust, they will be treated for CGT purposes as having been acquired by the Trust at the time of delivery. Any subsequent disposal of the Delivery Assets will also give rise to a capital gain or loss for the Trust equal to the difference between the capital proceeds received in respect of the disposal and the Trust's cost base or reduced cost base (respectively) in these assets. For these purposes, according to *TD 2008/22*, the Trust should have a cost base and reduced cost base in the Delivery Assets equal to their market value at the time of delivery, plus any incidental costs of acquisition.
- 2.9 If the period from when the Delivery Assets are delivered to when the Delivery Assets are disposed exceeds 12 months, any gain derived by the Trust on sale may qualify for the 50% CGT discount under the CGT Provisions.
- 2.10 Net capital losses cannot be distributed to Investors and remain in the Trust to be applied against future capital gains (if any).

Security

- 2.11 In accordance with *Taxation Determination TD 2008/21*, a Hedge Contract should not be considered a "security" for the purpose of the "qualifying security" and "traditional security" provisions of the 1936 Act.

Managed Investment Trust (MIT) – Federal Budget 2009/2010

- 2.12 The Commonwealth Government announced in its 2009-10 Federal Budget that it would allow MITs to make an irrevocable election to apply the CGT Provisions as the primary code for taxing certain disposals of assets. If the MIT so elects, the

election will be irrevocable and it will also apply to all disposals of eligible investments in the first income year that commences on or after the 2008-09 income year. The proposed amendment is contained in Tax Laws Amendment (2010 Measures No.1) Bill 2010. In the event that this Bill is enacted as law, it will be important to review how it impacts on the tax analysis set out above.

3. Investors

Trust Distributions

- 3.1 Investors should include in their assessable income a portion of the Trust's income. The amount will be determined by reference to the portion of the income of the Trust to which they are entitled.
- 3.2 To the extent to which Investors receive franked dividends as part of their Trust distribution, Investors may be entitled to a tax offset for the amount of the franking credit. This entitlement to a tax offset is subject to the application of various franking credit streaming and trading rules that you should discuss with your own tax advisor.

Discount Capital Gains

- 3.3 In relation to distribution of discount capital gains (i.e., where the Trust was entitled to apply the 50% CGT discount to a particular capital gain), each Investor must:
 - (a) gross-up the discount capital gain by a factor of two - effectively reversing the application of the 50% discount at the level of the Trust;
 - (b) apply against the capital gain any available carry forward or current capital losses of the investor; and
 - (c) apply the appropriate CGT discount to the remaining net capital gain, which should be a 50% discount in the hands of the investor that is an individual.

Redemption of Trust Units

- 3.4 On redemption of a Unit, an Investor may receive a distribution of income from the Trust in addition to the redemption proceeds. To the extent to which it receives a distribution of taxable income of the Trust on redemption, it will be assessed in the hands of the beneficiary in the manner described.
- 3.5 Units are also CGT assets. Consequently, any gain on the redemption of a Unit by an investor (to the extent to which it is not part of the net income of the Trust) may also be assessable under the CGT Provisions.

Tax File Number Withholding

- 3.6 Australian resident taxpayers are not under any obligation to quote a Tax File Number (*TFN*) or an Australian Business Number (*ABN*) in order to invest in the Trust. However, if an investor does not quote either its TFN or ABN in the

Application Form, an amount of tax, at the rate of 46.5%, may be withheld in respect of amounts of income which are payable by the Trust.

Borrowing to invest

3.7 Relevantly, section 8-1(1) of the 1997 Act provides that interest incurred on monies borrowed will be deductible to the extent that they are used in producing assessable income (other than amounts assessed under the CGT Provisions), except to the extent to which it is a loss or outgoing of capital, or of a capital, private or domestic nature or was incurred in earning non-assessable non-exempt income or exempt income.

3.8 There are various exemptions to this rule. Those relevant to this investment are set out below.

Deductibility of prepaid interest

3.9 Under the Loan Agreement Investors are required to pay interest annually in advance.

3.10 Prepaid interest less than \$1,000 will be deductible on payment.

3.11 For prepaid amounts in excess of \$1,000, special rules apply. Specifically:

- (a) an Investor that is an individual and is not carrying on a business and is not a *small business entity* (as defined) should be entitled to an upfront deduction for prepaid interest where the money is borrowed to directly acquire units in a trust which has at least 300 beneficiaries and is a *widely held unit trust* (as defined) - (very broadly) a *fixed trust* with more than 300 beneficiaries; and
- (b) all other Investors will be required to spread the deduction for prepaid interest on a flat line basis over the Interest Period to which it relates.

3.12 As such, the ability of an Investor that is an individual that is not carrying on a business to claim an upfront deduction for prepaid interest depends on:

- (a) (very broadly) the number of Investors, and
- (b) whether the Trust satisfies the definition of a *fixed trust* – and the Trust Deed has been drafted with the intention of ensuring that it falls within the scope of what the Commissioner of Taxation would accept as being a fixed trust – albeit the deed would (due to strict nature of the definition) technically fall outside the scope of what constitutes a fixed trust.

Negative gearing

3.13 Investors should review the PDS to ensure that it is reasonably likely that (in aggregate) the expected assessable income (other than capital gains) from their investments will exceed the interest expense (and any other deductible expenses they incur in respect of their investment). If this is the case, the interest expense should be deductible in full. If the aggregate deductible expenditure exceeds the

assessable income derived (excluding capital gains), the Commissioner may focus on the Investor's purpose for undertaking the investment. If the deficit can only be explained by reference to factors such as the reduction of tax or the making of capital gains, the excess expense may not be deductible.

Capital protected borrowings

- 3.14 Division 247 of Part 3-10 of the 1997 Act was enacted for the purpose of treating part of the expense paid in relation to specified capital protected borrowings as attributable to the cost of the capital protection feature, deeming this cost to be non-deductible and included in the cost base of a relevant notional asset.
- 3.15 The Loan is a capital protected borrowing as defined by Division 247 of the 1997 Act. However, we are instructed that:
- (a) the aggregate of the interest on the amount borrowed *plus* amounts paid for capital protection;
 - (b) **will not exceed** the total interest that would have been incurred for the year if the interest rate on the amount borrowed had been the Reserve Bank of Australia's Indicator rate for Personal Unsecured Loans – Variable Rate (as determined when the interest rate is fixed – or, if the interest rate is variable, the average of the rates during the variable interest rate period).
- 3.16 If (a) exceeds (b), the excessive amount would not be deductible (but is instead capitalised into the cost base of a notional put option deemed to be acquired by the Investor).
- 3.17 We are instructed that the aggregate of the Interest and any capital protected cost (in any year) is **not expected to exceed** the Reserve Bank of Australia's Indicator Rate benchmark. As such, these capital protected borrowing provisions in Division 247 as currently enacted should not have any practical application to this investment.
- 3.18 On 13 May 2008 the Federal Treasurer announced in the Federal Budget a proposed change to the capital protected borrowing rules in Division 247. The Treasurer has proposed to amend the benchmark interest rate to the Reserve Bank of Australia's Indicator Variable Rate for Standard Housing Loans. Relevantly, it is proposed that this Budget announcement will apply to arrangements entered into after 7.30 pm (AEST) on 13 May 2008. If this announcement is enacted in its proposed form, it may reduce the amount of interest that an Investor may claim as a deduction. Interest expenditure in excess of this rate on a capital protected borrowing entered into after this date will not be deductible but rather will be included in the cost base of the notional put option deemed to be acquired by the Investor referred to in paragraph 3.16 above. As at the date of this advice, this announcement had not been enacted into legislation.

Section 51AAA

- 3.19 For completeness we note that as an Investor may earn a capital gain from its investment, it is necessary to consider the impact of section 51AAA of the 1936

Act. This provision denies deductions for amounts incurred solely for the purpose of earning a capital gain. However, if one of the main purposes of the investment is to earn income from the Trust (and not merely capital gains), section 51AAA should have no application.

4. Loan Administration Fees

- 4.1 These fees are incurred for borrowing money to be used to produce assessable income.
- 4.2 The fees are deductible on a pro rate basis over the first five years of the Loan. If the loan is repaid in less than five years, the remaining balance of the Loan Administration Fee will be deductible in the year the loan is repaid.

