

## BlackRock Scientific Diversified Stable Fund

ARSN 089 406 011

### Product Disclosure Statement

**Dated 5 January 2009**

BlackRock Asset Management Australia Limited

ABN 33 001 804 566

Australian Financial Services Licence No 225398

## Supplementary Product Disclosure Statement No. 4

### BlackRock Scientific Diversified Stable Fund

Date: 30 March 2012

BlackRock Scientific Diversified Stable Fund  
 ARSN 089 406 011  
 Issued by BlackRock Asset Management Australia Limited  
 ABN 33 001 804 566  
 Australian Financial Services Licence No 225398

This Supplementary Product Disclosure Statement No. 4 (“Fourth SPDS”) updates the Product Disclosure Statement dated 5 January 2009 (the “Product Disclosure Statement”) for the BlackRock Scientific Diversified Stable Fund (the “Fund”), as amended by the Supplementary Product Disclosure Statement No. 1 dated 2 December 2009 (“First SPDS”), the Supplementary Product Disclosure Statement No. 2 dated 16 February 2010 (“Second SPDS”) and the Supplementary Product Disclosure Statement No. 3 dated 24 June 2011 (“Third SPDS”). This Fourth SPDS must be read in conjunction with the Product Disclosure Statement, the First SPDS, the Second SPDS and the Third SPDS. All changes disclosed below will take effect from the date of issue of this Fourth SPDS.

This Fourth SPDS sets out the following important changes:

#### Purpose of this Fourth SPDS

##### Change of Asset Allocation

The BlackRock Scientific Diversified Stable Fund will be changing its benchmark weights and asset allocations, effective on or about the 30 March 2012.

The Asset Allocation table, as set out in the Second SPDS, is deleted in its entirety and replaced with the following table:

Asset Allocation			
Asset Class	Investment Ranges (%)		Benchmark Weights (%)
	Min.	Max.	
Australian shares	10	25	19
International shares:	0	15	
▶ Hedged			5
▶ Unhedged			2
Emerging market shares	0	10	2
Global listed infrastructure - unhedged	0	10	5
Australian fixed interest	20	35	
▶ Australian fixed interest			20
▶ Australian inflation-linked bonds			5
International fixed interest*	5	25	
▶ International fixed interest			17
▶ Global inflation-linked bonds			0
Cash <sup>1</sup>	20	30	25

\* 100% hedged in AUD

- The Fund's cash allocation includes exposure to the “Underlying Fund” (as described in the Product Disclosure Statement) through which active asset allocations “TAA” are made as well as the BlackRock Fixed Income GlobalAlpha Fund Ltd (Dublin) (as described in the Second SPDS).

As part of the above changes the Fund will gain exposure to Australian inflation-linked bonds, benchmarked against the UBS Inflation-Linked Government Bond Index, via another managed investment scheme managed by us.

Terms used in this Fourth SDPS have the same meanings as in the Product Disclosure Statement, the First SPDS, the Second SPDS and the Third SPDS. Prior to investing in the Fund, a prospective investor must take into account and accept the foregoing information, as well as the information disclosed in the Product Disclosure Statement, the First SPDS, the Second SPDS and the Third SPDS.

## Supplementary Product Disclosure Statement No. 3

### BlackRock Scientific Diversified Stable Fund

(ARSN 089 406 011)

Issued by BlackRock Asset Management Australia Limited

ABN 33 001 804 566

Australian Financial Services Licence No 225398

Date: 24 June 2011

This Supplementary Product Disclosure Statement No. 3 ("Third SPDS") updates the Product Disclosure Statement dated 5 January 2009 ("Product Disclosure Statement") for the BlackRock Scientific Diversified Stable Fund (the "Fund"), as amended by the Supplementary Product Disclosure Statement dated 2 December 2009 ("First SPDS") and the Supplementary Disclosure Statement No. 2 dated 16 February 2011 ("Second SPDS"). This Third SPDS must be read in conjunction with the Product Disclosure Statement, First SPDS and Second SPDS. All changes disclosed below will take effect from the date of issue of this Third SPDS.

This Third SPDS sets out the following important change to the Fund as follows:

### Purpose of this Third SPDS

#### Changing of Spreads

Please note that from 24 June 2011, the Buy/Sell spreads for the BlackRock Scientific Diversified Stable Fund, as outlined in the Buy/Sell Spreads section (on page 7, under the 'Additional Explanation of Fees and Costs') of the Product Disclosure Statement, changed from 0.20% to 0.15% for both applications and redemptions.

