

IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS

(The information in this section is required under the Securities Act (Australian Registered Managed Investment Schemes) Exemption Notice 2003.)

The document that this statement is contained in, or is accompanied by, is not an investment statement under New Zealand law. It is a Product Disclosure Statement prepared under Australian law. There are likely to be differences between the information provided and the way that information is presented in the Product Disclosure Statement as compared to an investment statement under New Zealand law.

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions and seek competent advice prior to committing yourself.

Choosing an Investment

When deciding whether to invest, consider carefully the answers to the following questions:

- What sort of investment is this?
- Who is involved in providing it for me?
- How much do I pay?
- What are the charges?
- What returns will I get?
- What are my risks?
- Can the investment be altered?
- How do I cash in my investment?
- Who do I contact with enquiries about my investment?
- Is there anyone to whom I can complain if I have problems with the investment?
- What other information can I obtain about this investment?

Choosing an Investment Adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you –

- whether the adviser gives advice only about particular types of investments; and
- whether the advice is limited to the investments offered by 1 or more particular financial organisations; and
- whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within 5 working days of your request. You must make the request at the time the advice is given or within 1 month of receiving the advice.

In addition –

- if an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and

- if an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

What are the participatory securities offered in New Zealand

The securities offered for investment by New Zealand investors are Australian participatory securities in the form of Units (Units) in a registered managed investment scheme (Fund) established in and operated under the laws of Australia.

A Disclosure statement has been registered in Australia

A Product Disclosure Statement relating to the Units has been registered with ASIC as required by the Corporations Act.

New Zealand investors should read the Product Disclosure Statement in light of this "Important Information for New Zealand Investors" section of the Product Disclosure Statement.

Copies of certain documents have been registered with the Companies Office in New Zealand

Copies of the following documents have been received by the New Zealand Registrar of Companies in accordance with the Securities Act (Australian Registered Managed Investment Schemes) Exemption Notice 2003:

- the Product Disclosure Statement relating to the Fund;
- all documents, or parts of documents, lodged or registered with ASIC that are referred to in the Product Disclosure Statement and taken to be included in that document under the Corporations Act in respect of the Fund;
- all exemptions, orders, and declarations that have been granted by ASIC in respect of the Fund (other than exemptions, orders or declarations that applies to Australian registered schemes generally or to a class of persons);
- the licences of the Responsible Entity, granted under the Corporations Act;
- the constitution of the Fund;
- evidence of registration of the Fund with ASIC;
- the compliance plan required under the laws of Australia relating to the Fund;
- any document that amends or supplements any of the above documents in existence at the time that the first offer of any Unit in the Fund is made or open for acceptance in New Zealand.

Copies of any document that amends, supplements, or replaces the Product Disclosure Statement after the first offer of Units in the Fund is made in New Zealand will be sent to the Registrar of Companies before any further allotment of Units is made in New Zealand.

The Units are also available for subscription in Australia with no material differences in disclosure

The Units are also open for acceptance in Australia in accordance with the laws of Australia.

The only material differences (if any) between the Product Disclosure Statement that is used in New Zealand and the equivalent document that is used in Australia relate to one or more of the following matters:

- (i) the inclusion in the Product Disclosure Statement that is used in New Zealand of the statements and information that are required by the Securities Act (Australian Registered Managed Investment Schemes) Exemption Notice 2003 to be contained in, or to accompany, that document;
- (ii) the exclusion from the Australian disclosure document that is used in New Zealand of statements or information in connection with interests in Australian registered schemes not offered in New Zealand;
- (iii) the exclusion from the Australian disclosure document that is used in New Zealand of statements or information in connection with securities not offered in New Zealand.

