

# BlackRock Wholesale Managed Income Fund

## Supplementary Product Disclosure Statement

Dated: 1 October 2009

Issued by BlackRock Investment Management (Australia) Limited

ABN 13 006 165 975

Australian Financial Services Licence No 230523

This Supplementary Product Disclosure Statement ('PDS') dated 1 October 2009 is supplementary to the Product Disclosure Statement dated 18 June 2004 and the SPDSs dated 31 May 2006, 2 October 2006, 18 June 2007 and 28 April 2008 and must be read in conjunction with these documents.

# Supplementary Product Disclosure Statement

This SPDS outlines important changes relating to information in the current PDS. All changes will take effect from the date of issue of the SPDS unless otherwise indicated. The following is to be read in conjunction with the above mentioned documents and replaces the section "Enquiries and complaints" on page 18 of the PDS.

We have established procedures for dealing with enquiries and complaints.

If you have an enquiry or complaint, you can either call our Client Services Centre on 1300 366 100 or write to our Enquiries and Complaints Officer at BlackRock, Level 18, 120 Collins Street Melbourne, Vic. 3000 or fax your enquiry or complaint to 1300 366 107 or by email to [clientservices.aus@blackrock.com](mailto:clientservices.aus@blackrock.com). We will acknowledge receipt of the complaint within 14 days of its receipt.

We must deal with a complaint and respond to you as soon as practicable but no longer than 45 days after receiving the complaint. If a complaint is not satisfied within this timeframe, or you are not satisfied with our response, you may refer your complaint to the Financial Ombudsman Service ("FOS") of which we are a member and which is an independent entity.

The FOS contact details are:

Mail: GPO Box 3, Melbourne, Victoria, 3001

Telephone: 1300 780 808

Website: [www.fos.org.au](http://www.fos.org.au)

Email: [info@fos.org.au](mailto:info@fos.org.au)

# BlackRock Wholesale Managed Income Fund Supplementary Product Disclosure Statement

Dated: 28 April 2008

Issued by BlackRock Investment Management (Australia) Limited

ABN 13 006 165 975

Australian Financial Services Licence No 230523

This Supplementary Product Disclosure Statement ('PDS') dated 28 April 2008 is supplementary to the Product Disclosure Statement dated 18 June 2004 and the SPDSs dated 31 May 2006, 2 October 2006 and 18 June 2007 and must be read in conjunction with the Product Disclosure Statement and the SPDSs dated 31 May 2006, 2 October 2006 and 18 June 2007.

# Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement outlines important changes relating to information in the current Product Disclosure Statement. All changes will take effect from the date of issue of the SPDS unless otherwise indicated.

The name of the **Merrill Lynch Wholesale Managed Income Fund** has changed to the **BlackRock Wholesale Managed Income Fund**.

Replace all references to the **Merrill Lynch Wholesale Managed Income Fund** in the current PDS with **BlackRock Wholesale Managed Income Fund**.

This is a name change only. There are no changes to the investment objective or management of the Fund.

The following replaces the section "How to invest" on page 11 of the Product Disclosure Statement:

When investing through an IDPS or master trust you must complete the documents which the operator of these services requires.

When investing directly in the Fund you generally need a minimum amount of \$5,000. To make your investment, complete the application form accompanying this PDS and either:

- forward the completed application form by facsimile on 1300 366 107 (to the attention of Manager – Client Administration) **together with verification from your financial institution that the money has been banked**. You will need to confirm your application request by sending us the original. The use of facsimile instructions is subject to the terms and conditions set out on page 17.
- send us the completed application form together with your cheque for your initial contribution to BlackRock Investment Management (Australia) Limited, Reply Paid 225, GPO Box 225, Melbourne Victoria 8060.
- send us the completed application form together with the completed Direct Debit Authorisation Form, which is Part B within the application form, so we can deduct the contribution amount directly from your bank account. An application utilising the direct debit facility may be submitted via facsimile. You will need to confirm your application request by sending us the original. The use of facsimile instructions is subject to the terms and conditions set out on page 17. Further information regarding direct debit can be found below under the heading 'Payments via Direct Debit'.

The deadline for receipt of an application request is 2.00pm Eastern Standard Time (EST) on any Melbourne or Sydney business day. Requests received after this time will be treated as received on the following Melbourne or Sydney business day.

Additional investments can be made at any time in writing (including by facsimile). Additional investments are made on the basis of a current Product Disclosure Statement.

## Payments via Direct Debit

As an alternative to sending us a cheque or direct credit for your initial or additional investments, you can provide us with authorisation to draw your application amounts directly from your bank account. Please note that this direct debit facility may not be available for all bank accounts and you should therefore check with your bank to determine whether this facility is available.

You will need to complete and submit the Direct Debit Authorisation Form to activate this facility. The Direct Debit Authorisation Form is available within the application form contained within this Product Disclosure Statement, or download from our website or can be sent to you by contacting our Client Services Centre.

The terms and conditions under which we offer this direct debit facility are set out in this Supplementary Product Disclosure Statement. Please ensure that you have reviewed this section before completing the Direct Debit Authorisation Form.

The Direct Debit Authorisation Form must be submitted with your application form if you wish to utilise this facility for your initial contribution.

You can make additional deposits to your investment once you have provided us with a completed Direct Debit Authorisation Form by contacting our Client Services Centre and providing your Investor Number, PIN, authorised bank account details, the Fund you wish to invest in and the amount you wish to deposit. Providing your call is received prior to the times prescribed in the 'How to invest' section of the Product Disclosure Statement, your application will be treated as having been received on that business day and the funds drawn from your account that evening.

## Personal Identification Number (PIN)

Shortly after you make your initial investment you will be provided with a PIN. For security reasons, this should be kept in a safe place and not disclosed to anyone. Please do not keep your PIN with your Investor Number. Your PIN in conjunction with your Investor Number will enable you to:

- make enquiries about your investment
- make additional deposits to your investment using the direct debit facility
- make a telephone withdrawal
- switch between Funds\*
- advise us of a change of address

# Supplementary Product Disclosure Statement

- change how you receive your income
- advise a change to your financial institution account details into which income or withdrawals are paid, or a change in contribution details in relation to your Regular Contribution Plan within the same financial institution.
- obtain a password for internet access.

\* Switching between funds can occur either between funds offered under the same PDS or between funds of the same unit class where the investor currently has a holding in both funds.

If you do not want a PIN, please notify us to request its cancellation.

A PIN will not be issued if the investment is through a margin lender unless otherwise directed to by the margin lender. Your PIN must be used in conjunction with your Investor Number. If your PIN is used by someone without your authority, we will not generally be liable for any loss incurred by you. Do not store your PIN with your Fund records. When using your PIN you release, discharge and agree to indemnify us from and against all actions, proceedings, claims and liabilities arising out of the use of your PIN, except to the extent that such liability is attributable to our own neglect.

We may continue to accept telephone withdrawal requests until we receive the written notice from you to cancel or vary your PIN.

The following replaces the section "Financial information" on page 14 of the Product Disclosure Statement.

## Annual Financial Report

A copy of the audited annual financial report for the Fund is available by the end of September from us. The report will include a Balance sheet, Income Statement, Cash Flow Statement and Statement in Change of Equity, as well as notes to the Financial Statements.

The annual report will be made available on our website at [www.blackrock.com/au](http://www.blackrock.com/au)

You may elect to receive a hard copy of the annual report by ticking the box in Section 7 'Annual Financial Report Election' of the Application form.

The following text is to be included as a new section following the section "Personal Identification Number" on page 17 of the Product Disclosure Statement.

## Direct debit request service agreement

This section outlines the terms and conditions of the direct debit request arrangement between yourself and BlackRock Investment Management (Australia) Limited ("BlackRock" or "us").

## BlackRock's responsibilities

BlackRock will only make direct debits from your chosen account. Your initial contribution amount will be confirmed in writing once BlackRock receives your application form.

BlackRock will not disclose your account details to any other party, unless you have agreed in writing that it can, or unless the law requires BlackRock to do this.

If a payment date is a weekend or public holiday, your account will be debited on either the business day preceding or the business day following the weekend or public holiday.

BlackRock reserves the right to cancel the direct debit arrangement without notice if any debits are returned unpaid by your nominated financial institution.

The above arrangements are subject to change.

## Your responsibilities

Before making a direct debit request you should:

- Check with your financial institution that the account you want to nominate can support direct debits. Additional charges may also be applied by your financial institution for this service. We recommend that you contact them for further details.
- Confirm that the account details that you have provided are correct.
- Ensure that you have sufficient cleared funds in your account to cover payment when due. Your financial institution may charge a fee if payment cannot be met.
- Sign your direct debit request in the same way as the account signing instruction held by your financial institution.

You must tell us in writing if you close or change the account that you have previously nominated.

You may cancel your direct debit request, stop or defer an individual debit or request a change to the debit amount by writing, phoning or faxing us.

It is your responsibility to arrange with BlackRock a suitable alternative payment method if the withdrawal arrangements are cancelled, either by you or the nominated financial institution. If you believe that a debit has not been correctly processed you should immediately contact our Client Services Centre on 1300 366 100.

You agree to indemnify us against all losses, costs, damages and liability that we incur arising from you breaching these terms and conditions or providing us an invalid or non-binding direct debit request. This indemnity is a continuing obligation, separate and independent from your other obligations and survives termination of this agreement. This indemnity does not apply as a result of our fraud, negligence or breach of trust.

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The following text is to read as part of the section "Privacy" on page 18 of the Product Disclosure Statement.

Please note, that in accordance with the requirements of the Anti-Money Laundering and Counter Terrorism Financing Act, we may be requested to disclose your personal information to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

The following text is to be included as a new section following the section "Privacy" on page 18 of the Product Disclosure Statement.

## Anti-Money Laundering and Counter-Terrorism Financing

We are required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('the AML legislation'). The AML legislation requires us to (amongst other requirements) verify the identity of investors making applications into Funds offered by us.

We cannot accept an application to invest in the Fund until satisfied that the identity of the investor has been verified in accordance with the AML legislation. The processing of applications may be delayed until the requested information is received in a satisfactory form and the identity of the investor is verified.

### Investor identification requirements

#### ■ Investors that apply without a financial adviser\*

To comply with the requirements of the AML legislation, BlackRock requires an investor that directly applies to invest in the Fund (that is, **not** through a financial adviser) to complete the Investor Identification Form which is contained in PART C and submit it together with the application form.