**Terms used in this Third SPDS have the same meanings as in the Product Disclosure Statement, First SPDS & Second SPDS. Prior to investing in the Fund, a prospective investor must take into account and accept the foregoing information, as well as the information disclosed in the Product Disclosure Statement, First SPDS & Second SPDS.**

Supplementary Product  
Disclosure Statement No. 2  
BlackRock Scientific  
Diversified Stable Fund

Date: 16 February 2011

Issued by BlackRock Asset Management Australia Limited  
ABN 33 001 804 566  
Australian Financial Services Licence No 225398

**BLACKROCK**

This Supplementary Product Disclosure Statement (SPDS) No 2 is supplementary to the Product Disclosure Statement dated 5th January 2009 and the SPDS No 1 dated 2nd December 2009 and must be read in conjunction with these documents. Unless otherwise indicated, all changes will take effect from the date of issue of this SPDS.

The Product Disclosure Statement is hereby supplemented as follows:

On or around the 14th of May, the BlackRock Scientific Diversified Stable Fund (Fund) will be changing its benchmark weights & investment ranges to those outlined in the table below:

**Asset Allocation**

Asset Class	Investment Ranges		Benchmark
	Minimum	Maximum	
Australian Shares	10.0%	25.0%	19.0%
International Shares – unhedged	0.0%	15.0%	2.0%
International Shares – hedged			5.0%
Emerging Markets Shares	0.0%	10.0%	2.0%
Global Listed Infrastructure – unhedged	0.0%	10.0%	5.0%
Australian Fixed Interest	20.0%	35.0%	25.0%
International Fixed Interest	5.0%	20.0%	12.0%
Global Inflation-Linked Bonds	0.0%	10.0%	5.0%
Cash <sup>1</sup>	20.0%	30.0%	25.0%

As part of the changes above the Commodities & Listed Property asset classes & their related benchmarks (as outlined in the Product Disclosure Statement) will no longer be included in the Fund's strategic allocation and benchmark. The Fund will gain exposure to Emerging Markets Equities (benchmarked against the MSCI Emerging Markets IMI) via the BlackRock Indexed Emerging Markets IMI Equity Fund and a fixed income portable alpha asset allocation strategy via the BlackRock Fixed Income GlobalAlpha Fund Ltd (Dublin)<sup>2</sup>.

1. The Fund's cash allocation includes exposure to the "Underlying Fund" as described in the Product Disclosure Statement through which active asset allocations "TAA" are made as well as the BlackRock Fixed Income GlobalAlpha Fund Ltd (Dublin).
2. The BlackRock Fixed Income GlobalAlpha Fund Ltd (Dublin) is a Dublin domiciled fixed interest total return fund that is managed by BlackRock's offshore related entities. This fund uses a levered high breadth long short investment strategy which seeks to consistently outperform cash and seeks to capture alpha using relative value, directional, and opportunistic strategies that are implemented across the global fixed income markets. The GlobalAlpha Fund primarily uses derivatives, with a focus on liquid instruments, in implementing its investment strategies.

## Supplementary Product Disclosure Statement

### BlackRock Scientific Diversified Stable Fund

(known prior to the 2 December 2009 as the Barclays Managed Investment Funds - Diversified Stable Fund)

DATE: 2<sup>ND</sup> DECEMBER 2009

This Supplementary Product Disclosure Statement is issued by BlackRock Asset Management Australia Limited (ACN 001 804 566, AFSL Licence No: 225398). It updates the Product Disclosure Statement dated 5th January 2009 (“Product Disclosure Statement”) for the BlackRock Scientific Diversified Stable Fund (known prior to 2 December 2009 as Barclays Managed Investment Funds - Diversified Stable Fund) and should be read in conjunction with the Product Disclosure Statement. All changes will take effect from the date of issue of this Supplementary Product Disclosure Statement.

The Product Disclosure Statement is hereby supplemented as follows:

#### 1. Closing of BlackRock Transaction

The following text replaces the text under the heading “Who manages the Fund” on page 1 of the Product Disclosure Statement.