5. Taxation of Financial Arrangements

- 5.1 The *Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 (Cth)* contains the final stages of the taxation of financial arrangements ("TOFA") reforms. Depending on the individual circumstances of each Investor, the Trust Units may be exempt from TOFA regime. Importantly, TOFA generally only applies to investments acquired after 1 July 2010 - and therefore should only apply to an Investor that has specifically elected into the TOFA regime early. Furthermore, TOFA's application to individuals is limited to certain types of investments - and would not apply to the acquisition of units in a unit trust.

6. Part IVA of the 1936 Act – general anti-avoidance

- 6.1 Australia has a comprehensive anti-avoidance regime under its tax laws which can apply to any tax benefit obtained under a scheme where any party to the scheme has entered into it for the dominant purpose of enabling a taxpayer to obtain a tax benefit in connection with the scheme. The application of the anti-avoidance regime will depend upon the circumstances of each Investor. The potential application of these rules to each Investor's investment should be discussed with a professional tax adviser.

7. Stamp Duty

- 7.1 Unit transfer duty will be payable on the sale of the Trust Units (based on our understanding that the unit register is kept in SA).

Yours sincerely,



John Walker
Partner
+61 2 8922 5206
john.walker@bakernet.com

Section 11: About NavralInvest and its Service Providers

NavralInvest

NavralInvest Limited was incorporated on 15 July 2002 and has been granted an Australian Financial Services Licence by ASIC which includes the authority to operate registered managed investment schemes. As at the date of this PDS NavralInvest is the responsible entity of the Navra Asia Pacific Growth Fund ARSN 133 301 158 in respect of which this PDS is issued. NavralInvest is also the responsible entity of the Navra Blue Chip Australian Share Retail Fund ARSN 104 384 974, the Navra Blue Chip Australian Share Wholesale Fund ARSN 104 384 894 and the Navra Structured Property Fund ARSN 141 274 446. You may obtain details of the size and performance of these funds at any time by visiting the NavralInvest website at www.navrainvest.com.au or by contacting Investor Services on 1300 656 131. Alternatively, you may contact your financial adviser.

While NavralInvest has the overall responsibility for the operation of the Fund, it has the power to delegate certain of its duties. It has appointed Australian Executor Trustees Limited to provide custody services and MacKenzie Coultas Funds Administration Pty Ltd to provide fund administration, accounting and Unit registry services.

Loan Provider and Hedge Provider

The Royal Bank of Scotland Group, founded in 1727, is one of the foremost financial services groups globally. Its operations span retail banking, corporate and commercial banking, financial markets activities, wealth management and insurance. In the Asia Pacific region, it serves corporate, institutional and public sector clients in 11 countries.

RBS Group (Australia) Pty Limited (RBS) is a leading provider of corporate and financial services. RBS has had a local presence since 1974 and has worked on some of the local market's largest and most complex transactions and projects for corporate, institutional and public sector clients.

RBS' payment obligations under the Hedge Contract are hedged with The Royal Bank of Scotland Group. The Hedge Provider obligations are direct and unsecured obligations of the Hedge Provider and rank equally with the Hedge Provider's existing unsecured debt, subject to insolvency, banking or similar laws affecting creditors' rights generally. The Hedge Provider does not guarantee the payment obligations of NavralInvest.

Custodian

The Custodian acts in accordance with a Custody Deed, which sets out service standards and requires the Custodian to comply with all instructions from the Responsible Entity, subject to certain agreed criteria.

The Custodian holds assets of the Fund as the agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting the interests of the investors. The Custodian has no liability or responsibility to any investor for any act done or omission made in accordance with the terms of the Custody Deed.

Section 12: Additional Information

Personal Information and Privacy

NavralInvest requires personal information to be able to identify you uniquely and to provide you with appropriate information and the best standards of service. It may also have to collect certain personal information to comply with anti-money laundering and counter-terrorism financing legislation in Australia and in other jurisdictions that may apply to the Fund as indicated below. NavralInvest may use your personal information to administer your investment, to conduct research and to keep you informed of future investment opportunities, products and services of a similar type. In addition, NavralInvest may provide personal information to RBS Group (Australia) Pty Limited and its associates, your financial adviser or broker and to the Fund Administrator and to other parties for certain purposes such as outsourced Unit registry and administration services and bulk mailing to unit holders.

If you do not provide the information requested in the Application Form, your application may not be able to be processed.

The privacy of your personal information is very important to NavralInvest. A copy of the privacy policy of NavralInvest will be made available to you on request. The Privacy Act 1988 (as amended) governs the use of a person's personal information. The Act sets out principles governing the ways in which organisations collect, use, disclose, keep secure and give people access to personal information. NavralInvest is committed to managing personal information in accordance with the Act.

As a unit holder, you may request access to your personal information in relation to your investment in the Fund by writing to NavralInvest at the address set out in this PDS.

It is not compulsory for you to provide certain personal information requested by NavralInvest. However, if some of the personal information is not provided by you, NavralInvest may not be able to process your application, administer your investment in the Fund or comply with any investment or redemption instructions that you may provide.

Anti-Money Laundering

The Responsible Entity is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ("AML/CTF Law"). This means that the Responsible Entity will require you to provide personal information and documentation in relation to your identity when you invest in the Fund. The Responsible Entity may need to obtain additional information and documentation from you to process your application or subsequent transactions or at other times during your investment.

The Responsible Entity may need to identify:

- an investor (including all investor types noted on the Application Form) prior to purchasing Units. The Responsible Entity will not issue Units to you until all relevant information has been received and your identity has been satisfactorily verified;
- your estate – if you die while you are the owner of Units, the Responsible Entity may need to identify your legal personal representative prior to redeeming Units or transferring ownership; and
- anyone acting on your behalf, including your power of attorney.

In some circumstances, the Responsible Entity may need to re-verify this information and may request additional information.

By applying to invest in the Fund, you also acknowledge that the Responsible Entity may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of Units, if it is concerned that the request or transaction may breach any obligation of, or cause the Responsible Entity to commit or participate in an offence under, any AML/CTF Law, and the Responsible Entity and its related bodies corporate, affiliates, associates or officers will incur no liability to you if this happens.

Complaints

If you have a complaint you should notify NavralInvest in writing or call NavralInvest at 1300 656 131. NavralInvest will treat any complaint very seriously and will endeavour to address and resolve it in as reasonable a timeframe as possible.

NavralInvest will acknowledge the receipt of any complaint in writing within 14 days. NavralInvest will investigate your complaint and decide what action is required and notify you of the decision in relation to the complaint along with available resolutions within 45 days of receipt of your complaint.

Any complaint should be addressed to:
The Compliance Officer
NavralInvest Limited
Suite 203, Level 2,
21 Berry Street,
North Sydney NSW 2060

NavralInvest is a member of the Financial Ombudsman Service ("FOS"), an independent body approved by ASIC to consider complaints. If you are not satisfied with the way your complaint has been handled you may refer the matter to FOS for resolution.

FOS contact details are:
Financial Ombudsman Service
PO Box 3
Melbourne VIC 8007
Telephone: (free call) 1300 780 808
Facsimile: 03 9613 6399
Email: info@fos.org.au

FOS is an independent body and is approved by ASIC to consider and review complaints of up to \$500,000.

If you are investing in the Fund through a master trust, wrap account or other administration platform then any complaint should be directed to the operator of that service and not to NavralInvest.

Master Trusts and Wrap Accounts

If you are investing through a master trust, wrap account or other administration platform, it is the operator of that service which becomes the investor in the Fund and not you. It follows that they have the rights of an investor and can exercise them in accordance with their arrangements with you. NavralInvest is not responsible for the operation of any master trust, wrap account or any other administration platform through which you invest.

If you are investing through a master trust, wrap account or other administration platform:

- You do not complete the Application Form for the Fund. Instead, you should complete the forms that the operator of the master trust, wrap account or administration platform requires.
- Enquiries should be directed to that platform operator although you can still rely on the information set out in this PDS.
- You should take into account the fees and charges of the operator of that service.

- In addition to reading this PDS, you should read the document which explains the master trust, wrap account or another administration platform's service.

Cooling-Off

If you decide within a certain period that you do not want the Units the Responsible Entity has issued to you, the Responsible Entity must give you a refund. This "cooling-off" right allows you to return your investment, terminate the Loan and have your first Net Interest Payment repaid after any adjustment for market movements up to the day your Units are cancelled, reasonable administration costs and taxes. You can exercise your right by notifying the Responsible Entity in writing within 14 days commencing on the earlier of when you receive confirmation of your investment or the end of the fifth business day after the day on which your Units were issued to you.