The information provided will be used by BlackRock to verify the investor's identity.

\* Financial advisers include an Australian Financial Services (AFS) Licensee or a representative of an AFS Licensee.

#### ■ Investors that apply through/with a financial adviser

We intend to rely on financial advisers to verify the identity of their clients in accordance with the AML legislation. Section 6 of the Application Form (Financial Adviser) requires a financial adviser to confirm that they have verified the identity of the investor and agree that BlackRock may access any document that has been used by the financial adviser to verify their identity.

Unless requested, we do not require original documents or certified copies used by the financial adviser to verify the identity of the investor. Where document(s) verifying the investor's identity are provided to us by a financial adviser, BlackRock will still (as permitted under the AML legislation) be relying on the financial adviser to verify the identity of the investor.)

#### ■ Financial advisers not yet compliant

BlackRock recognise that some financial advisers will become compliant with the investor identification requirements of the AML legislation at different times prior to 12 March 2009 (the end of the 'assisted compliance' period). If the identity of an investor has not been verified, the financial adviser must advise BlackRock in Section 6 of the Application Form. The Investor Identification Form in Part C must be completed and provided with the completed Application Form. This will enable BlackRock to verify the identity of the investor and accept the investor's application to invest in the Fund.

### BlackRock's right to request information

We may from time to time request identification/verification documentation from an investor or financial adviser to verify the investor's identity. Where documentation provided is not in English, an English translation must be provided by an accredited translator.

### Appointed representatives

BlackRock is required to verify the identity of legal representatives and agents appointed to act on behalf of an investor. We cannot proceed to act on the instructions of a nominated legal representative until such time as we verify the identity of that representative.

Appointed legal representatives include, but are not limited to, executors of estates, attorneys (appointed under power of attorney) and nominated representatives.

# Important information to note in completing the Application Form

You should read the Product Disclosure Statement (PDS) in full before completing the application form.

Completely fill in ALL applicable sections of the application form and sign the application form before submitting.

Where a tick box is provided in response to a question, please nominate your preference by placing a ✓ in the appropriate box.

## How to complete the Application Form (PART A)

To assist us with processing your application please work through the checklist below and ensure that you have completed all relevant sections and provided all necessary attachments.

Incomplete information may delay the processing of your application.

**Section 1. Applicant's Details:** Provide BlackRock with all investor(s) details including full name, residential address, date of birth and contact details as well as details for any corporate/trust investors.

You are invited to provide a postal address in Section 1. The postal address will be used for all account correspondence. Investors opting to provide a postal address must also provide their full residential address in Section 1. If two different residential addresses are supplied (and no postal address), all correspondence will be sent to Address 1.

**Section 2. Investment Details:** Provide investment details (your initial investment amount) and selected the method of lodging your initial investment. Either cheque, direct debit or direct credit:

If you have elected Cheque, please ensure that you have attached a cheque made payable to "BlackRock Investment Management (Australia) Limited" and including the "investor(s) name(s)" to the application form.

If you have elected Direct Debit, please ensure that you have completed in all the details requested in **PART B: Direct Debit Authorisation Form**, signed the form and attached this to your application form

If you have elected Direct Credit, you will need to provide verification from your financial institution that the money has been banked into the nominated account as specified.

**Section 3. Income Distribution:** Nominate if you wish to have income distributions reinvested or credited to a bank account. If distributions are to be credited, please ensure you have provided the correct bank account details.

**Section 4. Tax File Number or Exemption Notification:** You are invited to provide the TFN/ABN details for your investment. You are not obligated to quote your TFN or claim an exemption. Only one TFN should be provided unless the account is held in joint names in which case all individuals should provide their TFN.

Your alternatives to quoting a TFN include quoting an Australian Business Number (ABN) or notifying us of a TFN exemption as per the below.

■ Pensioner – please write the names of the pension in the 'Other' Exemption reason box.

■ Non resident – please state your country of residence in the 'Non resident' Exemption reason box.

■ Trustees should provide the TFN or ABN of the Superannuation Fund or Trust. An individual or Company account type with an informal trust will apply if individual or corporate trustee TFN /ABN details are provided.

**Section 5. Investor Type:** Nominate whether you are investing directly (ie. not through a Financial Adviser) or investing through a Financial Adviser.

If you are investing directly (without the use of a Financial Adviser), you have completed and attached **PART C: Investor Identification Form**.

**Section 6. Financial Adviser:** This is only applicable for investments made through a Financial Adviser.

It is the responsibility of the Financial Adviser to complete and sign this section of the form.

**Section 7. Annual Financial Report Election:** If you would like to receive a copy of the Annual Financial Report, please ensure you tick the box. A copy of the Annual Financial Report will be made available on BlackRock's website.

**Section 8. Signature:** Each investor has populated and signed this section.

**If you answered No to Question 5 Investor Type, please ensure that you submit PART C "Investor Identification Form" along with your application form.**

# Merrill Lynch Wholesale Managed Income Fund

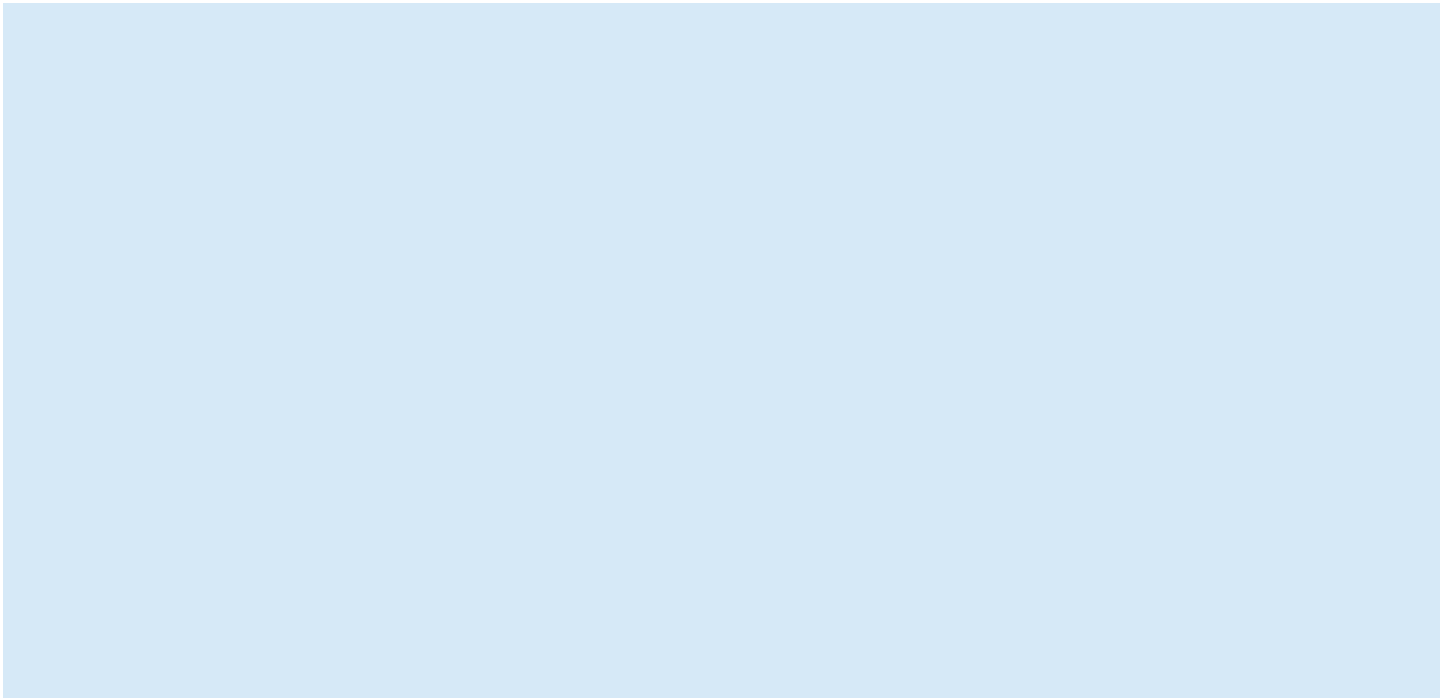
Product Disclosure Statement

Dated: 18 June 2004

ARSN 088 196 801

Merrill Lynch Investment Managers Limited ABN 13 006 165 975

Australian Financial Services Licence No 230523



# Supplementary Product Disclosure Statement to the Merrill Lynch Wholesale Managed Income Fund Product Disclosure Statement dated 18 June 2004

Issued by BlackRock Investment Management (Australia) Limited\* ABN 13 006 165 975  
Australian Financial Services Licence No 230523

\* Formerly known as Merrill Lynch Investment Managers Limited, now a subsidiary of BlackRock, Inc. The Merrill Lynch name and logo are trade marks of, and used under license from, Merrill Lynch & Co., Inc.

**BLACKROCK**  
**MERRILL LYNCH**  
INVESTMENT MANAGERS

Issued 18 June 2007

This Supplementary Product Disclosure Statement ('SPDS') dated 18 June 2007 is supplementary to the Product Disclosure Statement ('PDS') dated 18 June 2004 and the SPDS dated 31 May 2006 and the SPDS dated 2 October 2006 and must be read in conjunction with the PDS and SPDSs dated 31 May 2006 and 2 October 2006.

This Supplementary Product Disclosure Statement (SPDS) outlines important changes relating to information in the current PDS. **All changes will take effect from 2 July 2007 unless otherwise indicated.**

The section "What fees apply?" on pages 8 to 10 will be replaced with the following information effective 2 July 2007.

## What fees apply?

### DID YOU KNOW?

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

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

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

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

### TO FIND OUT MORE

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

This document shows fees and other 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 assets as a whole.

Taxes are set out in another part of this document.

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

All fees in the fee table are, unless otherwise indicated, reflect the impact of Goods and Services Tax (GST) less any reduced input tax credits.