BlackRock Asset Management Australia Limited (known as “Barclays Global Investors Australia Limited” prior to 2 December 2009 (“BGIA”)) is the Responsible Entity of the BlackRock Scientific Diversified Stable Fund (the “Fund”). Barclays Global Investors (BGI) is one of the world’s largest investment managers and providers of risk controlled active strategies including total return, stock selection, market selection, fixed income, currency and diversified funds, as well as index strategies across developed and emerging markets.

On 16 June 2009, Barclays Bank PLC, the ultimate parent company of BGI and Barclays Global Investors Australia Limited (BGIA), accepted a binding offer and entered into an agreement to sell its interests in BGI, BGIA, and certain affiliated companies, to BlackRock, Inc., (“the BlackRock Transaction”). The closing of the BlackRock Transaction has been subject to certain regulatory approvals, as well as other conditions.

On 2 December 2009, the BlackRock Transaction was completed. As a result of the BlackRock Transaction, there has been a change of effective control of BGIA, from Barclays Group to BlackRock Inc.

Headquartered in New York, BlackRock Inc. maintains a major presence in most key markets including the United States, the United Kingdom, Asia, Australia, the Middle East and Europe. BlackRock has asset management teams covering all major asset classes, across many investment styles and regions around the globe. Through cutting edge systems capabilities and an unqualified commitment to teamwork and communication across all its investment capabilities BlackRock delivers an unparalleled breadth of perspective and insights to the management of all its client portfolios. Within Australia, BlackRock manages a range of products and services including equities, fixed income, cash, property and client solutions.

## 2. Responsible Entity Change of Name and Change of Control

As a result of the closing of the BlackRock Transaction, the name of the Responsible Entity has changed to “BlackRock Asset Management Australia Limited”.

All references in the Product Disclosure Statement to “Barclays Global Investors Australia Limited” should be read as a reference to “BlackRock Asset Management Australia Limited” and any reference to “Barclays Group” or “Barclays PLC” should be read as a reference to “BlackRock Inc.”

## 3. Fund Name Changes

The name of the Fund has changed to the BlackRock Scientific Diversified Stable Fund from 2 December 2009.

Each of the references to the “Barclays Managed Investment Funds - Diversified Stable Fund” in the Product Disclosure Statement should now be read as “BlackRock Scientific Diversified Stable Fund”.

Please note this is a name change only, there are no changes to the investment objectives or management of the Fund.

## 4. Website and Email Address Changes

Please note our new website and email addresses are as follows:

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

Email: Email domain changes from .barclaysglobal.com to .blackrock.com

Please note that any e-mails sent to .barclaysglobal.com will be automatically redirected in the short term.

Please note that our current business address in Sydney has not changed.

**Terms used in this Supplementary Product Disclosure Statement have the same meanings as in the Product Disclosure Statement. Prior to investing in the Fund, a prospective investor must take into account, and accept, the foregoing information, as well as that disclosed in the Product Disclosure Statement.**

**This Product Disclosure Statement is only for use by investors investing through a master trust or wrap account.**

## Who manages the Fund?

Barclays Global Investors Australia Limited (“BGIA”) is the Responsible Entity of the Barclays Managed Investment Funds – Diversified Stable Fund (the “Fund”). Barclays Global Investors (“BGI”) has offices in the US, Australia, Canada, Europe, Hong Kong, Japan, and Singapore and is the asset management arm of Barclays PLC – a public company listed on the London Stock Exchange.

BGI is one of the world’s largest investment managers and providers of risk controlled active strategies including total return, stock selection, market selection, fixed income, currency and diversified funds, as well as index strategies across developed and emerging markets.

## About the Fund

The Fund aims to achieve superior investment performance through providing returns that exceed those of the neutral portfolio benchmark by 0.45% p.a., after fees, over rolling 3-year periods. The neutral portfolio benchmark comprises a portfolio of published indexes, 70% of which represent interest bearing assets and 30% of which represent growth assets. The minimum recommended investment period for the Fund is 3 years.

The Fund invests into a variety of asset classes including Australian and international shares, Australian and international fixed interest securities, listed property, global listed infrastructure, commodities and cash. With the exception of the international fixed interest exposure (which is managed on an index basis), all other asset classes are managed with the objective of outperforming the returns of their respective benchmarks.

Like most managed funds, the Fund is a unit trust. Investors contribute money and are issued units to which rights (such as to any income) attach.

## How do we manage your money?

Our investment style – scientific investing – is based on our belief that people, leveraged by technology, are central to the consistent achievement of our clients’ investment goals.