Please note that cooling-off rights are not available for "wholesale clients" as defined in section 761G of the Corporations Act and are not available if Units are considered "illiquid" within the meaning of the Corporations Act.

Reporting to Investors

To keep you up-to-date with your investment, the following information will be provided:

- confirmation of every transaction you make;
- annual transaction reports – including your opening and closing balances, a summary of all transactions on your account, any increases in contributions and any return on investments during the reporting period;
- following the end of the tax year, a report to help you with your tax return;
- each year (usually before the end of September), the audited annual financial report of the Fund (if you elect to receive this you can indicate this on the Application Form); and
- notice of any material changes to this PDS and any other significant event.

If you are investing through a master trust, wrap account or other administration platform then reports on your investment will come from the operator of that service, not from us and may be different from the reports above.

As the Fund is expected to have more than 100 investors it will be regarded as a disclosing entity under the Corporations Act. As a disclosing entity it is subject to certain regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund (if any) may be obtained from, or inspected at, an ASIC office.

Since the Fund is a disclosing entity, an Investor has the right to obtain the following documents from NavraInvest free of charge:

- the most recent annual report;
- the half yearly financial report lodged with ASIC in respect of the Fund;
- any continuous disclosure notices issued in respect of the Fund after lodgement of the annual report and prior to the date of this PDS.

In accordance with ASIC policy, the Responsible Entity has elected to make all of the above documents, as well as any other information that needs to be provided to Investors under ASIC policy, available on the website at www.navrainvest.com.au instead of lodging continuous disclosure notices with ASIC. Investors are encouraged to check this website regularly for such information. If this practice ceases, the Responsible Entity will notify Investors.

Consents

RBS Group (Australia) Pty Limited, The Royal Bank of Scotland plc and The Royal Bank of Scotland Group have given, and have not at the date of this PDS, withdrawn their consent to be named in this PDS in the form and context in which they have been named.

Australian Executor Trustees Limited ("AET") has not withdrawn its consent to be named in this PDS as Custodian in the form and context in which it is named. AET does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by AET. To the maximum extent permitted by law, AET expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. AET does not guarantee the repayment of capital or any particular rate of capital or income return.

Underlying Investment Strategy Disclaimers

The Index Sponsor makes no express or implied representations or warranties concerning whether or not the Underlying Investment Strategy may achieve any particular level or meet or correlate with any particular objective or fit any particular purpose in relation to the Underlying Investment Strategy. Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the value of the Underlying Investment Strategy from sources which the Index Sponsor considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or completeness of the Underlying Investment Strategy or any data included therein. The Index Sponsor is under no obligation to advise any person of any error in the Underlying Investment Strategy. The Index Sponsor accepts no legal liability to any person in connection with the Underlying Investment Strategy and the publication and dissemination of the Underlying Investment Strategy.

Neither the Index Sponsor nor the Calculation Agent is responsible for the level of performance of the Underlying Investment Strategy. The Underlying Investment Strategy represents a notional strategy investment and no actual investment in the securities contained in the Underlying Investment Strategy is made. There can be no assurance that the Underlying Investment Strategy will attain the investment objective of the Fund. The Calculation Agent's role is limited to applying the Underlying Investment Strategy and calculating the Underlying Investment Strategy Value.

Intellectual Property

The Underlying Investment Strategy and the investment structure which constitutes the Hedge Contract involve intellectual property rights that belong to The Royal Bank of Scotland Group. The structure of the financial security underlying the Hedge Contract and its components are protected by one or more pending patents. The investment structure is known in financial markets as 'Carpe Diem™', which is a trade mark of The Royal Bank of Scotland Group.

Unit Pricing Policy

The Responsible Entity has documented its policy as to how it determines Unit prices for its funds. The policy has been designed to meet ASIC requirements and is available on request to all Investors and prospective Investors at no charge. The Responsible Entity will observe this policy in relation to the Fund.

The policy explains the Responsible Entity's approach to valuation methodology, rounding of decimal places, cut-off times for receiving instructions and the frequency of income distributions and Unit pricing discretions generally. The Responsible Entity keeps records of any exercise of discretions which are outside the scope of or are inconsistent with the policy.

Direct Debit Request and Service Agreement

Between the Investor, RBS Group (Australia) Pty Limited and NavralInvest Limited

The terms of this agreement apply to the direct debits made in relation to investment in the Fund.

1. Definitions

The following definitions apply in this agreement.

"Account" means the account held at Your Financial Institution from which We are authorized to arrange for funds to be debited.

"Agreement" means this Direct Debit Request Service Agreement between you and us.

"Banking Day" means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

"Debit Day" means the day that payment by you to us is due.

"Debit Payment" means a particular transaction where a debit is made.

"Direct Debit Request" means the Direct Debit Request between us and you.

"Our, Us or We" means RBS Group (Australia) Pty Limited 78 000 862 787 ("RBS") or NavralInvest Limited which you have authorized by signing a Direct Debit Request.

"PDS" means the document to which this Agreement was attached and which sets out the terms of the offer of the Navra Asia Pacific Growth Fund Series 2.

"You or Your" means the person(s) who has signed or authorized by other means the Direct Debit Request.

"Your Financial Institution" is the financial institution where you hold the Account that You have authorized us to arrange to debit.

2. Debiting Your Account

2.1 By signing an Application Form that contains the Direct Debit Request, You have authorized Us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.

2.2 We will only arrange for funds to be debited from your Account as authorised in the Direct Debit Request.

2.3 If the Debt Day falls on a day that is not a Banking Day, we may direct your Financial Institution to debit Your Account on the following Banking Day.

2.4 If You are unsure about which day your Account has or will be debited you should ask your Financial Institution.

3. Amendments by us

3.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days' written notice.

4. Amendments by You

4.1 You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14) days' notification by writing to the Responsible Entity

NavralInvest Limited
Suite 203, 21 Berry Street,
North Sydney, NSW 2060

or
arranging it through your own financial institution.

5. Your Obligations

5.1 It is your responsibility to ensure that there are sufficient clear funds available in your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

5.2 If there are insufficient clear funds in your Account to meet a Debit Payment:

- You may be charged a fee and/or interest by your Financial Institution;
- You may also incur fees or charges imposed or incurred by us; and

(c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in your Account by an agreed time so that We can process the Debit Payment.

5.3 You should check your account statement to verify that the amounts debited from your Account are correct.

5.4 If We are liable to pay goods and services tax ("GST") on a supply made in connection with this Agreement, then you agree to pay us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

6. Dispute

6.1 If you believe that there has been an error in debiting your Account, You should notify us directly and confirm that notice in writing with us as soon as possible so that We can resolve your query more quickly. Alternatively, you can take it up with your Financial Institution directly.

6.2 If we conclude as a result of our investigations that your Account has been incorrectly debited we will respond to your query by arranging for your Financial Institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your Account has been adjusted.

6.3 If we conclude as a result of our investigations that your Account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

7. Accounts

You should check:

- with your Financial Institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions;
- Your account details which you have provided to Us are correct by checking them against a recent account statement; and
- with your Financial Institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

8. Confidentiality

8.1 We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorized use, modification, reproduction or disclosure of that information.

8.2 We will only disclose information that we have about you:

- to the extent specifically required by law; or
- for the purposes of this agreement (including disclosing information in connection with any query or claim).

9. Notice

9.1 If you wish to notify us in writing about anything relating to this agreement, you should write to your Account Manager.

9.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the Application Form to the PDS.

9.3 Any notice will be deemed to have been received on the third banking day after posting. Execution by you of the Application Form that contains the Direct Debit Request deems you to have read and understood the terms of this Direct Debit Request Service Agreement.

Section 13: Unit Holder Rights and Obligations

Fund Constitution

The Fund is regulated by the Corporations Act 2001, the Corporations Regulations and its Constitution dated 16 September 2008 (as amended).

The Constitution deals with (among other items):

- the rights, duties and obligations of the responsible entity;
- liability and indemnity of the responsible entity;
- rights, interests and liabilities of Investors;
- investment, valuation and borrowing powers;
- fees and recoverable expenses;
- Unit issue and redemption procedures;
- convening and conduct of Investor meetings;
- transfer of Units;
- rights to distributions; and
- duration and termination of the Fund.