# Supplementary Product Disclosure Statement

Fees and other costs			
Type of fee or cost	Amount	How and when paid	Example for \$50,000 investment
<b>Fees when your money moves in or out of the Fund<sup>1</sup></b>			
<b>Establishment fee.</b> The fee to open your investment.	Nil	Not applicable	Nil
<b>Contribution fee.</b> The fee on each amount contributed to your investment.	Nil	Not applicable	Nil
<b>Termination fee.</b> The fee to close your investment.	Nil	Not applicable	Nil
<b>Withdrawal fee.</b> The fee on each amount you take out of your investment.	Nil	Not applicable	Nil
<b>Management Costs<sup>2</sup></b>			
The fees and costs for managing your investment.	0.80%	The Management Costs are not deducted directly from your account. Instead this Cost is deducted from the assets of the Fund. The deduction of the Management Costs are reflected in the daily unit price of the Fund. The fee is paid to us monthly in arrears (usually at the end of a month). The amount of this fee can be negotiated. <sup>3</sup> Expenses excluding abnormal expenses <sup>4</sup> are paid by the Manager.	Assuming that \$50,000 is invested in the Fund $\$50,000 \times 0.80\% = \$400$
<b>Service fees</b>			
<b>Investment switching fee.</b> The fee for changing investment options.	Nil	Not applicable	Nil

1. You may incur buy-sell spread when your money moves in and out of the Fund. Refer to "Buy-sell spread" on page 3 of this SPDS.

2. This fee may include an amount payable to an adviser. Refer to "Payments to advisers and other service providers" on page 3 of this SPDS.

3. Refer to "Differential fees" under the heading "Additional Explanation of fees and costs" on page 3 of this SPDS.

4. Refer to "Abnormal expenses" under the heading "Additional explanation of fees and costs" on page 2 of this SPDS.

## Additional explanation of fees and other costs

### Management costs

The Management Costs incorporate the:

- Management fee
- Expense recovery costs (other than abnormal expenses)

### Management fees

The current Management fee (together with a Dollar example assuming an investment of \$50,000) is shown in the table below.

Management Fees		
Name of Fund	Management Fees	Dollar Example
Wholesale Managed Income Fund	0.80%	\$400

## Expenses recovery costs

We are entitled to be reimbursed for certain expenses in managing and administering the Fund. These expenses relate to the administration and operation of the Fund. Unless we advise otherwise, all Fund expenses, other than abnormal expenses (see below) will be paid for by the Manager and no additional expenses will be recovered.

Where an investment is made through a fund managed by us or another company in the group the Management fees of the underlying fund will be rebated. However, in certain circumstances additional expenses may be incurred within the underlying funds.

## Abnormal expenses

Abnormal expenses are expenses not generally incurred during the day to day operations of the Fund and are not necessarily incurred in any given year.

They are due to abnormal events such as the cost of running a unitholder meeting or legal costs incurred by changes in the Fund's constitution or defending legal proceedings. We will continue to seek reimbursement from the Fund in relation to these expenses should they arise.

# Supplementary Product Disclosure Statement

## Transaction costs

The Fund may incur transaction costs (such as brokerage, settlement costs (including custody costs), clearing costs and stamp duty) when investors invest in or withdraw from a Fund (these transaction costs are included in the buy-sell spread, see below) and when transacting to meet investment objectives. The amount of transaction costs incurred when transacting to meet investment objectives is dependent on a number of different variables, including the level of trading undertaken by a Fund. As such we are unable to provide a meaningful estimate or example of these costs. Transaction costs are an additional cost to the investor but are generally reflected in the unit price and not charged separately to the investor.

## Buy-sell spread

The buy-sell spread reflects the estimated transaction costs associated with buying and selling the assets of a Fund when investors invest or withdraw from the Fund. The buy spread is the difference between the entry price and the Net Asset Value (NAV). The sell spread is the difference between the exit price and the NAV price. The total buy-sell spread is the difference between the entry and exit price. It is an additional cost to the investor but is reflected in the unit prices. It is not charged separately to the investor. The buy-sell spread is paid into the Fund and not paid to BlackRock.

In determining the estimate of the transaction costs included in the buy-sell spread, we take into account what the actual costs have been in the past and any other relevant factors that may impact on those costs in the future. As at the date of this PDS, the buy-sell spread that applies to the Fund is 0.055%. We will notify you if the transaction costs increase.

## Worked examples

Consider a \$50,000 contribution to the Fund. The estimated transaction cost is 0.055%.

In relation to a \$50,000 contribution, the estimated transaction cost incurred would be \$27.50.

## Can the fees and charges change?

All fees and charges can change. They may vary over time as a result of changes to the product, changing economic conditions and changes in regulations. We will give you 30 days written notice of any proposed increase. We cannot charge more than the Fund's Constitution allows (to change the Constitution in this regard, we would need to obtain unitholder approval).

The current Fees applicable to your investment are set out in the table on page 2 of this SPDS and although we have the power to change our fee structure, we have no present intention to do so.

Under the Constitution of the Fund, we are presently entitled to charge the following maximums:

Management fee – up to 1.5% per annum of the total Application Price of all units of the Fund at the end of that day.

Termination fee – up to 0.5% of the amount distributable in accordance with the Constitution.

Trustee fee – up to 0.125% per annum of the NAV at the close of business on that day.

## Payments to advisers and other service providers

The commissions described in this section are not an additional cost to you. They are paid by us out of the Contribution fee and or Management fee income received by us in relation to the investment in the Fund.

### Ongoing Service Commission

No commission is currently payable by us to advisers in relation to this Fund.

### Fund Manager payments and product access payments

We may also, at our discretion, enter into a variety of arrangements with service providers such as master fund and IDPS operators which may involve us making payments to, and providing services to, these operators in return for the promotion of the Fund. Such payments may be one-off payments for offering the Fund on their investment menu (referred to as a Product Access Payment) or an ongoing Fund Manager Payment based on a scaled percentage of funds under management. Currently no Product Access Payments are made and a Fund Manager Payment of up to 0.20% is paid on funds under management. These payments are paid out of our fees and are not an additional cost to the investor. Further details on these payments (if any) may be obtained directly from your adviser. The amounts of these payments may change during the life of the PDS.

### Alternative forms of remuneration

Additionally, we may provide alternative forms of remuneration which include professional development, sponsorship and entertainment to licensed financial advisers, dealer groups and master trust or IDPS operators. Where such benefits are provided, they are payable by BlackRock and not an additional cost to you. We maintain a public register of alternative forms of remuneration in accordance with IFSA/FPA Industry Code of Practice on Alternative Forms of Remuneration. Please contact our Client Services Centre if you wish to inspect this register.

## Differential Fees

In accordance with the Corporations Act, we may individually negotiate fees with investors classed as "wholesale" or "professional" investors.

We may negotiate special arrangements concerning fees (including fee reductions or waivers) with other investors in certain circumstances determined by us, as permitted by law. Please contact us for further details.

# Supplementary Product Disclosure Statement

## Example of annual fees and costs

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

<b>Example of annual fees and costs for the Fund</b>		
<b>Example</b>		<b>Balance of \$50,000 with contribution of \$5,000 during year</b>
<b>Contribution Fees</b>	Nil	For every \$5,000 you put in, you will be charged \$0.
<b>PLUS Management Costs</b>	0.80%	And, for every \$50,000 you have in the Fund you will be charged \$400
<b>EQUALS Cost of Fund</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees of \$400*
		What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or your financial adviser

\* Additional expenses may apply, for instance, you may incur a buy-sell spread when your money moves in or out of a fund.

Please note that this is an example. In practice, the actual investment balance of an investor will vary and the actual fees and expenses we charge are based on the value of the Fund, which also fluctuates. The amounts assume a constant investment of \$50,000 throughout the year. Management fees will also be charged in relation to additional contributions.

# Supplementary Product Disclosure Statement to the Merrill Lynch Wholesale Managed Income Fund Product Disclosure Statement dated 18 June 2004

Issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975  
Australian Financial Services Licence No 230523

## Issued 2 October 2006

This Supplementary Product Disclosure Statement ('SPDS') dated 2 October 2006 is supplementary to the Product Disclosure Statement ('PDS') dated 18 June 2004 and the SPDS dated 31 May 2006 and must be read in conjunction with the PDS and the SPDS dated 31 May 2006.

This Supplementary Product Disclosure Statement outlines important changes relating to information in the current PDS. All changes will take effect from the date of issue of the SPDS unless otherwise indicated.

All references in the current PDS to "Merrill Lynch Investment Managers Limited" or "Merrill Lynch Investment Managers" should be read as a reference to "BlackRock Investment Management (Australia) Limited" and any reference to "Merrill Lynch & Co., Inc" should be read as a reference to "BlackRock Inc."

New website and email addresses are as follows:

Website: [www.blackrock.com/au](http://www.blackrock.com/au)

Email: [clientservices.aus@blackrock.com](mailto:clientservices.aus@blackrock.com)

The following text replaces the text under the heading "Who manages this Fund?" on page 4 of the PDS.

BlackRock® is a premier provider of global investment management, risk management and advisory services to institutional and retail clients around the world. As of June 30, 2006, BlackRock's assets under management totalled US\$1.045 trillion across fixed income, liquidity, equity, alternative investment and real estate strategies. Through BlackRock Solutions® – an outgrowth of our longstanding investment in sophisticated, integrated systems – we offer risk management services and enterprise investment system outsourcing to a broad base of institutional portfolios that total over US\$3.5 trillion as of June 30, 2006.

BlackRock's story has always been one of evolution. Since its founding in 1988 as a primarily institutional fixed income manager, the firm has continually looked for ways to enhance our ability to serve clients. Not only have we sought to broaden and deepen our general capabilities, we have also tried to capitalise on the key macro trends that are shaping the future of asset management.

The most recent step in our development is our merger with Merrill Lynch Investment Managers, which closed September 29, 2006, significantly increasing our assets under management and, more important, transforming our business into a truly global one. In Merrill Lynch Investment Managers we have found not only a cultural match, but a partner that gives us extraordinary global scale and enhances our collective ability to serve institutional and individual investors worldwide.

BlackRock has long focused on a cross-disciplinary team approach where clients benefit from the pooled expertise of the firm's resources: our investment and risk management professionals and our proprietary analytical tools. In addition to excellent performance, BlackRock is committed to delivering a high level of service tailored to the needs of each client. BlackRock's client base includes corporate, public and Taft-Hartley pension plans, insurance companies, mutual funds, endowments, foundations, nuclear decommissioning trusts, corporations, banks and individuals across the globe. Headquartered in New York, BlackRock operates 35 offices in 18 different countries, maintaining a major presence in most key markets including the United States, the United Kingdom, Asia, Australia, the Middle East and Europe.

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BlackRock is independent in ownership and governance, with no single majority stockholder and a majority of independent directors. In terms of ownership, Merrill Lynch's stake is just under 50%, while PNC Financial Services Group retains an interest of about 34%; the remainder is held by BlackRock employees and the public. All of BlackRock's founding partners remain affiliated with the firm.