We believe that an optimal investment outcome can best be achieved through Total Performance Management – understanding, measuring, forecasting and managing the three dimensions of investment performance: return, risk and cost.

## What does the Fund invest in?

The Fund invests in various asset classes primarily via actively managed sector funds also managed by BGI. Each sector fund utilises a disciplined active approach to investment management that aims to add value while controlling active risk. Exposure to international fixed interest securities is gained via an index fund.

Active asset allocation decisions are currently made across a number of global markets, including, but not limited to, currency, industry, commodity, equity and bond markets. These decisions are made through an underlying fund (the “Underlying Fund”), which gains exposure to long and short positions in several types of

**IMPORTANT INFORMATION:** Neither the performance of the Fund offered in this Product Disclosure Statement nor the repayment of capital or any income from the Fund is guaranteed by Barclays Global Investors Australia Limited, Barclays PLC or any subsidiary of the Barclays Group. The product is not a deposit or other liability of Barclays PLC or its subsidiaries. Investment products are subject to investment risk, and possible delays in repayment and loss of income and principal invested. This Product Disclosure Statement can only be used by investors receiving it (electronically or otherwise) in Australia. The Responsible Entity of the fund offered in this Product Disclosure Statement is Barclays Global Investors Australia Limited, ABN 33 001 804 566, AFS Licence No. 225398.

domestic and international derivatives, which may include, but are not limited to, bond and share price index exchange traded futures, commodity futures, over-the-counter foreign exchange forward contracts, over-the-counter swaps, and options. This fund may also gain exposure to physical securities.

The Underlying Fund is geared. While gearing in the Underlying Fund presents opportunities for increasing the total return on investments, it has the effect of increasing losses as well. However, the Underlying Fund has limited liability and it is designed to endeavour to avoid uncompensated risks.

As BGI aims to continuously monitor, research and improve the Underlying Fund's investment strategy, subsequent strategy enhancements may result in the Underlying Fund changing its exposure to the number and type of assets over time. Whilst the Responsible Entity will endeavour to notify the Unitholders of significant strategy enhancements, it will not seek consent prior to implementing these strategy enhancements.

The following table details our present guidelines for the Fund's allocation between the various asset classes:

	Minimum	Maximum	Benchmark
Australian shares	10.0%	20.0%	14.0%
International shares - unhedged	5.0%	15.0%	8.0%
International shares - hedged			0.0%
Australian fixed interest	25.0%	40.0%	30.0%
International fixed interest+	2.0%	15.0%	5.0%
Listed property	0.0%	10.0%	5.0%
Global listed infrastructure – unhedged	0.0%	3.0%	1.0%
Global listed infrastructure - hedged	0.0%	10.0%	5.0%
Global inflation-linked bonds	0.0%	10.0%	5.0%
Commodities	0.0%	5.0%	2.0%
Cash *			
- Cash Fund	20.0%	30.0%	25.0%
- TAA Overlay			

\* Included in this allocation is an investment which gains exposure to the Underlying Fund through which active asset allocations "TAA" are made. The Underlying Fund is a high-risk long short asset allocation/market selection fund. It aims to add value by gaining exposure to long/short positions in global markets. The fund's benchmark is the RBA Cash Rate Target. The Fund exposes 3% of its NAV to the Underlying Fund and 22% to a cash fund in order to achieve a 25% total strategic allocation to cash.

+ 100% hedged in AUD.

The current investment mix reflects both direct and indirect investments and the effect of derivatives. The Fund's maximum and minimum permitted ranges are wider than those shown in the table above, however the Fund is currently managed to these ranges. The Fund's benchmark weights and investment ranges are subject to periodic review and may change from time to time.

For recent Fund asset allocation data, please contact the operator of your master trust or wrap account.

Because the Fund has a broad mix of investments, the benchmark is a weighted average of several indexes relevant to the assets to which the Fund has exposure:

- Australian shares S&P/ASX 300 Accumulation Index
- International shares MSCI World ex-Australia Index <sup>SM</sup> (hedged and unhedged in AUD with net dividends reinvested)
- Australian fixed interest UBS Composite Bond All Maturities Index
- International fixed interest Barclays Capital Global Aggregate Index hedged in AUD
- Listed property S&P/ASX 300 Property Accumulation Index
- Global listed infrastructure UBS/S&P Global Listed Infrastructure Index (unhedged in AUD)

- Hedged Global listed infrastructure      UBS/S&P Global Listed Infrastructure Index (hedged in AUD with net dividends reinvested)
- Commodities      S&P Goldman Sachs Light Energy Index (unhedged in AUD)
- Global inflation-linked bonds      Barclays World Government Inflation-Linked Bond Index (hedged in AUD)
- Cash      UBS Bank Bill Index

The Fund gains exposure to these asset classes by investing through other funds managed by the Responsible Entity.