Please refer to the Constitution to obtain complete details. A copy of the Constitution may be inspected at the office of NavralInvest during normal business hours. NavralInvest will provide a copy of the Constitution to any person upon written request.

NavralInvest may amend the Constitution if it believes that the variation will not adversely affect Investors. Any other variation must be approved by a resolution of Investors where 75 percent of votes cast must be in favour.

Rights Attaching to Units

A Unit in the Fund confers on the unit holder the right:

- to receive distributions, according to the number of Units registered at each distribution date;
- if the Fund is terminated, to receive distributions of both capital and income pro rata to the number of Units registered at such termination;
- on death, to pass the Units to a surviving joint holder, or otherwise to the investor's estate;
- to call a meeting of Investors, or holders of Units, in accordance with the Corporations Act 2001 and the Constitution.

NavralInvest and/or Investors may call a unit holder meeting of a single class of Investors where appropriate, for example, to consider issues peculiar to the relevant class.

Position of the Responsible Entity

NavralInvest is the holder of AFSL No. 226358 issued by ASIC and is the issuer of this PDS and of Units in the Fund. NavralInvest's role is to administer the Fund in accordance with the Constitution. In carrying out its role, NavralInvest must comply with the Corporations Act 2001 and must:

- act honestly and in the best interests of all unit holders;

- exercise due care and diligence;
- treat unit holders in the Fund fairly and those who hold Units in the same class equally; and
- give priority to the interests of unit holders in the event of a conflict between the interests of the Responsible Entity and those of unit holders.

The Rights of NavralInvest

NavralInvest may rely on the professional advice of barristers or solicitors, information supplied by you or by bankers, accountants, valuers and other experts.

NavralInvest is not liable to any unit holder for making tax or similar payments. NavralInvest is entitled to be indemnified out of the property of the Fund for any liability incurred by it in properly performing any of its duties or exercising any of its powers in relation to the Fund or in attempting to do so. NavralInvest is not liable to unit holders to any greater extent than the assets held in the Fund, or received, or to be received by it, except to the extent of any fraud, negligence, default, or breach of trust or duty by NavralInvest.

NavralInvest may retire effective on appointment of a new responsible entity. Any retirement and appointment of a replacement responsible entity must be in accordance with the Constitution and the *Corporations Act 2001 (Cth)*.

Interests of NavralInvest

No benefit has been paid or given to NavralInvest or a director of NavralInvest in relation to the promotion of the Fund other than as set out in this PDS. From time to time, NavralInvest and its directors may invest in the Fund and/or hold securities, in their own personal capacities, in which the Fund may invest.

Rights to Change Terms and Conditions

NavralInvest reserves the right to change the terms and conditions set out in this PDS by giving not less than 30 days' prior written notice to Investors. No change will, however, operate in a manner that adversely affects the position of unit holders without approval from the unit holders.

The Compliance Plan

NavralInvest has adopted a Compliance Plan to ensure compliance with the *Corporations Act 2001 (Cth)* insofar as it relates to registered managed investment schemes. The Compliance Plan aims to document compliance risks and the way in which these are monitored, to provide a basis on which compliance adherence can be audited and to allocate responsibility for compliance monitoring within NavralInvest. A compliance committee with two external members has been appointed. The Compliance Plan has been lodged with ASIC and is subject to an annual audit.

Section 14: Material Contracts

Hedge Contract

RBS is the Hedge Provider and provides the Fund's investment exposure through the use of the Hedge Contract. The Hedge Contract is a contract entered into between NavralInvest (as Responsible Entity of the Fund) and RBS to provide the Units with:

- an exposure to the Underlying Investment Strategy;
- the Minimum Investment Return; and
- any Contingent Coupons.

Under the Hedge Contract, the Hedge Provider delivers a parcel of ASX listed securities to the Fund at Maturity.

RBS will not accept NavralInvest's offer to enter into the Hedge Contract if RBS determines, in its absolute discretion, that it cannot deliver on and/or hedge any of its obligations under the term sheet of the Hedge Contract.

The Hedge Contract is a deferred purchase agreement and is property of the Fund. Adjustment Events and Early Maturity Events as they apply under the Hedge Contract are discussed in Section 6 "Risks of Investing".

Fixed Charge

Under this deed the Custodian (as "Chargor") agrees to charge all of its present and future rights, title and interests in, under or derived from the Units, including any Contingent Coupons or proceeds in relation to the Unit ("Charged Property") in respect of each of the trusts created under the Custody Deed in relation to the Units to the Loan Provider. The Charged Property is charged as security for the payment of all debts and liabilities secured in respect of that Trust (the "Secured Moneys") and all other obligations of the Chargor and each Investor under the Fixed Charge, Custody Deed, PDS and any other transaction document as agreed between the Chargor and Chargee (together with the Secured Moneys, the "Secured Obligations"). The Chargor may receive all distributions in respect of the Charged Property unless an event of default occurs and is permitted to give the direction that Coupon Amount payments will be made directly to the beneficiary of the Trust (i.e. the Investor) provided that the Net Interest Payment is negative or has been paid in full. Otherwise the Coupon Amount will be applied to the Net Interest Payment.

RBS' recourse (as "Chargee") in respect of the Secured Obligations under the Fixed Charge is limited to the amount the Chargee can obtain by enforcing the Chargee's rights in respect of the Charged Property under the Fixed Charge.

The Fixed Charge takes priority over all other encumbrances of the Chargor in relation to the Charged Property (except those preferred by law). The Chargor must not create or allow to exist or agree to any encumbrance over or sell, assign or otherwise dispose of, deal with or part with possession of any of the Charged Property except to the extent permitted by the Chargee.

The Fixed Charge is granted over the future property of the Trust at the time that the Trust is established. The Investor must pay or repay the Secured Moneys to the Loan Provider in accordance with the Deed of Charge and the terms. At the request of the Investor, but subject to the terms of the Loan Agreement, the Loan Provider must discharge the Fixed Charge if the Secured Moneys have been paid and the Chargor and the Investor have performed their obligations under the Fixed Charge and the Terms. Following the settlement of all obligations after the Maturity Date, the Chargee will release the Fixed Charge following the full satisfaction of the Secured Obligations. The Chargee may release part of the Charged Property when there is a reduction in the Secured Obligations and when the Charged Property is delivered to the Chargee.

The Chargor or the Investor must fully and punctually perform the Secured Obligations and must ensure that no event of default or event resulting in early maturity occurs.

The Fixed Charge becomes enforceable in relation to a separate trust, immediately upon the occurrence of an event of default or event resulting in early maturity (without the need for any demand or notice to be given to the Chargor or any or any other person). Upon the occurrence of an event of default or event resulting in early maturity, the Secured Moneys are immediately due and payable by the Chargor without the need for any demand or notice to be given by the Chargor or any other person.

Upon the Fixed Charge becoming enforceable, the Chargee has wide powers i.e. the power to do all acts and things and exercise all rights, powers and remedies that the Chargor could do or exercise in relation to the relevant Charged Property, including the power to take possession and assume control of the Charged Property, collect and get in and give receipts for the Charged Property and sell or agree to sell the Charged Property on terms the Chargee considers fit.

The Custodian acknowledges the Fixed Charge and agrees not to act contrary to it. In addition the Custodian will follow the instructions of the Chargee. The Loan Provider may assign its rights under the Fixed Charge and each collateral security without the consent of the Chargor. The Chargor may not assign any of its rights under the Fixed Charge or any collateral security without the prior consent of the Loan Provider.

If the Chargor or Investor defaults in fully and punctually performing any obligation contained or implied in the Fixed Charge, PDS, Custody Deed and any other transaction document as agreed between the Chargor and Chargee, the Chargee may, without prejudice to any of their powers under these documents, do all things necessary or desirable, in the opinion of the Chargee, to make good or attempt to make good that default to the satisfaction of the Chargee.

Anything which must be done by the Charge under the Fixed Charge, whether or not at the request of the Chargee, must be done at the cost of the Chargor and therefore at the cost of the Investor. Where the Chargor fails to act in accordance with the Fixed Charge or to the satisfaction of the Chargee, the Chargee may do or cause to be done things which must be done by the Chargor under the Fixed Charge.

A copy of the Fixed Charge is available to investors on request.