BlackRock Investment Management (Australia) Limited is the manager of the Fund and acts as the responsible entity under the Corporations Act.

When you invest with BlackRock Investment Management (Australia) Limited you are gaining the expertise of an experienced team of Australian investment professionals backed by the international resources and knowledge of one of the world's largest asset managers.

Within Australia as at 31 August 2006, BlackRock manages approximately A\$8.8 billion for investors across a range of products and services including equities, fixed income and property.

Neither BlackRock Inc. nor any of its associates and subsidiaries (other than BlackRock Investment Management (Australia) Limited) has prepared this PDS or is responsible for its contents. None of BlackRock Inc. or any of their associates and subsidiaries guarantees the success of the Fund, or the repayment of capital or particular rate of return on income or capital.

The following text replaces the text in the last paragraph under the heading "Distribution payment options" on page 12 of the PDS.

If you have selected the direct deposit option and the distribution payment by direct deposit is unsuccessful, your income distributions will be reinvested as additional units in the Fund.

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# Supplementary Product Disclosure Statement to the Merrill Lynch Wholesale Managed Income Fund Product Disclosure Statement dated 18 June 2004

Issued by Merrill Lynch Investment Managers Limited ABN 13 006 165 975  
Australian Financial Services Licence No 230523

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## Issued 31 May 2006

This Supplementary Product Disclosure Statement ('SPDS') dated 31 May 2006 is supplementary to the Product Disclosure Statement ('PDS') dated 18 June 2004 and must be read in conjunction with the PDS.

This Supplementary Product Disclosure Statement outlines important changes relating to information in the current PDS. All changes will take effect from the date of issue of the SPDS unless otherwise indicated.

## 1. Arrangement with Black Rock

The following text replaces the text under the heading "Who manages this Fund?" on page 4 of the PDS.

Merrill Lynch Investment Managers Limited is the manager of the Fund and acts as the responsible entity under the Corporations Act.

When you invest with Merrill Lynch Investment Managers you are gaining the expertise of an experienced team of Australian investment professionals backed by the international resources and experience of one of the world's largest fund managers.

Merrill Lynch & Co., Inc.'s (Merrill Lynch) asset management group, Merrill Lynch Investment Managers, is one of the world's largest managers of financial assets with in excess of \$A734 billion for clients globally. Worldwide reach is provided for by our presence in 17 countries, with investment centres located in the United States, United Kingdom, Japan and Australia.

Within Australia MLIM manages approximately A\$9.7 billion for investors across a range of products and services including equity, fixed income, property and alternative investment products.

In mid-February 2006 Merrill Lynch signed a definitive agreement to combine two major asset management firms – Merrill Lynch Investment Managers and BlackRock. BlackRock is one of the largest publicly traded investment management firms in the United States with A\$616 billion in assets under management as at 31 December 2005 and manages assets on behalf of institutional and individual investors worldwide through a variety of equity, fixed income, liquidity and alternative investment products.

The new company will be one of the world's largest asset management players with nearly \$US1 trillion in assets under management, focussed exclusively on investment management and with market leading product capabilities across all major asset classes.

## 2. Updated information on fees and other costs

The section "What fees apply?" on pages 8 –10 of the PDS will be replaced with the following information effective 1 July 2006.

## Fees and other costs

### DID YOU KNOW?

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

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

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

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

### TO FIND OUT MORE

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from returns on your investment or from the fund assets as a whole.

Taxes are set out in another part of this document.

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

All fees are in Australian dollars and, unless otherwise indicated, are inclusive of Goods and Services Tax (GST) and takes into account expected reduced input tax credits in respect of the GST component of the fee.

## Fees and other costs

Type of fee or cost	Amount	How and when paid	Example for \$50,000 investment
<b>Fees when your money moves in or out of the Fund</b>			
<b>Establishment fee.</b> The fee to open your investment.	Nil	Not Applicable	Nil
<b>Contribution fee.</b> The fee on each amount contributed to your investment.	Nil	Not Applicable	Nil
<b>Termination fee.</b> The fee to close your investment.	Nil	Not Applicable	Nil
<b>Withdrawal fee.</b> The fee on each amount you take out of your investment.	Nil	Not Applicable	Nil
<b>Management Costs.</b> The fees and costs for managing your investment.			
<b>Management fee.</b> The fee for managing your investment.	0.85% p.a.	The Management fee is not deducted directly from your account. Instead this fee is deducted from the assets of the Fund. The deduction of the Management fee is reflected in the daily unit price of the Fund. The fee is paid to us monthly in arrears. The amount of this fee can be negotiated. <sup>1</sup> Expenses excluding abnormal expenses <sup>2</sup> are included in the Management fee.	Assuming that \$50,000 is invested in the Fund \$50,000 x 0.85% = \$425
<b>Service fees</b>			
<b>Investment switching fee.</b> The fee for changing investment options.	Nil	While no switching fees apply when leaving the Fund, the amount of your investment withdrawn and reinvested will be impacted by transaction costs which are incorporated into the entry and exit price of the Fund. For more information on transaction costs, refer to "Additional Explanation of fees and costs" below.	Nil

1. Refer to "Differential fees" under the heading "Additional Explanation of fees and costs" below.

2. Refer to "Abnormal expenses" under the heading "Additional Explanation of fees and costs" below.

## **Additional explanation of fees and costs**

### **Transaction Costs**

Transaction costs cover our estimate of the costs of buying and selling investments when we invest or process a withdrawal from the Fund. These charges are sometimes called a “buy-sell spread” and generally include costs such as brokerage, Government or bank charges and stamp duty (if any). These transaction costs will not be paid for by the manager from the Management fees. These charges won’t impact you unless you invest or withdraw. The purpose of the buy-sell spread is to ensure that only those investors transacting in the Fund’s units at a particular time bear the Fund’s costs of buying and selling the Fund’s assets as a consequence of their transaction.

Transaction costs are not retained by us but are paid to the respective Fund with a view to ensuring all investors are treated equally. They are incorporated into the entry and exit prices of the Funds and as such are an additional cost to you, notwithstanding they are not separately charged. Accordingly you won’t see the transaction costs on any statement we send you.

The Fund’s Constitution allows us to charge an estimate of the transaction costs which could change from time to time. In determining the estimate of costs we generally take into account what the actual costs have been in the past and any other relevant factors that may impact on those costs in the future.

The transaction costs applicable to the Fund are 0.055% on entry and exit. We will notify you if the transaction costs increase.

### ***Worked examples***

Consider a \$50,000 contribution to the Fund. The estimated transaction cost is 0.055%.

In relation to the \$50,000 contribution, the estimated transaction cost incurred would be \$27.50.

### **Taxes**

We may charge certain taxes to your account. Refer to pages 13 and 14 of the PDS for details.

### **Can the fees and charges change?**

All fees and charges can change. They may vary over time as a result of changes to the product, changing economic conditions and changes in regulations. We will give you 30 days written notice of any proposed increase. We cannot charge more than the Fund’s Constitution allows (to change the Constitution in this regard, we would need to obtain unitholder approval).

The current Fees applicable to your investment are set out in the table titled “Fees and other costs?” on page 2 of the SPDS. Although we have the power to change our fee structure, we have no present intention to do so.

Under the Constitution of the Fund, we are presently entitled to charge the following maximums:

Management fee – up to 1.50% per annum of the total Application Price of all units of the Fund at the end of that day.

Termination fee – up to 0.5% of the amount distributable in accordance with the Constitution.

### **Reimbursement of Expenses**

We are entitled to be reimbursed for certain expenses in managing and administering the Fund. These expenses relate to the administration and operation of the Fund.

Unless we advise otherwise, all Fund expenses, other than abnormal expenses (see below) will be paid for by the Manager from the Management fees and no additional expenses will be recovered.

Where an investment is made through a fund managed by us or another company in the group, the management fees of the underlying fund will be rebated. We may however, recover abnormal expenses incurred in both the investing fund and the fund in which it invests.

### Abnormal Expenses

Abnormal expenses are expenses not generally incurred during the day to day operations of the Fund and are not necessarily incurred in any given year. They are due to abnormal events such as the cost of running a unitholder meeting or legal costs incurred by changes in the Fund's constitution or defending legal proceedings. We will continue to seek reimbursement from the Fund in relation to these expenses should they arise.

### Payments to advisers and other service providers

No commission is currently payable by us to advisers in relation to this Fund.

We may at our discretion, enter into a variety of arrangements with service providers such as master fund and IDPS operators which may involve us making payments to, and providing services to, these operators in return for the promotion of the Fund. Such payments maybe one off payments for offering the Fund on their investment menu (referred to as a Product Access Payment) or an ongoing Fund Manager Payment based on a scaled percentage of funds under management. Currently no Product Access Payments are made and a Fund Manager Payment of up to 0.238% is paid on funds invested. These payments are paid out of our fees and are not an additional cost to the investor. The amounts of these payments may change during the life of the PDS.

Additionally, we may provide alternative forms of remuneration which include professional development, sponsorship and entertainment or licensed financial advisers, dealer groups and master trust or IDPS operators. Where such benefits are provided, they are payable by us and are not an additional cost to you. We maintain a public register of alternative forms of remuneration in accordance with IFSA/FPA Industry Code of Practice on Alternative Forms of Remuneration. Please contact our Client Service Centre if you wish to inspect this register.

### Differential Fees

In accordance with the Corporations Act, we may individually negotiate fees with investors classed as "wholesale" or "professional" investors.

We may negotiate special arrangements concerning fees (including fee reductions or waivers) with other investors in certain circumstances determined by us, as permitted by law.

### Example of annual fees and costs

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

Example		Balance of \$50,000 with contribution of \$5,000 during year
Contribution Fees	Nil	Not Applicable
<b>PLUS Management Costs</b>		
Management Fees	0.85%	And, for every \$50,000 you have in the Fund you will be charged \$425
<b>EQUALS Cost of Fund</b>		If you put in \$5000 during a year and your balance was \$50,000, then for that year you will be charged fees of \$425*
		<b>What it costs you will depend on the fees you negotiate with us or your financial adviser</b>

\*Additional fees and costs such as Transaction Costs may apply.

**Please note** this is an example. In practice, the actual investment balance of an investor will vary and the actual fees we charge are based on the value of the Fund, which also fluctuates. The amounts assume a constant investment of \$50,000 throughout the year. Management fees will also be charged in relation to additional contributions.