Derivatives, such as futures, forwards and options can be used to manage risk and return. When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fund.

Whilst the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into by the funds other than temporary overdrafts which may be used as a means of managing certain cash flows.

We may take into account Socially Responsible Investments (SRI) considerations - including labour standards or environmental, social or ethical considerations - from time to time where they may materially impact on the performance objectives for the purpose of selecting, retaining or realising investments. However, we have no predetermined views about what we regard as SRI considerations and how far those considerations are to be taken into account, other than taking them into account where we become aware of them and to the extent they may financially affect investments. We have no set approach or timeframe to monitor or review the methodology for taking SRI considerations into account, and will determine on a case by case basis the approach to take when investments no longer match their investment objectives.

## What are the benefits?

One of the main benefits is that the fund aims to achieve returns that exceed those of the neutral portfolio benchmark by 0.45% p.a., after fees, over rolling 3-year periods.

Managed funds such as the Fund have other benefits. The Fund is managed by our investment professionals and the pooling of money provides access to investment opportunities, markets and diversity which individual investors usually cannot manage.

Managed funds can also often invest at lower cost than an individual investor and can often access investment and risk management techniques not available to individual investors.

The Fund expects to receive returns from its investments, and in turn, may make distributions to investors (usually shortly after the end of September, December, March and June each year). It is normally the end of June distributions which would have any net capital gains. Distributions may also carry imputation, foreign or other tax credits. There may be periods in which no distributions are made.

Investors also have the benefit of gains (or suffer losses) when they dispose of their investment in the Fund such as by exiting the Fund or disposing of their units.

Investors also participate in other distributions (such as if the Fund was ever terminated).

## What are the risks?

The returns you receive from the Fund depend on the income earned from the underlying investments and the change in the market price of the underlying investments. These returns can be influenced by a variety of risk factors that include but are not limited to those associated with changes in:

- global and domestic economic conditions;
- international and domestic government policies and tax laws;
- currency exchange rates, interest rates and inflation rates;
- credit and liquidity market events;

- leverage;
- industry factors and consumer demand; or
- investor sentiment.

These factors may result in specific investments rising in value, thereby enhancing the returns for investors. On the other hand, there is also the potential for a fall in the value of the investments of the Fund. Such a fall may lead to capital losses and possibly a reduction in the income earned.

Investment risk is measured by the extent to which actual investment returns can deviate from the returns expected by investors. While all investments involve a degree of investment risk, those assets that offer a higher potential return generally carry a higher level of investment risk.

Managing risk is a critically important part of our investment philosophy. There are two types of investment risk:

- **Active investment risk:** the investment risk of the active decisions relative to the benchmark; and
- **Benchmark investment risk:** the investment risk of the benchmark.

Active investment risk will vary from manager to manager, depending upon their investment management process. Our active investment strategies manage risk by seeking to ensure that investors only incur active risks for which we believe they will be adequately compensated. The exposure to all other risk factors that can affect the actual return of the underlying securities is tightly controlled relative to the benchmark.

## What about Fund performance and size?

For recent Fund performance, benchmark performance or Fund size, please contact the operator of your master trust or wrap account. For this information you can also visit our website: [www.barclaysglobal.com](http://www.barclaysglobal.com).

Past performance is not a reliable indicator of future performance of the Fund.

## Fees and other costs

### Consumer Advisory Warning

Government regulation requires all product issuers to include the following standard consumer advisory warning as set out in the box below. The information in the box is standardised across all product issuers and does not provide any specific information on the fees and charges in this fund and therefore, may not reflect what fees you may be charged. You should refer to the fees in the fee template on pages 5-6 for information on the specific fees and charges that apply to this Fund.

#### 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 investments fee calculator to help you check out different fee options.

**Fees and other costs**

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.

Information about taxes is set out on page 10 of this document.