Custody Deed

The Custody Deed is a deed poll to be entered into by the Custodian on or about the date of this PDS in favour of the Loan Provider, the Responsible Entity and each person who is at any time the registered holder of a Unit.

Under the Custody Deed the Custodian holds certain property on trust from time to time.

The Custodian is entitled to a fee as agreed between the Responsible Entity and the Custodian. This fee is payable by the Responsible Entity from their own funds.

The Custodian holds the Units in respect of which Investors receive a Beneficial Interest. The appointment of the Custodian in relation to these Units is irrevocable until RBS notifies the Custodian that all obligations in relation to the applicable Units have been satisfied. The Custodian holds these Units for Investors and the Responsible Entity, subject only to the Fixed Charge. The Custodian must, at all times, act in accordance with the Fixed Charge in favour of the Chargee. The Custodian must not accept, and must not act, on any proper instructions contradictory to the Fixed Charge.

If the Custodian receives notice in writing from the Chargee that an event of default has occurred, the Custodian will, and is authorised by the Responsible Entity (acting on behalf of Investors) to:

- act solely in accordance with the requests and instructions of the Chargee or each authorised person specified in writing by the Chargee to the Custodian from time to time (notwithstanding any contrary instruction from the Responsible Entity) as if the Chargee were in all respects the legal and beneficial owner of the Units; and
- not be under a duty to enquire whether an event of default under the Custody Deed has occurred or that the Chargee may validly give any request or instructions.

Each Trust is a Separate Trust for each Unit and is separate from the trust on which the Custodian holds each other Unit (and any Contingent Coupons or other distributions in relation to the Unit). Each Trust is for the personal benefit of that Investor, subject only to the Fixed Charge and the interest of the beneficiaries from time to time of any trust as trustee of which the Investor expressly makes the Application. If the Custodian receives a direction from the Responsible Entity (acting on behalf of that Investor) to deal with any Unit (or

Contingent Coupons or other distributions in relation to that Unit) held under the Trust, the Custodian must act in accordance with that direction provided that, amongst other things, the Custodian considers that the action would not result in a breach of the terms of issue of the Unit or the Fixed Charge, and provided that the Loan Provider has consented to the direction. Investors are not able to give instructions directly to the Custodian at any time. All instructions and directions to the Custodian must be issued by the Responsible Entity and not by an Investor. The Custodian is under no obligation to acknowledge or act on any instructions given to it directly by an Investor.

The Custodian has no liability under the Custody Deed to an Investor for:

- (a) any loss suffered as a result of any act or omission of the Custodian or any other person, other than a loss caused by the fraud or wilful misconduct of the Custodian or the Custodian's grossly negligent failure to comply with a direction given to the Custodian with which the Custodian is bound to comply; or
- (b) for consequential or indirect damages arising out of or in relation to the services provided by the Custodian under the Custody Deed, any delay or other failure in supplying these services including without limitation, lost profits and damage suffered as a result of claims by any third person.

Each Investor and the Responsible Entity jointly and severally indemnify the Custodian against all liabilities, losses, costs and expenses which are incurred by the Custodian as a result of the Custodian acting on proper instructions given by the Responsible Entity on behalf of Investors or the Chargee. To the extent that the Custodian is not fully indemnified, the Responsible Entity shall indemnify the Custodian against all liabilities, losses, costs and expenses which are incurred by the Custodian as a result of the Custodian acting on proper instructions given by the Chargee.

The Custodian may amend the terms of the Custody Deed and that amendment will not affect the terms of any subsisting Trust unless the relevant Applicant or holder (as applicable) first consents to it or if, in the opinion of the Custodian, the amendment is to correct a manifest error or will not materially prejudice the rights of the beneficiary of the relevant trust or is made to comply with applicable law.

A Trust terminates upon the Custodian ceasing to hold any property on the terms of that Trust (other than on the appointment of a replacement custodian under the Custody Deed).

A copy of the Custody Deed is available to Investors on request.

Section 15: Glossary

Term	Definition
Achieved Growth	has the meaning given in Section 2.2 "Key Features"
Adjustment Event	has the meaning given in Section 6 "Risks"
Application Form	means the application form attached to this PDS which investors use to apply for Units and the Loan
Calculation Agent	has the meaning given in Section 2.2 "Key Features"
Catch-up level	has the meaning given in Section 2.2 "Key Features"
Change in Law	any applicable law or regulation (including any tax legislation) or due to the promulgation of or any change in the interpretation (by any court, tribunal or regulatory authority with competent jurisdiction) of any applicable law or regulation (including any action taken by a taxing authority) the Issuer or Hedge Provider determines in good faith that it has become illegal for any party to hold, acquire or dispose of the relevant assets or the Issuer or Hedge Provider or any other party will incur a materially increased cost in performing its obligations under the Units (including due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position)
Constitution	means the constitution establishing the Fund dated 16 September 2008 (as amended)
Contingent Coupon	has the meaning given in Section 2.2 "Key Features"
Coupon Amount	has the meaning given in Section 2.2 "Key Features"
Coupon Calculation Date	means the dates specified as such in Section 2.1 "Timetable"
Coupon Payment Date	means the dates specified as such in Section 2.1 "Timetable"
Custodian	Australian Executor Trustees Limited (ABN 84 007 869 794)
Custody Deed	see Section 14 "Material Contracts"
Early Maturity Event	has the meaning given in Section 6 "Risks of Investing"
Early Maturity Value	has the meaning given in Section 2.2 "Key Features"
Fixed Charge	means the charge granted by the Custodian to the Lender
Fund	has the meaning given in Section 2.2 "Key Features"
Hedge Contract	means the deferred purchase agreement entered into between NavralInvest as responsible entity of the Fund and the Hedge Provider
Hedge Provider	RBS Group (Australia) Pty Limited (ABN 78 000 862 797, AFSL 247013)
Hedging Disruption	means a situation where on or prior to the Maturity Date or any other relevant date, the Issuer is unable, after using commercially reasonable efforts, to (i) acquire, establish, reestablish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Units, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s)
Increased Cost of Hedging	means a situation where on or prior to the Maturity Date or any other relevant date, the Hedge Provider would incur a materially increased (as compared with circumstances existing on the Unit Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, reestablish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Units, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the credit worthiness of the Hedge Provider shall not be deemed an Increased Cost of Hedging

Term	Definition
Index Sponsor	The Royal Bank of Scotland
Initial Strategy Value	The closing value of the Underlying Investment Strategy on the Unit Issue Date will be \$1.00 per Unit
Insolvent	means, in the reasonable opinion of the Loan Provider, any event which has occurred that results or is likely to result in the actual or proposed administration, liquidation, winding up, termination or bankruptcy of the Investor or other similar or like event however described
Interest Payment	has the meaning given in Section 2.2 "Key Features"
Interest Payment Date	means the dates specified as such in Section 2.1 "Timetable"
Investor or you	an investor in the Fund/holder of Units in the Fund
Investment Amount	means the total amount invested in the Fund by an Investor
Investment Term	means the period from the Unit Issue Date to the Maturity Date inclusive
Issue Price	has the meaning given in Section 2.2 "Key Features"
Issuer	NavraInvest Limited (ABN 46 101 355 239, AFSL 226358)
Loan	means the loan of the Loan Amount per Unit to the Investor by the Loan Provider under the terms of the Loan Agreement
Loan Agreement	means the terms of the Loan between the Investor and the Loan Provider as set out in Section 8
Loan Amount	\$1.00 per Unit
Loan Drawdown Date	means the date specified as such in Section 2.1 "Timetable"
Loan Provider	RBS Group (Australia) Pty Limited (ABN 78 000 862 797, AFSL 247013)
Loan Reset Date	means the dates specified as such in Section 2.1 "Timetable"
Market Disruption Event	has the meaning given in Section 6 "Risks"
Maturity and Maturity Date	means the date specified as such in Section 2.1 "Timetable"
Maximum Coupon Amount	has the meaning given in Section 2.2 "Key Features"
Maximum Investment Term	has the meaning given in Section 2.2 "Key Features"
Minimum Investment Return	has the meaning given in Section 2.2 "Key Features"
Net Interest Payment	has the meaning given in Section 2.2 "Key Features"
Net Redemption Amount	has the meaning given in Section 2.2 "Key Features"
Net Valuation	has the meaning given in Section 2.2 "Key Features"
Offer	means the offer of Units in the Fund pursuant to this PDS
Offer Closes	means the date specified as such in Section 2.1 "Timetable"
Offer Opens	means the date and time specified as such in Section 2.1 "Timetable"
p.a.	per annum
Participated Growth	has the meaning given in Section 2.2 "Key Features"
Participation Rate	has the meaning given in Section 2.2 "Key Features"