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The name and contact details of the responsible entity are:

Merrill Lynch Investment Managers Limited  
Level 19, 120 Collins Street  
MELBOURNE, VIC, 3000

Telephone: 1300 366 100  
Facsimile: 1300 366 107  
Website: [www.mlim.com.au](http://www.mlim.com.au)

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# Before you start

Investment in the Merrill Lynch Wholesale Managed Income Fund (referred to in this Product Disclosure Statement (PDS) as “the Fund”) is offered and managed by Merrill Lynch Investment Managers Limited, ABN 13 006 165 975 (referred to in this PDS as “Merrill Lynch Investment Managers”, “the responsible entity”, “the Manager”, “we”, “our” or “us”).

We are the issuer of this Product Disclosure Statement (PDS) and of units in the Fund.

The Fund is a diversified fund investing primarily in cash and fixed income securities as well as Australian shares and property. The Fund may also invest in international shares from time to time.

We expect that an investor in the Fund would be seeking a regular monthly income and some capital growth and accept that some volatility will be experienced. The Fund is not a short term investment.

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Because of that you should assess whether the information is appropriate for you having regard to your circumstances.

We recommend that you get professional advice from a licensed adviser and/or tax adviser before investing if required.

## Need help?

If you need help about investing generally, speak to a licensed financial adviser. The Australian Securities and Investments Commission (ASIC) can help you check if they are licensed. They have a website at [www.asic.gov.au](http://www.asic.gov.au) as well as a help line you can call on 1300 300 630.

If you have questions about the Fund described in this PDS speak to your financial adviser, call our Client Service Centre on 1300 366 100 or visit our website at [www.mlim.com.au](http://www.mlim.com.au)

## About managed funds

Managed funds are designed to give investors access to a range of investments by pooling your money with that of other investors, giving you the opportunity to access markets that you may not be able to invest in on your own.

There are many types of managed funds available and they usually provide a diversified approach to investing enabling you the opportunity to achieve an appropriate balance of investments and asset classes to suit your investment objectives and risk profile.

In summary, some of the benefits that can be obtained by investing in managed funds include:

**Increased buying power:** managed funds are able to access a range of domestic and international assets that may not be available to many individual investors.

**Professional investment expertise:** managed funds are run by a team of investment experts who research and monitor the markets on a daily basis.

**Managing risk:** investing in a range of managed funds can assist you in establishing a profile appropriate to your investment needs and suit your risk profile.

**Access to multi-asset class funds:** these funds invest in a range of asset classes such as shares (Australian and international), property, fixed interest and cash – with varied exposure to each asset class.

When you invest in a managed fund, you are issued with a number of units based on the entry unit price at the time you invest (see page 11 for further details on how unit prices are calculated). Your units represent the value of your investment, which will change over time as the market value of the assets fluctuate.

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### Who manages this Fund?

Merrill Lynch Investment Managers Limited is the manager of the Fund and act as the responsible entity under the Corporations Act.

When you invest with Merrill Lynch Investment Managers you are gaining the expertise of an experienced team of Australian investment professionals backed by the international resources and experience of one of the world's largest fund managers.

Merrill Lynch Investment Managers is an Australian subsidiary of Merrill Lynch & Co., Inc. ('Merrill Lynch'). Through its subsidiaries and affiliates, Merrill Lynch provides investment, finance, advisory and related services on a global basis. Merrill Lynch's asset management group known globally as Merrill Lynch Investment Managers ('the group') manages (as at the date of this PDS) more than A\$676 billion for clients around the world, and approximately A\$10.7 billion in Australia.

We are a member of the Investment and Financial Services Association Ltd (IFSA).

Neither Merrill Lynch & Co., Inc. nor any of its associates and subsidiaries (other than Merrill Lynch Investment Managers) has prepared this PDS or is responsible for its contents. None of Merrill Lynch Investment Managers, Merrill Lynch & Co. Inc. or any of their associates and subsidiaries guarantees the success of the Fund, or the repayment of capital or particular rate of return on income or capital.

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# About this Fund

## What is the investment objective of the Fund?

The primary aim of the Fund is to provide investors with a regular monthly income and some capital growth. We aim to achieve this goal by outperforming the benchmark asset allocation returns over rolling three-year periods.

## What is the Fund strategy?

The investment goal of the Wholesale Managed Income Fund is pursued by investing a minimum of 65% of the portfolio in cash and fixed income as well as up to 35% in growth assets.

The cash and fixed income portfolios are managed with the aim of providing an income stream through the year while aiming to maintain the portfolio's capital value. This is achieved by investing in a variety of Australian and internationally sourced interest bearing instruments – for example, government, corporate fixed income securities and convertible notes. A substantial portion of the Fund's total investment in cash and fixed income is invested in floating rate notes ("FRNs"). These are debt securities whose interest rates are adjusted in line with the bank bill rate. This also includes domestic and foreign fixed income debt securities swapped to Australian dollar floating so that the exposures are also adjusted in line with the bank bill rate. The aim of these investments is to generate a regular monthly income stream.

The growth component is predominantly a portfolio of Australian shares and property (direct and listed), but may also include a selection of international and infrastructure shares. The aim of these investments is to generate a regular monthly income stream, as well as some capital growth.

In managing the Fund we gain exposure in asset classes directly or through other wholesale funds that we, or members of our group, manage.

## What is the investment style of the Fund?

We actively manage the Fund. This means we continually monitor and, where necessary, adjust the Fund's portfolio to suit changing economic and market conditions. We place great importance on our research and a team based approach to make investment decisions.

## Fixed Income and Cash

Our investment process is focused on accessing the best ideas of our local and global fixed income teams and seeks to add value by managing duration, yield curve, credit, country and currency exposures against the Fund's benchmark. We utilise indepth research, fundamental credit analysis and the requisite skill base to access diverse opportunities. These ideas are filtered to take into account the income objective of the Fund.

The fixed income portfolio is comprised of government, corporate, mortgage and asset-backed securities, FRNs and may include small exposures to below investment grade securities. Our Australian fixed income portfolios (including our exposure to FRNs), while being principally invested in Australian securities, also includes exposure to international securities.

Cash is invested in Australian money market securities with a maximum maturity of 1 year. Cash investments can also include floating rate notes where the maximum maturity is 3 years. This is in addition to the separate allocation to more conventional floating rate note instruments.

## Equities

The Australian and international share portfolios are based on a "bottom-up" stock selection approach which means that our investments are based on research of individual companies to determine their investment merits. Companies are assessed on three key factors that we believe ultimately drive share prices: management of the company, the strength of the company franchise and the company's valuation. The Australian share portfolio may be focussed on capital growth or income depending on the opportunities in the market set against our assessment of management, business franchise and valuation. There may be an additional allocation to infrastructure equities at times to meet the income objective of the Fund.

## Property

Exposure to property is obtained by investing through the Merrill Lynch Property Trust and listed property securities. The Merrill Lynch Property Trust selectively acquires quality investment properties that provide a blend of income and growth. Investments in listed property securities are actively managed using a bottom up approach to investing. Extensive research is undertaken to evaluate the management, business franchise and valuation of selected property trusts.

## Convertible Notes

The Fund may also invest in convertible securities where the Manager believes it will contribute to meeting the Fund's objectives. It will depend on the specific characteristics of the security as to whether it is classified as a growth asset or a defensive asset.

## Are labour standards or environmental, social or ethical considerations taken into account?

We do not take into account labour standards or environmental, social or ethical considerations in the context of making investment decisions relating to the Fund, except to the extent that we consider these issues when they have the potential to materially impact on the merits of these investment decisions. For example, in the context of investing in particular companies or entities we may take these issues into account when it is likely that these issues may materially impact on the three key factors we believe ultimately drive share or bond prices: management of the company or issuing entity, the strength of the company's or issuing entity's business franchise and the company's or issuing entity's valuation.

This means that should the sustainability of earnings or credit worthiness of those companies/entities that we invest in be adversely affected due to poor labour standards or activities considered environmentally, socially or ethically unacceptable, we may choose not to invest further or choose to divest ourselves of the investment.

## Asset allocation ranges (%)

Asset Sector	Minimum	Benchmark	Maximum
Australian shares <sup>#</sup>	10	15	25
Infrastructure shares	0	0	10
International shares	0	0	5
<b>Total equities</b>	<b>10</b>	<b>15</b>	<b>30</b>
Direct property	0	5	15
Listed property	0	5	10
<b>Total growth assets</b>	<b>10</b>	<b>25</b>	<b>35</b>
Australian fixed income <sup>##</sup>	20	30	40
Floating rate notes (FRNs)	25	35	45
Cash <sup>##</sup>	0	10	20
<b>Total cash and fixed income</b>	<b>65</b>	<b>75</b>	<b>90</b>
Convertible notes <sup>*</sup>	0	0	10
<i>Total other</i>	<i>0</i>	<i>0</i>	<i>10</i>

# May include an additional exposure to listed property securities and infrastructure shares.

## May include an additional exposure to FRNs.

\* Will be classified as growth or cash and fixed income depending on the characteristics of the individual asset.

## What does the Fund invest in?

To achieve its objectives, the Fund is given specific asset allocation ranges, which are the minimum and maximum level of investment allowed in a particular asset class. These ranges are set out in the table above.

The actual asset allocation for the Fund can move within those ranges, according to our view of the outlook for investment markets. The actual allocation to an asset class may be greater than, less than or at the benchmark weighting for the Fund.

We sometimes gain exposure to the asset classes listed in the table above through funds that we, or members of our group, manage. This gives the Fund exposure to a range of markets and investment styles.

## What are the significant benefits of investing in the Fund?

The benefits of investing in the Fund include:

**Easy to add to your investment** – generally you can add to your investment at any time – no minimums apply (see page 11 for further details).

**Easy access to your investment information** – in addition to the regular reporting and statements you receive from us, you can access your personal investment information 24 hours a day, 7 days a week via our website at [www.mlim.com.au](http://www.mlim.com.au) or by calling our InTouch service on 1300 366 100 (see page 14 for further details).

**Receipt of income** – you will generally receive regular income from your investment in the form of distributions. Further information regarding the frequency of distributions is contained on page 12.

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### Reinvestment of distributions –

you have the ability to “top-up” your investment through the reinvestment of your distributions as additional units (see page 12 for further details).

**Access to your investment** – you can withdraw your investment at any time (subject to the terms and conditions highlighted on page 12).