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in and out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	We will not charge a contribution fee for your initial or any additional investments.  An allowance is made in the entry unit price for transaction costs in the form of a buy spread. <sup>1</sup>
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	We will not charge a withdrawal fee for withdrawals you make from the Fund.  An allowance is made in the exit unit price for transaction costs in the form of a sell spread. <sup>1</sup>
<b>Termination fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment. Until Unitholders receive notice to the contrary, this will be charged as one management fee. The management fee covers the	Current management fee <sup>2</sup> : 0.69% pa	The management fee, including GST less reduced input tax credits, is calculated on the Net Asset Value of the Fund on a daily basis and is generally paid to the Responsible Entity from the

<p>following:</p> <p><i>Administration fee:</i> this is to cover the general administration of the Fund</p> <p><i>Investment management fee:</i> this is for managing the Fund's investments</p> <p><i>Operational expenses and reimbursements:</i> this covers most of the out-of-pocket expenses the Responsible Entity is entitled to recover from the Fund including custody safekeeping fees and other investment related expenses<sup>3</sup></p>		<p>Fund on a quarterly basis. The Responsible Entity may, under special circumstances, elect to vary the frequency of its fee collection.</p>
<b>Service fees</b>		
<p><b>Investment switching fee</b></p> <p>The fee for changing investment options</p>	<p>Nil</p>	<p>No specific switching fee is applicable, however, appropriate buy/sell spreads will apply<sup>1</sup></p>

1 Transaction costs ('buy/sell' spreads) apply to the Fund. Refer to 'Additional Explanation of Fees and Costs' below.

2 Current management fees are inclusive of GST less reduced input tax credits. It is not possible to unbundle the exact amounts of the components of the management costs. The effect of tax benefits on the actual impact of management fees on your investment is discussed below under 'Additional Explanation of Fees and Costs'.

3. That is, from the one management fee we charge, we will pay ongoing fees and expenses that are incurred in connection with the Fund. Our management fee does not cover the following:

- expenses such as transactional costs, government taxes and charges on the purchase and sale of securities; nor
- unusual expenses (such as non-recurrent expenses, for example, the costs involved in litigation or the running of unitholders meetings). No unusual expenses have been incurred in the Fund in the past three financial years. Where these expenses are incurred, they will be paid from the Fund and reflected in the unit price and in the management costs reported to you in your periodic statement.
- Each Class of Shares in the Underlying Fund that the Fund is exposed to bears its pro rata share of the Underlying Fund's direct operating costs, trading costs, and fees and expenses. The Class of shares that the Fund is exposed to is not subject to any management fees or incentive fees at the Underlying Fund level.

The (BGI managed) commodity index fund through which the Fund gains exposure to the commodities asset class has management fees embedded in its fund structure of approximately 0.1% p.a. A reasonable expectation of the maximum impact of these fees can be arrived at by multiplying the maximum strategic benchmark allocation of capital to commodities by the fees charged by the commodity index fund. This amounts to 0.005% p.a. As the actual amount of capital invested in commodities will vary over time, so too the management fees paid to BGI through the commodity index fund will vary from between 0 and 0.005%.

## Additional Explanation of Fees and Costs

### Buy/ Sell Spreads

When an investor enters or exits the Fund, an allowance for transaction costs is included in the entry or exit price. Transaction costs are paid from the Fund. When you invest or withdraw all or part of your investment, we use what is called a 'buy/sell' spread to recover estimated transaction costs associated with buying and selling a Fund's assets. We use the buy/sell spread to direct transaction costs such as brokerage, bank charges and market impact to transacting investors rather than investors remaining in the relevant Fund. The buy/sell

spreads are paid to the relevant Fund and are not fees paid to BGI. Should we need to revise the Fund's buy/sell spreads of a Fund we will notify Unitholders.

It is BGI's policy to apply the buy/sell spread when calculating application and redemption prices with the exception of transactions where we determine that the spread is not a reasonable representation of the actual cost to transact into or out of the Fund. Any changes to the buy/sell spread will be subject to the Corporations Act and as the Responsible Entity, BGI has the discretion to deem these spreads to be a lower amount, a higher amount, an estimated average percentage or even zero. Please note that there may be circumstances in which BGI may exercise its discretion to increase buy/sell spreads above those stated in this PDS, for example, where the costs associated with obtaining or disposing of the underlying assets are likely to be materially above those typically encountered in normal market conditions. However BGI may only exercise its discretion to vary buy/sell spreads for proper purpose and in accordance with our Unit Pricing Discretions Policy. A copy of this policy is available free of charge upon request.