Term	Definition
Product Disclosure Statement or PDS	means this Product Disclosure Statement dated 19 April 2010
RBS	means RBS Group (Australia) Pty Limited (ABN 78 000 862 797 AFSL 247013)
Redemption Value Calculation Date	means the dates specified as such in Section 2.2 "Key Features"
Responsible Entity	NavralInvest Limited
Strategy Value Growth	has the meaning given in Section 2.2 "Key Features"
Superannuation Fund Investor	means an investor investing in the Fund as trustee of a regulated superannuation fund as defined in the Superannuation Industry (Supervision) Act 1993 (Cth)
Underlying Index	has the meaning given in Section 4 "The Underlying Investment Strategy"
Underlying Investable Index	has the meaning given in Section 4 "The Underlying Investment Strategy"
Underlying Investment Strategy	has the meaning given in Section 2.2 "Key Features"
Underlying Investment Strategy Value	means the closing value of the Underlying Investment Strategy on the relevant date
Unit or Units	has the same meaning given in Section 2.2 "Key Features"
Unit Issue Date	means the date specified as such in Section 2.1 "Timetable"

Section 16: How to Complete the Application Form

1. Complete the information required in the Application Form which forms part of the PDS. Please read Section 1 below for further instructions.
2. Provide the identification and verification documents listed in Section 2. These documents are required under the Anti-Money Laundering and Counter-Terrorism Financing regulations in Australia.

If you are lodging your application through a financial adviser you are not required to include the identification and verification documents referred to in Section 2 in

your application. Your financial adviser will complete the identification process and retain these documents.

The Application Form, your payment as set out in section C of the Application Form and certified copies of the documents required to verify your identity should be sent to:

NavraInvest Limited
PO Box 507
North Sydney NSW 2060

Section 1

General

- Please use CAPITAL LETTERS and a black ball point when completing the form.
- For joint investors we require the usual residential address of each investor. You may only elect one postal address for all notices and correspondence.
- Your usual residential address cannot be your financial adviser's address or a PO Box.
- Company applications should include a contact name and ACN, ABN, or ARBN as applicable.
- For company applications we require the full address of the registered office, plus principal place of business.
- Individual applicants should be 18 years of age or over.
- You can invest on a minor's behalf by putting their name in the account designation box. The unit holder will not, however, be the minor.

Tax File Number (TFN)

You are not obliged to provide your TFN, ABN or claim an exemption. However, if you do not do so we are required to deduct tax from distributions of income made to you at the highest marginal rate, plus Medicare Levy (if you are an Australian resident). Tax File Numbers for minors will not be accepted. If you are claiming an exemption, write the full name of the benefit you receive e.g. age pension, service pension, special benefit pension etc.

Application Instructions

The minimum application for Units is \$25,000. Insert the amount you wish to invest.

Cash and cheque payments are not accepted. All payments must be made by EFT. Net Interest Payments and relevant fees (e.g. the loan administration fee) will be directly debited from the bank account details you complete in Section D of the Application Form. No interest will be earned on application monies because of the direct debit of investor funds.

Account operation instructions

Please indicate how you wish your account to be operated. In the case of joint accounts, you may request joint signatures or allow either signatory to sign. For a company or trustee please indicate your operation instructions by ticking the appropriate box. See Section E of the Application Form.

Examples of Correct Names and Account Designations

Type of Investor	Correct Name	Incorrect Name	Signatures(s) required
Individual/joint holding Use full name of each applicant, not initials	Luke John Smith Susan Mary Smith	Luke J Smith Susan M Smith	Each applicant
Company holding Use full company name	ZYX Pty Ltd	ZYX inc ZYX Co ZYX p/l	2 directors; A director and secretary; A single director if a sole director company
Minors Use full name of each applicant, not initials. Use minor name as beneficiary	Susan Mary Smith a/c designation <Josh Smith>	Josh Smith	Each applicant (not minor)
Superannuation funds/trusts – individual trustee(s) Use trustee(s) personal name(s) Use fund/trust name as beneficiary	Susan Mary Smith a/c designation <Susan Smith Trust> <Susan Smith Super Fund>	S M Smith Trust S M Smith Super Fund	Each Trusteev
Superannuation funds/trusts – corporate trustee Use trustee company name. Use fund/trust name as beneficiary	ZYX Pty Ltd <ZYX Trust> <ZYX Super Fund>	ZYX Trust ZYX Super Fund	Trustee – as per company holding above

Distributions and Redemptions

Distributions and redemptions will be paid directly into your bank account specified in Section D. Please ensure that you complete all details of the institution in full.

Request for information

It is very costly to print and distribute the annual accounts to unit holders. We are not required to send you the annual accounts unless you request them. We suggest that if you wish to receive a report, tick the box "email notification". If this is done, we will send you notice by email of a link to take you to a website which contains the annual financial statements. See Section F of the Application Form.

Signature(s)

You should ensure that you have read the attached PDS in full before signing the application. Joint applications must be signed by all persons. If the application is being signed under Power of Attorney please enclose a certified copy of the Power of Attorney and appropriate photo identification for the attorney.

Adviser Information and Declaration

All advisers must read and sign the declaration to certify they have complied with the Australian Anti-Money Laundering and Counter-Terrorism Financing legislation, as certain due diligence must be conducted on any prospective investor before Units may be issued to that investor. The due diligence includes verifying a prospective investor's identity. See Section J of the Application Form.

Investors Appointing an Agent

This section applies to applicants where:

- one or more of joint applicants wishes to appoint one of the other joint applicant(s) as its agent;
- an individual wishes to appoint another person as his or her agent;
- a company wishes to appoint one of its officers, or some other person, as its agent;
- a partnership wishes to appoint one of their partners, or some other person, as their agent;

to act for the appointing applicant(s) whenever an additional investment is being made in the Fund. If you wish to appoint an agent, you must complete the separate authorisation under section E of the Application Form.

The following conditions and acknowledgments apply to the appointment of an agent:

1. An agent of the applicant has authority, until the applicant advises NavralInvest in writing to the contrary to apply for Units on behalf of the applicant and to sign all documents.
2. Where the agent is a company or a partnership, the powers vested in the agent are taken to extend respectively to any director, partner or authorised officer of the agent, as long as appropriate supporting documentation is received by NavralInvest.
3. NavralInvest may, after giving not less than 14 days' prior written notice to the applicant who has appointed an agent, vary these conditions or cancel this appointment, without prejudice to paragraphs 4 and 5 below.
4. The applicant and the agent, during the term of the agent's appointment and at all times thereafter, discharges and indemnifies NavralInvest from and against all actions, proceedings, claims, losses and/or any other liabilities incurred directly or indirectly in consequence of the appointment of the agent, except if and to the extent that, the loss or liability is attributable to NavralInvest's negligence or wilful default.
5. The applicant irrevocably ratifies each and every action taken by the agent pursuant to its appointment and agrees that the applicant and every person claiming through or under the applicant has no claim in relation to any action or any payment made or purporting to be made to or at the direction of the agent against the Fund, the Fund property or NavralInvest, at any time.
6. The agent may not delegate its powers or duties to any other person.

Lodging the Application

Please mail the completed Application Form, along with the documents to certify your identity:

NavralInvest Limited
PO Box 507
North Sydney NSW 2060

Units are issued when a properly completed Application Form issued together with the PDS dated 19 April 2010 is received and clear funds are available. Both events have to have occurred before Units will be issued. Please ensure you sign in section I of the Application Form.

If you have any queries please call your financial adviser or contact NavralInvest:

- Internet: www.navrainvest.com.au
- Phone: 1300 656 131
- Mail: Suite 203, Level 2,
21 Berry Street,
North Sydney, NSW 2060

Important Notice

The Corporations Act prohibits any person from passing on to another person the Application Form which is attached to this PDS for the issue of Units, unless the Application Form is attached to or accompanying a complete and unaltered copy of the PDS. A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS. Applications for Units will only be accepted if made on an Application Form issued together with this PDS.