### What are the significant risks?

Before you make an investment decision it is important to identify your investment objectives and the level of risk that you are prepared to accept. This may be influenced by:

- The timeframe over which you are expecting a return on your investment and your need for regular income versus long-term capital growth.
- Your level of comfort with volatility in returns.
- The general and specific risks associated with investing in particular funds.

### General risks

All investments have an inherent level of risk. Generally there is a trade off between higher expected returns for higher expected risk – represented by the variability of fund returns. The value of your investment will fluctuate with the value of the underlying investments in a fund. Investment risk may also result in loss of income or capital invested and possible delays in repayment.

You could receive back less than you initially invested and there is no guarantee that you will receive any income.

Historically, funds that are invested primarily in asset classes such as cash and fixed income have a lower risk profile and are less volatile than other asset classes such as shares.

### What about the specific risks of this Fund?

The significant risks for this Fund, and the ways we aim to manage them, are discussed below. The performance of the Fund will reflect the volatility in the Fund’s underlying investments. If these risks eventuate, your distributions may be lower than expected or there may be none, and the value of your investment could fall.

The significant risks for this Fund may include:

**Individual investment risk:** individual investments we buy, like shares and fixed income securities, can and do fall in value for many reasons such as changes in a company’s internal operations or management, or in the business or economic environment.

Both share prices and fixed income securities experience volatile price movements. Coupon payments from fixed income securities and dividend payments from shares may also vary over time.

The Fund holds a position in Floating Rate Notes (FRNs). These are interest rate instruments which pay interest equal to the prevailing Bank Bill Rate plus a margin. They can be issued by corporations or governments or be backed by assets such as a pool of mortgages. The value of these securities may rise or fall in response to changes in the credit-worthiness of the issuer.

We aim to reduce these risks with careful analysis of research from many sources and by talking to those people who run the companies and are responsible for changes which may impact on our investments.

**Market risk:** economic, technological, political or legislative conditions, and even market sentiment, can (and do) change, and this can mean that changes in the

value of investment markets can affect the value of the investments in the Fund.

We use research and analysis to form a view on these matters as best we can and then rebalance the investment mix of the Fund to reduce the impact.

**Currency risk:** we invest in other countries, and if their currencies change in value relative to our dollar, the value of the investment can change.

We may undertake active currency management in the portfolio with the objective of adding value to the Fund by modifying the currency exposure of the Fund to take advantage of movements in currency markets.

**Fund risk:** risks particular to the Fund include that it could be terminated, the fees and expenses could change, we could be replaced as manager and our investment professionals could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors.

We aim to keep Fund risk to a minimum by monitoring the Fund and acting in your best interests.

### Derivative risk

A range of financial derivatives, for example, futures, options and forward foreign exchange contracts may be used to implement investment decisions and to manage risk in the Fund. Financial derivatives may be used to gain, reduce or modify exposure to a particular asset class or currency. An investment in derivatives can cause the Fund to make gains or incur losses.

### What fees apply?

The table below describes the significant fees that you may be charged from the Fund.

These fees may be deducted from your investment balance, from the returns on your investment or from the Fund as a whole. You should read all the information about fees, as it is important to understand their impact on your investment in this Fund.

The dollar amounts shown in the table below under the heading "Amount" are based on \$500,000 invested in the Fund.

### Significant fees

Fee	Amount	How and when paid
<b>Establishment fee:</b> this is a fee to set up your account.	Nil	Not applicable
<b>Contribution fee:</b> this is a fee for initial investments you make to the Fund. It is also known as an entry fee.	Nil	Not applicable
<b>Withdrawal fee:</b> this is a fee charged whenever you take money out of the Fund. It is also known as an exit fee.	Nil	Not applicable
<b>Termination fee:</b> this is a fee for closing your investment in the Fund.	Nil	Not applicable
<b>Ongoing fees:</b> this is the total of all ongoing fees for the professional expertise provided by us to administer and provide investment management services to the Fund. It is also known as the MER. A breakdown of these fees is shown in the "Breakdown of ongoing fees" table below.	0.78% (\$3,900)	See table below headed "Breakdown of ongoing fees".
<b>Adviser service commission:</b> this is paid to your adviser as an ongoing commission.	Nil	Not applicable

The table below contains a breakdown of the ongoing fees shown in the above table under the heading "Ongoing fees". These fees are not additional to those described in the above table.

### Breakdown of ongoing fees

Fee	Amount	How and when paid
<b>Administration fee:</b> a fee to cover the general administration of the Fund.		All administration and investment management fees are charged as one fee. See below under the heading "Investment Management Fee".
<b>Investment Management Fee:</b> a fee for managing the Fund's investments.	0.7124% (\$3,562)	The fee is a percentage of the net asset value ("NAV") of the Fund. NAV is generally determined by deducting the liabilities from the sum of the market value of all assets of a Fund. The fee accrues daily and is paid from the Fund monthly in arrears. This fee is GST-inclusive, ie. it is the estimated cost to the Fund of the GST-inclusive management fee taking into account reduced input tax credits in respect of the GST component of the fee.
<b>Expense Recoveries:</b> the out-of-pocket expenses we recover from the Fund.	0.0676% (\$338)	Expenses are calculated and accrued in the daily unit price of the Fund. See details on the types of expenses that are charged under the heading "Expense Recoveries" on page 9.

#### Additional fee disclosure

##### Transaction charges

Transaction charges cover our estimate of the costs of buying and selling investments when we invest or process a withdrawal from the Fund. These charges are sometimes called a “buy-sell spread”. These charges won’t impact you unless you invest or withdraw. Transaction charges are not retained by us but are paid to the Fund with a view to ensuring all investors are treated equally. They are incorporated into the entry and exit prices of the Fund which means you won’t see the transaction charge on any statement we send you.

The transaction charges that apply to the Fund are 0.055% on entry and exit.

The Funds’ constitution allows us to charge an estimate of the transaction charges which could change from time to time.

##### Expense Recoveries

We are entitled to be reimbursed for certain expenses incurred in managing the Fund. The expenses include postage and printing costs for statements, cheques and disclosure documents, and the cost of maintaining accounting and unit holders databases. There are other expenses and operating costs, such as audit, legal and tax consulting fees, which are also recoverable out of the assets of the Fund.

The percentage amount of “Expense Recoveries” shown in the table on page 8 is the estimated amount of expenses recovered by us from the Fund for the year ended 30 June 2003. We have, however, the right to recover all proper and reasonable expenses from the Fund and as such this figure may increase or decrease.

##### Management Expense Ratio (MER) – How much do you pay?

The Management Expense Ratio (MER) is a measure of the ongoing fees and expenses of investing in the Fund.

It is expressed as a percentage of the size of the Fund and includes the management fee and expenses relating to the Fund. The MER does not include entry or exit fees or transaction costs. The MER is calculated in accordance with the standards specified by IFSA to measure annually the Fund’s operating expenses as a percentage of the average net asset value.

The MER shows you the cost of using a managed fund compared to investing directly. The MER for the past 3 years is set out in the table below under the heading “MER to 30 June (%)”.

##### MER to 30 June (%)

2003	0.78% of your account balance
2002	0.76% of your account balance
2001	0.76% of your account balance

##### Dollar fee example

The table below shows the dollar effect that the MER for the year ended 30 June 2003 would have had on your investment. The example above assumes an account balance of \$500,000 invested in a single fund. The fee is included in the Fund’s return and is not an additional charge.

##### Dollar fee example

MER	Cost for each \$500,000 of your investment
2003	0.78% of your account balance \$3,900

This is an illustration only. In practice, these fees and expenses are based on the value of the entire Fund, which fluctuates daily. These figures do not represent the actual cost of the Fund.

##### Can the fees and charges change?

Yes, all fees and charges can change. They may vary over time as a result of changes to the product, governing Constitution, changing economic conditions and changes in regulations.

The Constitution of the Fund gives us the power to increase some of the fees and charges outlined in the table on page 8 in certain circumstances. We will, however, provide you with a minimum of 30 days notice if any fees are changed. We are unable to charge more than the Constitution permits (to change the Constitution in this way, we would usually need to have members’ approval).

### Individual fee arrangements and service provider arrangements

We may also pay an additional amount of our management fees to your adviser or to operators of some master trusts or IDPS operators because they offer the Fund on their investment menu, or to “professional”, “sophisticated” or “wholesale” investors (as defined in the Corporations Act) so that in effect they pay a lower ongoing management fee. This is generally because they invest very large amounts of money in the Fund.

We may also, at our discretion, enter into a variety of arrangements with service providers such as master fund and IDPS operators which may involve us making payments to, and providing services to, these operators in return for the promotion of the Fund. Such payments may be one-off payments or on-going based on a percentage of funds under management. These payments are paid out of our fees and are not an additional cost to the investor. Further details on these payments (if any) may be obtained directly from your adviser, master trust or IDPS operator.

### Additional information

Government taxes such as GST will be deducted from the Fund as appropriate. Relevant tax information is provided in the Tax section on page 13.

If you want to work out your own fee structure and the impact this has, then ask your adviser for help or visit [www.asic.gov.au](http://www.asic.gov.au), where ASIC offers a fee calculator to help investors compare the fees of different products.

### Performance to 30 April 2004

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Distribution return	5.10	5.12	5.48	6.27	6.50
Growth return	3.21	-1.32	-1.14	0.41	0.79
Total (net) return	8.31	3.80	4.34	6.68	7.29
Total (gross) return	9.06	4.55	5.07	N/a <sup>^</sup>	N/a <sup>^</sup>
Benchmark	7.23	5.40	5.77	N/a <sup>^</sup>	N/a <sup>^</sup>

\* 30 September 1992

<sup>^</sup> Gross Fund and Benchmark returns were not calculated for this period.

Past performance is not a guide to future performance. Long-term performance shows the potential volatility of returns over time.

Total net Fund returns shown are prepared on an exit-to-exit basis (ie. include all ongoing fees and expenses). Total gross returns and benchmark performance figures shown are gross (ie. do not include expenses, fees or tax).

Updated performance information is available from your IDPS operator, financial adviser, by contacting our Client Service Centre or from our website at [www.mlim.com.au](http://www.mlim.com.au). See page 14 for further details on how to access current information.