The effective buy/sell spreads for the Fund are currently:

Buy spread	0.20%
Sell spread	0.20%

Whilst the buy/sell spread is an additional cost to an investor, no part of the buy/sell spread is paid to the Responsible Entity. You may request a copy of BGI's policy governing the calculation of spreads and review of them, which we will provide without charge.

Subject to the Corporations Act, the Responsible Entity may change the buy and/or sell spreads in limited cases where this is appropriate. Subject to the law the Responsible Entity has the discretion to deem these spreads to be a lower amount, an estimated average percentage or even zero. Where there is an increase in fees or costs, we will give investors at least 30 days prior notice.

### **Fee for Wholesale Investors**

From time to time we will negotiate lower management fees with what the Corporations Act calls "wholesale" investors – such as the operators of master trusts and wrap accounts. This is generally because they invest large amounts of money in the Fund. The Australian Securities and Investments Commission (ASIC) has issued Class Order relief that enables us to individually negotiate fees with these investors.

### **Rebates and related payments paid by BGI**

BGI may make annual Product Access Payments to Investor Directed Portfolio Service (IDPS) platform providers, such as master trusts or wrap account operators who offer the Fund on their investment menus. Currently the maximum Product Access Payment paid to a platform provider is \$25,000 for BGI as a whole and \$15,000 specifically for this Fund. All Product Access Payments are paid directly by BGI and are not paid out of the Fund.

BGI may also make Fund Manager Payments to institutional investors and Australian Financial Services Licensees such as financial advisers and dealer groups, IDPS platform providers, including master trusts or wrap account operators who invest in the Fund. All Fund Manager Payments are paid directly by BGI and are not paid out of the Fund. Such payments are individually negotiated with each platform provider investor or Licensee. Payments may be rebated by the institutional investor or Licensee platform provider to its end consumer clients or may be retained by the platform institutional investor or Licensee by way of a commission (please refer to the PDS or Financial Services Guide of your particular platform provider or financial adviser). Currently the maximum Fund Manager Payment paid by BGI to a platform provider or Licensee is 0.335% p.a.

Product Access Payments and Fund Manager Payments are paid directly by BGI and are not paid out of the Fund.

**Public register of alternative remuneration**

As a member of the Investment and Financial Services Association, we keep a public register which details any alternative form of remuneration that has been paid to or by BGI worth more than \$300 (for example, to advisers). You may view the register by visiting our office.

**Third party arrangements**

Brokerage services may be provided by entities related to the Responsible Entity, for which fees are charged. Such brokerage services will only be used where the fees are at, or more favourable than, the prevailing market pricing for such services.

**Fee changes**

We will give investors 30 days prior notice of any detrimental change in our policy regarding the fees and charges.

**Example of annual fees and costs for the Fund**

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

<b>EXAMPLE</b> – the Barclays Managed Investment Funds – Diversified Stable Fund		<b>BALANCE OF \$50,000 WITH CONTRIBUTIONS OF \$5,000 DURING YEAR</b>
Contribution Fees	0%	For every \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	0.69% per year	For every \$50,000 you have in the Fund you will be charged \$345 each year*.
<b>EQUALS</b> Cost of Fund		<p>If you had an investment of \$50,000 and you put in an additional \$5,000 during the year, then for that year you will be charged fees of from:</p> <p style="text-align: center;"><b>\$345 to \$380</b></p> <p><b>What it costs you will depend on the fees you negotiate with your fund or financial adviser and when you contribute the additional \$5,000 (that is, if your additional contribution occurs at the end of the year, you will pay about \$345 whereas if you contribute at the start of the year, you will pay \$380).</b></p>

**Note: Establishment fee = \$0**

\* Additionally, as explained above, you will be exposed to a management fee paid to BGI through the underlying commodity index fund which will vary from between 0 and 0.005% (that is, up to \$2.50 on an investment of \$50,000).

## So, you are investing through a master trust or wrap account

### What is an IDPS? What is an indirect investor?

This is a term you sometimes hear, which stands for “investor directed portfolio service”.

They are investment & reporting services operated by an operator, and are often called a **master trust** or **wrap account**, or a nominee or custody service.

We call all these services master trusts or wrap accounts, and people who invest through them are indirect investors.

Investors gaining exposure to the Fund through a **master trust** or **wrap account** do not themselves become investors in the Fund, but are indirect investors.