Section 2

- (1) Anti-Money Laundering and Counter-Terrorism Financing
- (2) Identification requirements
- (3) Authorisation of another person to operate your account

Australian Anti-Money Laundering and Counter-Terrorism Financing legislation requires NavralInvest to adopt and maintain an anti-money laundering and counter-terrorism financing compliance program. An integral part of that AML/CTF compliance program is to carry out certain due diligence on any prospective investor before Units may be issued to that investor. The due diligence includes verifying a prospective investor's identity. Applications made without providing this information cannot be processed until all the necessary information has been provided. The AML/CTF compliance program also includes ongoing customer due diligence which may require NavralInvest as responsible entity of the Fund, to collect further information. If you are lodging your application through a financial adviser you are not required to include the identification and verification documents referred to in this Section 2 with your application. Your financial adviser will complete the identification process and retain these documents.

(a) Requirements for Individuals / Sole Traders

If you are an individual investor or sole trader, you will need to give us certified copies of one document from column [1] OR one document from each of column [2] AND [3]:

Please note: that for Trusts, Partnerships, Associations and Co-Operative Applicants, if you are required to complete the individual section of the application then you must also provide the documents required for an individual applicant.

Reliable and Independent Documentation

DO NOT SEND ORIGINALS; CERTIFIED COPIES ONLY

Column [1] Primary Photographic (one proof required)	OR	Column [2] Primary Non-Photographic (one proof required)	OR	Column [3] Secondary Identification (one proof required)
<input type="checkbox"/> Australian Driver's licence <input type="checkbox"/> Valid Australian passport # <input type="checkbox"/> State or Territory proof of age card <input type="checkbox"/> Foreign Passport* <input type="checkbox"/> National ID Card issued by a foreign government containing a photograph & signature* <input type="checkbox"/> Foreign Driver's licence with photograph & date of birth*		<input type="checkbox"/> Birth certificate Commonwealth citizenship certificate <input type="checkbox"/> Pension card Health card issued by Centrelink <input type="checkbox"/> Foreign citizenship certificate or birth certificate*		<input type="checkbox"/> Commonwealth, State and Territory financial benefits notice (less than 12 months old) <input type="checkbox"/> Tax notice (less than 12 months old) <input type="checkbox"/> Local utilities provider notice (less than 3 months old)

A passport that expired within the two years prior to submitting the Application Form will also be accepted.

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

There is a wide range of persons who may certify your documents, including:

Who may certify your documents as being a true and correct copy of the original

- | | | |
|---|--|---|
| <input type="checkbox"/> Judge | <input type="checkbox"/> Finance company officer* | <input type="checkbox"/> Full-time employee of a post office* |
| <input type="checkbox"/> Lawyer | <input type="checkbox"/> Full-time employee of a bank* | <input type="checkbox"/> Authorised representative of a holder of an Australian financial services licence* |
| <input type="checkbox"/> Notary Public | <input type="checkbox"/> A member of the Institute of Chartered Accountants in Australia, CPA or NIA membership* | <input type="checkbox"/> Australian Consular Officer or Diplomatic Officer |
| <input type="checkbox"/> Magistrate | | |
| <input type="checkbox"/> Justice of the Peace | | |
| <input type="checkbox"/> Police Officer | | |
| <input type="checkbox"/> A Registrar or Deputy Registrar of a court | | |

* Those persons marked with an asterisk * are required to have two or more years of continuous service or membership.

The eligible certifier must include the following information:

- Their full name
- Address
- Telephone number
- The date of certifying
- Capacity in which they are eligible to certify, and
- An official stamp/seal if applicable

The certified copy must include the statement, "I certify this is a true copy of the original document".

For photographic documents, the certified copy must include the statement, "I certify this is a true copy of the original document and the photograph is a true likeness".

(b) Non-Individual Investors

Different identification and verification requirements apply to prospective investors who are not individuals, such as companies, other bodies corporate, trusts; including superannuation trusts, partnerships, associations and registered co-operatives.

- **Australian Companies** – Must provide any one of the following documents: a certified copy of the certification of registration or licence or other records of the relevant commonwealth, state or territory statutory regulator or a public document issued by the relevant company.
- **Foreign Companies** – please contact NavralInvest for verification information required.
- **Trusts & Trustees** - If the trust is a:
 - **Registered managed investment scheme, regulated trust or government superannuation fund** please provide any one of the following documents: a certified copy or relevant extract from the relevant regulator's website showing the full name of the trust, and that the trust is a registered scheme, regulated trust or government superannuation fund.
 - **Other trust type** - please provide any one of the following documents: a certified copy or extract of the Trust Deed showing the name of the trust, or letter from a solicitor or qualified accountant that confirms the name of the trust, or a notice issued by the ATO with in the last 12 months (e.g. Notice of Assessment).
 - **Individual Trustee** - verification of the Trustee's full name, date of birth and residential address is required. Please provide the documents listed above in section (a) for individuals
 - **Australian Company Trustee** – please provide the documents listed above in Section (b) for Australian or foreign companies
 - **Australian Listed Company or majority owned subsidiary of an Australian Listed Company or is a regulated company** - please provide a certified copy of a public document issued by the relevant company.

- **Foreign Company Trustee** - please contact NavralInvest for verification information required.
- **Partnerships, Associations, and Registered Co-operatives** - please contact NavralInvest for verification information required.

Important:

There may be instances where we do not receive sufficient information from you (including certified identification documents). Where this happens, we will contact you to request the necessary information. We recommend you carefully complete the Application Form and attach necessary identification documents.

You acknowledge that we may, in our absolute discretion, not issue Units to you, cancel any Units previously issued to you, delay, block or freeze any transactions or redeem any Units issued to you if we consider it necessary in order to comply with our AML/CTF legislative obligations. In the above circumstances, we will not be liable to you for any resulting loss.

If you require assistance in completing the Application Form, please call us at 1300 656 131

If your application is incomplete and if the additional information is not provided on request, we may return the application and the application money to you. Current Australian anti-money laundering requirements, as well as prospective changes to legislation, may in the future impose other due diligence procedures or require the collection of further information from Investors.

You acknowledge that we may, in our absolute discretion, not issue Units to you, cancel any Units previously issued to you, delay, block or freeze any transactions or redeem any Units issued to you if we consider it necessary in order to comply with our AML/CTF legislative obligations. In the above circumstances, we will not be liable to you for any resulting loss.

Enquiries and further information

If you are in any doubt as to what information must be provided with the Application Form or have an enquiry or require further information from NavralInvest:

Please telephone
1300 656 131
Monday to Friday between 8.30 am and 5.30 pm
EST (excluding NSW public holidays)

Send a facsimile to
61+2 9087 1877

Write to
NavralInvest Limited
Suite 203, Level 2
21 Berry Street
North Sydney
NSW 2060

Navra Asia Pacific Growth Fund Series 2 ARSN 133 301 158

Application Form for Units and the Loan

NavralInvest Limited ABN 46 101 355 239; AFS Licence Number 226358

Series 2 Units in the Navra Asia Pacific Growth Fund ARSN 133 301 158 issued by NavralInvest pursuant to the PDS dated 19 April 2010 are only issued and drawdown of the Loan will only occur on receipt of:

- o this Application Form;
- o verification of the applicant's identity;
- o payment in full; and
- o acceptance of the Application Form by the Issuer and the Loan Provider.

It is important to read the PDS carefully and in full. A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS and any supplementary PDS. If you have obtained this PDS electronically, we will send you a paper copy, any supplementary PDS and the Application Form, upon request free of charge.

Any words that are capitalised but not defined in this Application Form have the meaning provided in Section 15 of the PDS.

The minimum initial investment is \$25,000.

Follow the instructions on how to complete this Application Form, as set out in Section 16 of the PDS.

Please use CAPITAL LETTERS and a black ballpoint pen when completing this Application Form.

SECTION A – INVESTOR DETAILS

What type of entity is applying? Please tick one box ONLY.

Individual, Joint or Sole Trader – complete A1 Partnership – complete A1 & A2 Company – complete A1 (Directors) & A2

Trust / Super Fund with Individuals as Trustee – complete A1 (Trustees) & A3

Trust / Super Fund with Corporate Trustee – complete A1 (Directors), A2 (company) & A3

Other:

A1 Individual Investor Details (including individuals acting as trustee, partners of a partnership and corporate directors)

INVESTOR 1 (Your name MUST match your ID exactly).