### Asset class benchmark indices

Australian shares	S&P/ASX 200 Accumulation Index <sup>1</sup>
Infrastructure shares	S&P/ASX 200 Accumulation Index
International shares	MSCI World Index ex-Australia (unhedged)
Direct property	Mercer Direct Property Index
Listed property	S&P/ASX 200 Property Trusts Accumulation Index <sup>2</sup>
Australian fixed income	UBS Warburg Fixed Interest Index 0–5 Year <sup>3</sup>
Floating rate notes (FRNs)	UBS Warburg Australia Bank Bill Index
Cash	UBS Warburg Australia Bank Bill Index
Convertible notes	UBS Warburg Australia Bank Bill Index

1. Applied from 3 April 2000. Previous index was the ASX All Ordinaries Accumulation Index.

2. Applied from 3 April 2000. Previous index was the ASX Listed Property Trust Accumulation Index.

3. Applied from 22 April 2003. Previous index was the UBS Warburg Australia Fixed Interest Index.

### Fund performance and size

The Fund size as at 30 April 2004 was \$227m.

Long term performance of the Fund as at 30 April 2004 is set out in the table above headed “Performance to 30 April 2004”.

### Benchmark performance

The benchmark for the Fund provides a performance target against which the Fund’s performance is measured over a set period of time. As the Fund is a diversified fund, there is no one relevant index to provide a benchmark, so the benchmark consists of a weighted average of the returns provided by market indices for relevant asset classes. The indices used for each asset class of the Fund are listed in the table above headed “Asset class benchmark indices”.

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### How to invest

When investing through an IDPS or master trust you must complete the documents which the operator of these services requires.

When investing directly in the Fund you generally need a minimum investment of \$500,000. To make your investment, complete the application form accompanying this PDS and either:

- send us the completed application form together with your cheque for your initial contribution; or
- forward the completed application form by facsimile (to the attention of Manager – Client Administration) together with verification from your financial institution that the money has been banked. You will need to confirm your application request by sending us the original. The use of facsimile instructions is subject to the terms and conditions set out on page 17.

The deadline for receipt of an application request is 2.00pm Eastern Standard Time (EST) on any Melbourne or Sydney business day. Requests received after this time will be treated as received on the following Melbourne or Sydney business day.

Additional investments can be made at any time in writing (including by facsimile). Additional investments are made on the basis of a current PDS.

### Investing through a master trust or IDPS

Master trusts and Investor Directed Portfolio Services (IDPS) are investment and reporting services provided by an operator.

When you gain exposure to this Fund through one of these services you do not become an investor in the Fund yourself. Instead, it is generally the operator of the service which invests for you and so, has the rights of an investor. They choose to exercise these rights in accordance with their arrangements with you.

As an indirect investor you complete the application forms for the IDPS or master trust and receive reports from the operator of the service, not us. Enquiries should be directed to that operator. Additionally, some provisions of the Fund's Constitution are not relevant for indirect investors. For example, indirect investors cannot attend meetings or transfer units.

### How are unit prices calculated?

When you invest in the Fund you are allocated a number of units in the Fund. Each of these units represents an equal part of the Net Asset Value of the Fund. As a result, each unit has a dollar value or 'unit price'.

Both the entry and exit prices are based on the Net Asset Value ("NAV") of the Fund adjusted to take account of transaction costs. Both prices are generally calculated each Melbourne or Sydney business day. The NAV represents all the assets of the Fund less any liabilities that the Fund owes.

The unit price we apply for an application or withdrawal will be the price based on the value of the assets in the Fund next calculated following receipt of the application or withdrawal request.

The deadline for receipt of an application or withdrawal request is 2.00pm EST on any Melbourne or Sydney business day. Requests received after this time will be treated as received on the following Melbourne or Sydney business day.

We have the discretion however, to price more or less frequently when unusual circumstances prevail (for example, when there has been unusual volatility in the market) in order to protect the interests of all investors.

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### How do you receive income from your investment?

Any income you receive from your investments will be in the form of distributions. Your distribution may include income such as interest, dividends and realised capital gains.

If you hold units in a Fund at the close of business on the last day of a distribution period, you are entitled to participate in the Fund's distribution.

Distributions (if any) may vary over time depending on the Fund's realised gains in a particular period. If investments are sold during a period, any taxable gains from the sale will generally be included as part of the distribution for that period.

Distributions are determined at the end of each month but if you have invested through an IDPS or master trust the operator of such services may pay distributions at times which are different to this.

Following the determination of a distribution, the unit price will fall to reflect the reduced value of the relevant Fund following the payment of the distribution to investors – in other words it is priced to exclude the distribution entitlement.

### Distribution payment options

If you have invested directly in the Fund, you have two payment options regarding your distribution payments:

- reinvestment
- direct deposit to your nominated bank account

If you do not indicate a distribution payment option on your application form, all your income distributions will automatically be reinvested as additional units, based on the NAV per unit applicable at the end of the distribution period, adjusted for the distribution payable (if any) in relation to that period.

If you have selected the direct deposit payment option and the distribution payment by direct deposit is unsuccessful on three occasions, your income distributions will be reinvested as additional units in the Fund.

### Withdrawing your investment

If you have invested through an IDPS or master trust, you need to complete the documents which the operator of these services requires of you to withdraw from the Fund. You don't need to complete any of our forms.

If you have invested directly into the Fund, withdrawals can be made in writing (including by facsimile) or by telephone using your PIN (see page 17) in conjunction with your Investor Number. We will then send a cheque or make a deposit into your bank account.

You will normally be able to withdraw money from the Fund on any Melbourne or Sydney business day. Withdrawal requests must be received by 2.00pm. Requests received after this time will be treated as received the following Melbourne or Sydney business day.

Withdrawals are normally processed and posted within seven business days of our having received the request (although we are allowed longer periods under the Fund's Constitution). If you have invested through an IDPS or master trust please note that the operator of such services will process your withdrawal.

In unusual circumstances, we may delay the processing of requests for the period that the unusual circumstances prevail.

The Fund's Constitution also permits us to suspend calculation of the Fund's NAV as long as we consider it impractical or inappropriate to calculate the Fund's NAV. We may also stagger the number of days, to a total of five days, over which payments are made if withdrawal requests received total more than 5% of units on issue.

If you have invested directly into the Fund, your withdrawals are subject to a minimum balance of \$500,000 being retained in the Fund unless you were an existing unit holder at 29 July 1999, in which case a minimum of \$100,000 must be retained. If a withdrawal request is made which would result in either minimum not being met, we may not comply with the request unless the total balance is withdrawn.

The Fund is not listed on any stock exchange like the Australian Stock Exchange, so you cannot sell your units through a stockbroker.

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# Additional information

## Taxation

Investing, and dealing with investments, often has tax and social security implications which can be complex, and which are invariably particular to your circumstances. It is important that you seek professional advice before you make an investment decision.

### Taxation of the Fund

Australia has been in the process of major taxation reform for some years. While the final form of the taxation reforms is still not certain, it is expected that the Fund will continue to be subject to “flow through” taxation, and generally not pay any tax so long as it fully distributes its income to unit holders. We intend to monitor developments and where “flow through” taxation is available, take all reasonable steps to ensure that the Fund satisfies the relevant requirements to be taxed in this manner.

As the responsible entity of the Fund, however, we may be liable to pay tax for certain taxable income to which non-resident unit holders are entitled.

### Taxable income of the Fund

The disposal of investments by the Fund may result in taxable income. In broad terms, under the capital gains tax provisions of the Income Tax Assessment Act, a gain arising on the disposal of an investment by the Fund will, where the sum of capital gains exceeds any capital losses, be included in the Fund’s taxable income.

Depending on the types of investments made, the Fund can derive income in the form of dividends, interest, rent, gains on the disposal of investments and other types of income. Generally speaking, such income derived by the Fund is taxable, but tax credits (eg. imputation credits and foreign tax credits) may be available to investors to offset part or all of any resulting tax liability.

Capital gains will be calculated based on the nominal gain on disposal of investments. Where the asset disposed of was held for 12 months or more, eligible investors are able to claim concessional treatment. You may be entitled to a credit for foreign tax paid on certain income or capital gains received from overseas investments. A disposal of certain investments held by the Fund may give rise to income rather than capital gains. In either case, the Fund will distribute all gains (less available losses) to unit holders during the year of income.

### Taxation of your income entitlement

We will calculate the taxable amount of the distribution (if any) to which you are entitled. The taxable amount distributed must be included in your assessable income for the year in which the distribution was made. The distribution of other amounts which are included in the distribution amount which are not taxable income may reduce the cost base of a unit holder’s units. Where the cost base is reduced to nil, any excess amount may give rise to a capital gain.

The Foreign Investment Funds (“FIF”) regime may apply to certain investments made by the Fund. Under the FIF regime, you will be assessed on gains in the value of interests in the investments held by the Fund in which you have invested, even though those gains are unrealised. The FIF regime requires you to include in your assessable income your proportion of the FIF income of the Fund in which you have invested for the year. We intend to ensure that the foreign holdings of the Fund satisfy the exemptions to the FIF regime. If the exemptions are satisfied no amount should be assessed under the FIF regime.

The Federal Government has made several proposals in relation to the operation of the FIF rules for managed funds, which we will monitor going forward.

### Acquisition and redemption of units

Under the capital gains tax provisions, when you redeem your units, whether by withdrawing, switching or transferring your units, you may be liable to tax on any gain. Where units have been held for twelve months or more, the gain may be eligible for concessional treatment under the capital gains tax rules.

Should a capital loss arise on redemption of a unit, the loss will not be an allowable deduction for you but may be able to be offset against capital gains arising in that year or in subsequent years. Certain investors (for example, those carrying on a business of trading in units or securities) may be liable to tax on any gains made on the redemption of units as ordinary income.

### Goods and Services Tax

Where under the GST legislation the Fund is entitled to credits for GST paid to another person (generally 75% of the GST on certain acquisitions), the cost of paying GST from the Fund will be reduced proportionately.

If you have invested through an IDPS or master trust you can find out more about the impact of tax by looking at the guide or the prospectus for these services.

### Keeping you informed

When you invest through an IDPS or master trust, the operator of that service will send you information relating to your investment.

When you invest directly in the Fund you will receive:

- **Confirmation Statement** specifying details relating to your investment and your Investor Number, together with any investor information brochure explaining the administration of your investment. Your PIN is sent to you separately.
- **Regular reporting** including a quarterly update on all our funds.

- **Distribution Statement** after each distribution period. At the end of each financial year, you will receive a Consolidated Distribution Statement that will help to simplify your record keeping by providing the total of your income payments over the past twelve months.
- **Tax Statement** on an annual basis
- **Capital Gains Tax Statement** (if you make a withdrawal during the year) on an annual basis.

You will also receive a Confirmation Statement for most transactions conducted on your account.