Instead it is generally the operator of the master trust or wrap account which invests for you and so have the rights of an investor. They exercise them or not in accordance with their arrangements with you. Their rights as a direct investor are governed by the constitution for the Fund and the Corporations Act. As an indirect investor, you do not have the rights of a direct investor under the constitution to, for example, attend meetings or transfer units. The constitution also governs the operation of the Fund. You can inspect a copy of the constitution at our office during business hours.

Indirect investors complete the application forms for the master trust or wrap account and receive reports from them, not from us. Enquiries should be directed to the operator of the master trust or wrap account.

As you are investing through a master trust or wrap account, we will not receive or hold any personal information about you.

To invest, complete the documents which the master trust or wrap account operator requires. You do not need to complete any of BGI's forms.

## Getting to your money, unit prices and fund distributions

The Fund has an entry price and an exit price. These are generally calculated as at the close of each Business Day.

The price of the units in the Fund is determined by dividing the Net Asset Value of the Fund by the total number of units in the Fund, and adding (for applications) or deducting (for redemptions) an allowance for transaction costs (as described on pages 6-7).

To determine the number of units received, we will divide the monies invested by the entry price.

If you wish to apply to redeem money from the Fund at any time, you should complete the documents which the master trust or wrap account operator requires. You do not need to complete any of our forms. Your redemption request will be governed by your arrangement with the master trust or wrap account.

Normally we process redemption requests by the master trust or wrap account operator within 5 Business Days (the constitution allows up to 30 days), but remember that the master trust or wrap account operator then needs time to get your money to you.

The redemption of monies from the Fund will result in the redemption of units in the Fund. Redemptions accepted before the cut-off time will be processed at the next calculated exit price, which will generally reflect prices at the close of trading on that Business Day. Redemptions accepted after the cut-off time will be processed at the exit price applicable to the following Business Day.

The Fund distributes quarterly at the end of March, June, September and December, or on such other day as is determined by BGIA. If you ask the master trust or wrap account operator to invest just before the end of such a month, you may find you quickly get back some of your capital as distributions. There may be periods in which no distributions are made. There may be periods for which distributions are higher than expected. A distribution may be higher than expected because losses on underlying securities may not offset gains on currency hedging in the same year. This reflects the tax rules, as at the date of this document, which may change.

We can delay access to an investor's money in some circumstances such as if the Fund is illiquid (the law dictates this) – we do not anticipate it would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit.

Current and historical unit prices and fund distributions are available on our website: [www.barclaysglobal.com](http://www.barclaysglobal.com).

## Proxy Voting

*Australian Equities* - BGI will vote the Fund's underlying securities in a manner that BGI, in the exercise of its independent business judgment, concludes is in the best economic interests of the Fund and its Unit holders on whose behalf it is authorized to vote. When exercising the Fund's voting rights, BGI will normally vote on specific proxy issues in accordance with our current Proxy Voting Policy for Australian Stocks. A copy of the Policy can be found on our website at [www.barclaysglobal.com](http://www.barclaysglobal.com).

*International Equities* - All proxy voting for our international equity funds is handled by our US office. BGI will vote the Fund's underlying securities in a manner that BGI, in the exercise of its independent business judgment, concludes is in the best economic interests of the Fund and its Unit holders on whose behalf it is authorized to vote. When exercising the Fund's voting rights, BGI will normally vote on specific proxy issues in accordance with our current Proxy Voting Policies for US Securities and Non-US Securities. Copies are available on request.

## Tax

Investing, and dealing with investments has tax implications. Australian taxation laws are complex and may change over time. You may be liable for income tax and capital gains tax on distributions made to you from the Fund. Redemptions may also result in a tax liability or a tax loss.

**Your tax liability ultimately depends on your specific circumstances. It is important that you seek professional advice before you invest or deal with your investment. You can find out more about tax by looking in the guide or the prospectus or product disclosure statement for your master trust or wrap account.**

## About this Product Disclosure Statement

Investors who access or wish to access the Fund through a master trust or wrap account may rely on this Product Disclosure Statement. If you have received this Product Disclosure Statement electronically we will provide a paper copy free upon request.

Information in this Product Disclosure Statement is subject to change from time to time and where the changes are material, we will notify Unitholders. In that case, a paper copy explaining any changes will be given to you without charge on request.

## Complaints

You should contact the operator of your master trust or wrap account if you have a complaint about your investment.

## Where to find us

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