Title: Given Names (in full):

Surname:

Date of Birth (dd/mm/yyyy): / /

Australian Tax File Number: OR Not Australian Tax Resident

Residential Address:

City/Suburb/Town: State: Postcode:

Country:

INVESTOR 2 (Your name MUST match your ID exactly).

Title: Given Names (in full):

Surname:

Date of Birth (dd/mm/yyyy): / /

Australian Tax File Number: OR Not Australian Tax Resident

Residential Address:

City/Suburb/Town: State: Postcode:

Country:

A2 Corporation, Corporate Trustees or Partnership Details

Name:

Name of Contact Person:

Registered Office Address:

Principal Place of Business Address:

Type of Company: Public Private

Partnership (Please tick if Applicant is a partnership)

Country of Registration/Establishment:

ACN or ABN: OR Foreign Company ID Number:

Australian Tax File Number: OR Not Australian Tax Resident

For a private company: (1) How many directors are there?

DIRECTORS' FULL NAMES (in CAPITALS):

(2) Provide the following details for all **individuals** who beneficially own 25% or more of the company's issued capital.

FULL NAME: RESIDENTIAL ADDRESS:

For a Partnership: (1) Provide the following details for each partner in the Partnership.

FULL NAME: RESIDENTIAL ADDRESS:

(Please note: at least one partner in the Partnership will also need to complete Section A1 of this Application Form)

SECTION C – INVESTMENT DETAILS

I/we apply to invest as follows:

\$

also being my/our total Loan Amount for the class of Units applied for under this PDS dated 19 April 2010

Calculation of amount payable on Units issue date. This amount will be debited from the bank account details on Section D below.

\$
(the amount you are applying for)

*0.105 (being the prepaid interest of \$0.085 per Unit plus the Loan Administration Fee of \$0.02 per Unit = \$

SECTION D – BANK ACCOUNT DETAILS

All Investors must complete this section with an Australian banking institution, for distributions, redemptions and direct debiting all interest payments due.

Bank Name/Institution:

Branch Name and Address:

BSB: Account Number:

Account Name:

SECTION E – OPERATING AUTHORITY

When giving instructions to us about your investment please indicate who has authority to operate your account:

INDIVIDUAL/JOINT ACCOUNTS (if no box is ticked we will assume all to sign)

any one to sign both to sign OTHER (Name)

COMPANY, TRUST, SUPER FUND ACCOUNTS (if no box is ticked all future written instructions must be signed by two directors/trustees, director and secretary, or the sole director)

any one to sign any two to sign all to sign OTHER (Name)

SECTION F – REQUEST FOR REPORTING INFORMATION (optional)

Annual Financial Statements:

email notification (you must provide your email address in Section B) do not send

SECTION G – PRIVACY

NavralInvest may wish to contact you about future investment opportunities that may be of interest. Please tick the box if you DO wish to be contacted for this purpose.

I/we do wish to receive information from NavralInvest regarding future investment opportunities.

SECTION H – PROVIDING IDENTIFICATION – NEW INVESTORS ONLY

I/we confirm I/we have attached certified copies of the required proof of identification with this Application Form for each investor/applicant.

SECTION I - DECLARATIONS & SIGNATURES

YOU SHOULD READ THE PDS IN FULL BEFORE SIGNING THIS APPLICATION FORM

By completing the Application Form you:

1. declare that you have read and understood the PDS including the Loan Agreement
2. understand that the Privacy Act 1998 (Cwth) allows you to access and/or correct information held by NavralInvest or its service providers and agree to the collection, use and disclosure of your personal information provided in the Application Form
3. declare that you have received a copy of the PDS personally, or a print out of it, accompanied by or attached to the Application Form before signing the Application Form
4. declare that all information provided in the Application Form and any other information provided in support of the application is true and correct
5. declare that if you have received the PDS from the internet or other electronic means, it was received either personally or a printout accompanied the Application Form before you made an application for Units in the Fund
6. acknowledge that none of NavralInvest or the Custodian or any member of their respective groups or any of their directors or associates or any other entity guarantees the performance of or the repayment of capital invested in, or income from the Fund
7. declare that if the application is signed under a power of attorney, you have no knowledge of the revocation of that power of attorney
8. declare that you have the power to make an investment and application for the Loan in accordance with the Loan Agreement and the terms of this PDS
9. declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/secretary of the company
10. acknowledge that an investment in the Fund is subject to risks including but not limited to possible delays in repayment and possible loss of capital invested
11. agree to be bound by the provisions of the Constitution governing the Fund as amended from time to time and the terms of the offer set out in the PDS
12. acknowledge that the PDS does not constitute an offer in any jurisdiction in which, or to any person of whom, it would be unlawful to make the offer
13. declare that if investing and applying for the Loan as a trustee on behalf of a superannuation fund or trust you are acting in accordance with your designated powers and authority under the trust deed. In the case of superannuation funds, you also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act
14. acknowledge that all information relating to this Application Form for investment in the Fund or any subsequent information relating to the investment in the Fund may be disclosed to any service provider to the Fund and to your adviser. You understand this will not include disclosure of your TFN, ABN or any information in relation to it to your adviser. This acknowledgment will continue unless revoked in writing by you
15. agree that the method of the payment to you, of any return on your investment, will be paid to you in accordance with your instructions given in the Application Form accompanying the PDS and that unless you otherwise direct, no separate written confirmation of the transactions comprised of those payments need to be made
16. acknowledge that NavralInvest has recommended that you obtain independent legal, taxation and financial advice before making any decision to apply for Units in the Fund
17. If signing as a nominee investor, the nominee investor makes the above representations and declarations on behalf of itself and on behalf of the investor for whom the nominee investor is a nominee
18. acknowledge that the Custodian will hold your Units subject to, and that you agree to be bound by the terms of, the Fixed Charge in accordance with the terms of the Loan Agreement, Custody Deed and Fixed Charge
19. irrevocably direct the Issuer and the Custodian to pay any Coupon Amounts payable first to the Loan Provider in satisfaction of the interest payable under the Loan. You acknowledge that any Coupon Amount in excess of the Interest Payment (Year) remains payable to you. If you are a superannuation fund, this direction is revocable. However, you acknowledge that if you revoke, this will be a breach of the Loan Agreement and the Fixed Charge will be immediately enforceable.
20. irrevocably direct and authorise the Loan Provider to draw down the Total Loan Amount (being the Loan Amount multiplied by the number of Units issued to the Investor) and pay the amount directly to the Issuer in satisfaction of the your obligation to pay the Investment Amount.
21. irrevocably direct and authorise the payment of the Net Redemption Amount, early withdrawal proceeds, Coupon Amounts and early maturity proceeds to be paid firstly to the Loan Provider in repayment of the Loan Amount.
22. acknowledge that you have read Section 6 "Risks of Investing", understand that Adjustment Events and Early Maturity Events may apply to the Hedge Contract and consent to the Responsible Entity investing in the Hedge Contract on those terms.
23. acknowledge that you have read the terms of the Direct Debit Request and Service Agreement in Section 12 "Additional Information" and by lodging this Application Form agree to be bound by the terms and conditions of that agreement.

Signature of Investor 1:

Name of Investor 1:

Date: / /

Tick Capacity – Mandatory for Companies Sole Director Director Secretary

Signature of Investor 2:

Name of Investor 2:

Date: / /

Tick Capacity – Mandatory for Companies Sole Director Director Secretary

SECTION J – ADVISER INFORMATION & DECLARATION

I confirm that I have complied with the NavralInvest customer identification and verification procedures to verify the identity of the applicant(s) in accordance with the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and my subordinate legislative instruments and that I will retain and maintain records in accordance with legislation and make these available to NavralInvest as required.

Signature (Adviser):

Date: / /

ADVISER USE ONLY
Name of Adviser (in full):

Adviser Code:

Dealer Code:

Contact Phone No:

Wealth Focus Pty Ltd
PO Box 760
Manly
NSW 1655
Tel: 1300 559869

ADVISER STAMP



Suite 203, Level 2, 21 Berry Street, North Sydney NSW 2060

Telephone: 1300 656 131 Facsimile: 02 9087 1877
info@navrainvest.com.au www.navrainvest.com.au

NavralInvest Limited ABN 46 101 355 239 AFS Licence Number 226358