### Financial Information

A copy of the audited financial statements of the Fund is available free of charge from us or upon request from your IDPS or master trust operator. The accounts will include a Statement of Financial Performance, Statements of Cash Flows, Statement of Financial Position, as well as notes to the accounts.

A copy of the annual audited financial accounts is available by the end of September each year.

### Accessing current investment information and updated information

Certain information in this PDS is subject to change. We will notify you of any changes that have a materially adverse impact on you or other significant events that affect the information in this PDS. Updated performance information, fund size, current unit prices and other general information relating to the Fund is available on our website at [www.mlim.com.au](http://www.mlim.com.au).

A paper copy of updated Fund performance and size information as well as information regarding the current investment mix of the Fund is available free of charge upon request.

If you have invested directly in the Fund you may also obtain this information:

- from your financial adviser;
- by calling our Client Service Centre on 1300 366 100.

Our Client Service Centre operates between 8.30am and 6.00pm EST, Monday to Friday. Alternatively, you can use our "InTouch" service which allows you to access your investment details by telephone, 24 hours a day, 7 days a week. You can access the InTouch service by calling 1300 366 100.

If you have invested through an IDPS or master trust operator, the operator of that service will also be able to assist you with obtaining updated information.

### What are our reporting requirements?

As we are a disclosing entity, the continuous disclosure requirements of the Corporations Act apply. This means that, in addition to the above information sent to you, we have various reporting and disclosure obligations to the regulator, the Australian Securities and Investment Commission (ASIC). Copies of documents we lodge may be obtained from or inspected at an ASIC office. We will send you copies of the Fund's yearly and any half yearly accounts (if applicable) and any continuous disclosure notices we lodge, free upon request.

### Do you have any "cooling off" rights?

If you have invested directly into the Fund and are not otherwise a "wholesale", "professional" or "sophisticated" investor (as defined in the Corporations Act) you have a 14 day cooling off period in which to decide if the investment is right for you.

The amount of your refund will be calculated on the day we receive your written request to withdraw your investment, reduced or increased for market movements in the relevant Fund as well as any applicable transaction costs and less any non-refundable tax or duty paid or payable. Accordingly, depending upon the circumstances, the amount returned to you may be greater or less than the amount initially invested.

If you have invested through a master trust or Investor Directed Portfolio Service (IDPS), your rights to cool-off will be dealt with in the disclosure document for that master trust or IDPS.

### Our legal relationship with you

We are the responsible entity for the Fund and as such we are licensed by ASIC which is responsible for regulating the operation of managed investment schemes like the Fund.

### Constitution

Our responsibilities and obligations are governed by a Constitution for the Fund as well as the Corporations Act and general trust law.

The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both you and us. Some of the provisions of the Constitution are discussed elsewhere in this PDS. Others relate to your rights under the Constitution, including:

- your right to share in the Fund income, and how we calculate it;
- how we must calculate unit prices and what you are entitled to receive when you withdraw or if the Fund is wound up;
- the times when we can delay processing withdrawals (such as if the Fund becomes "illiquid" or pricing of the Fund is impractical); and
- the nature of the units and classes of units – identical rights attach to all classes of units.

Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

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There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can terminate the Fund or class of units or reclassify units and what happens if we do. We can only terminate the Fund in accordance with the Corporations Act and only if we provide you with the required notice, and if we do, you share pro rata in the net proceeds from us selling the investments;
- when we can amend the Constitution. Generally we can only amend a Constitution where we reasonably believe that the changes will not adversely affect your rights as an investor. Otherwise, a Constitution can only be amended if approved at a meeting of investors;
- our ability to delay access to your money, such as if the Fund becomes 'illiquid' or pricing of the Fund impracticable; and
- our broad powers to invest, borrow and generally manage the Fund. We do not currently intend to borrow funds to acquire assets for the Fund, although this is permitted under the Fund's Constitution. We may only borrow if we consider it to be in the best interests of unit holders.

The Constitution contains a provision that it alone, and no other laws (except, of course, those laws we cannot exclude), is the source of our relationship with you and other investors in the Fund. We are not liable for any loss unless we fail to comply with our duties under the Corporations Act.

The Constitution also deals with our liabilities in relation to the Fund and when they can be reimbursed to us out of the Fund's assets, for example:

- we are not liable for acting in reliance and in good faith on professional advice;
- we are not liable for any loss unless we fail to comply with our duties under the Corporations Act; and
- we can be reimbursed for liabilities we incur in connection with the proper performance of our duties for the Fund.

### Compliance Plan

We have lodged a Compliance Plan for the Fund. The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act and the Constitution of the Fund. To oversee compliance with the Compliance Plans, we have established a Compliance Committee. The Compliance Committee is required to report breaches of the Constitution and the Corporations Act to the directors of Merrill Lynch Investment Managers, and in some circumstances, to ASIC.

A copy of the Fund's Constitution and Compliance Plan are available free of charge from us by calling our Client Service Centre on 1300 366 100.

### Auditor

We have an obligation under the Corporations Act to appoint an auditor of the Fund and Compliance Plan. The current auditor of the Fund and Compliance Plan is Price WaterhouseCoopers ("PwC") of 333 Collins Street, Melbourne, Victoria, 3000.

PwC has consented to be named in this PDS in the form and context in which it is included and has not withdrawn this consent before the date of this PDS.

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## Custody

A custodian (sometimes more than one) is appointed by Merrill Lynch Investment Managers to hold the assets of the Fund. Our current policy is to appoint an independent professional custodian. You will be informed if this policy changes. In addition, the appointment of a custodian must be in accordance with the applicable legal and regulatory requirements which include a requirement that the custodian have at least \$5 million in net tangible assets. Merrill Lynch Investment Managers remains liable to unitholders for acts and omissions of the custodian.

The role of a custodian is limited to holding assets of the Fund on behalf of Merrill Lynch Investment Managers and acting in accordance with instructions from Merrill Lynch Investment Managers (except in limited circumstances where the custodian has a discretion to act without instructions).

A custodian has no supervisory obligation to ensure that Merrill Lynch Investment Managers comply with their obligations as responsible entity of the Fund.

The custodian may change from time to time but must satisfy any relevant regulatory requirements as mentioned above. If you require details of our custodian at any time, you should contact our Client Service Centre on 1300 366 100.

## About this PDS

This PDS is dated 18 June 2004. This PDS has been prepared for use by those investing directly into the Fund and has also been authorised for use as disclosure to clients of an IDPS or master trust.

If you have received this PDS (and any supplementary documents) electronically we will provide a paper copy free of charge upon request. This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. It is not available in any other country. If you are printing an electronic copy of this PDS you must print all pages including the application forms.

If you make the PDS available to another person you must give them the entire electronic file or printout, including the application forms.

You cannot invest directly in the Fund unless you use the application form attached to, or accompanying, either a paper or electronic copy of this PDS.

## Faxed Instructions

If you have invested directly in the Fund and wish to fax your instructions to us, please be aware that fraudulent or other unauthorised fax instructions can be made by persons with access to your account name and a copy of your authorised signatures. Accordingly, you agree to release and indemnify us against all claims and demands arising as a result of our acting on what appeared to be your faxed instructions.

## Personal Identification Number

If you invest directly into the Fund, you will be provided with a Personal Identification Number (PIN) which will allow you to complete certain transactions on your account.

Your PIN must be used in conjunction with your Investor Number. If your PIN is used by someone without your authority, we will not generally be liable for any loss incurred by you. Do not store your PIN with your Fund records. When using your PIN you release, discharge and agree to indemnify us from and against all actions, proceedings, claims and liabilities arising out of the use of your PIN, except to the extent that such liability is attributable to our own neglect. We may continue to accept telephone withdrawal requests until we receive the written notice from you to cancel or vary your PIN.

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### Enquiries and complaints

We have established procedures for dealing with enquiries and complaints.

If you have an enquiry or complaint, you can either call our Client Services Centre on 1300 366 100 or write to our Enquiries and Complaints Officer at Merrill Lynch Investment Managers Limited, Level 19, 120 Collins Street Melbourne, Vic. 3000 or fax your enquiry or complaint to (03) 9657 3400.

If you have invested through an IDPS or master trust, you should firstly contact the operator of that service. If a complaint is not satisfied within a reasonable time, or you are not satisfied with our response, you may refer your complaint to the Financial Industry Complaints Service ("FICS") of which we are a member and which is an independent entity. The FICS contact details are: 31 Queen Street, Melbourne, Vic. 3000. Telephone: (03) 9629 7050.

### Privacy

If you have invested through an IDPS or master trust, the Privacy Policy of the operator of that service will apply to your investment. If you have invested directly, the information requested on the attached application form is used by us for the primary purpose of establishing and administering your investment(s) with us. We are unable to process your application and provide you with the requested investment without this information.

A Privacy Policy detailing our handling of personal information is available upon request. You may request access to the information held by us about you and your investment(s), and we ask that you advise us of any changes to such information you may have provided.

We may disclose your information (or parts thereof) to external parties who act on our behalf in the operation of our business from time to time. We may also disclose your information to external parties on your behalf, such as your financial adviser, unless you have instructed otherwise.

We, Merrill Lynch & Co., Inc. and its related bodies corporate may use your information on occasion, to advise you about other services or products offered by us or them, but you may elect to stop receiving such information at any time.

You may contact our Privacy Officer on (03) 9657 3000 if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

### Where to find us

If you have invested through an IDPS or master trust your first point of contact is the operator of your service. If any issues you have about us or the Fund remain unresolved then you can contact the complaints scheme of which they are a member.

If you have invested directly into the Fund we may be contacted as follows:  
Client Service Centre 1300 366 100  
Website: [www.mlim.com.au](http://www.mlim.com.au)

### Directors

Maurice J O'Shannassy  
Kerrie A Howard  
Peter J Gibbs  
James T Stratford

The Directors have authorised the issue of this PDS.



Melbourne  
Level 19,  
120 Collins Street,  
Melbourne Vic 3000

Sydney  
Level 52, MLC Centre,  
19–29 Martin Place,  
Sydney NSW 2000

Brisbane  
Level 2, Waterfront Place,  
1 Eagle Street,  
Brisbane QLD 4000

Perth  
Level 1,  
190 St Georges Terrace,  
Perth WA 6000

Adelaide  
Level 1,  
213 Greenhill Road,  
Eastwood SA 5063

Client Service Centre:  
1 300 366 100  
Website:  
[www.mlim.com.au](http://www.mlim.com.au)