Certain documents will be made available on request

The person who makes the offer will, within 5 working days of receiving an offeree's request for a copy of the Product Disclosure Statement, without fee, send, or cause to be sent, to that offeree

- (i) a copy of the Product Disclosure Statement; and
- (ii) copies of any documents that, under the laws of Australia, must accompany a copy of the Product Disclosure Statement sent to any person to whom an offer of the Australian participatory securities is made in Australia; and
- (iii) a copy of any document, or part of a document, lodged or registered with ASIC that is referred to in the Product Disclosure Statement and is taken to be included in that document under the Corporations Act; and
- (iv) a copy of any supplementary disclosure document in use at the time that the request is received.

Manner of allotment of Units

The allotments of Units in the Funds will be made in the manner specified in the Product Disclosure Statement and in the manner prescribed by the laws of Australia.

Responsible Entity

The name and address of the Responsible Entity of the Australian registered scheme is set out in the Directory at the beginning of the Product Disclosure Statement.

The Responsible Entity and the person who makes the offer may not be subject in all respects to New Zealand law.

Particular risks or differences with New Zealand

Returns to New Zealand investors are likely to be affected by particular New Zealand and Australian taxation rules and, as a result, any forecast or projected returns may differ from the returns for Australian investors described in the Product Disclosure Statement. These differences are specified in further detail below. Despite the tax information provided below, investors should satisfy themselves as to the tax implications of investing in the Units.

Investing in the Fund may carry with it a currency exchange risk because the Units are denominated in Australian dollars.

The financial reporting requirements applying in New Zealand and those applying in respect of the Fund may be different, and the financial statements of the Fund may not be compatible in all respects with financial statements prepared in accordance with New Zealand law.

Although copies of the Product Disclosure Statement and other documents have been received by the Registrar of Companies, the Product Disclosure Statement has not been registered in New Zealand under New Zealand law and may not contain all the information that a New Zealand registered prospectus is required to contain.

Australian law does not require a trustee (unlike the position in New Zealand for unit trusts), or a statutory supervisor (unlike the position in New Zealand for contributory schemes involving participatory securities), that is separate from, and independent of, the Responsible Entity.

Registered documents

A list of the types of documents relating to the Fund that have been received by the Registrar of Companies in accordance with this notice and a statement that those documents can be inspected at the office of the Registrar of Companies and can be obtained from the Responsible Entity.

Agreement as to Jurisdiction

In respect of a dispute concerning an offer of Units in the Fund offered in reliance on any exemption in clause 5 of the Securities Act (Australian Registered Managed Investment Schemes) Exemption Notice 2003 or the contract for Units in the Funds, the Responsible Entity and, if the offer is not made by the Responsible Entity, the person who makes the offer:

- agree to submit to the non-exclusive jurisdiction of the New Zealand Courts;
- have instructed Duncan Cotterill Lawyers, Level 1, CPO Building, Queen Elizabeth Square, 12 Queen Street, Auckland, as its New Zealand agent to accept service of documents on its behalf,
- agree that this statement is an agreement with each investor for the purposes of section 389(1)(e) of the Companies Act 1993.

Despite these statements, the contract in respect of Units in the Funds may not always be enforceable in New Zealand courts.

Taxation for New Zealand Investors

Returns to investors are likely to be affected by taxation. The following information is based on current taxation laws and their interpretation. The levels and basis of taxation may change. The application of taxation laws depends on an investor's individual circumstances. For this reason, investors should seek professional advice on the taxation implications before investing, and should not rely solely on the following information, which is a general guide only.

Despite the information provided, investors should satisfy themselves as to the tax implications of investing, receiving distributions and withdrawing from Funds. Neither the Responsible Entity nor the Investment Manager (or any other person associated with or promoting the offer of Units in the Fund) takes responsibility for an investor's tax treatment.

New Zealand investors should note that descriptions of taxation in the Product Disclosure Statement, in particular on pages 20 to 22 of the Product Disclosure Statement, are descriptions of Australian taxation implications to Australian resident investors, unless otherwise stated.

All references to Goods and Services Tax (GST) in the Product Disclosure Statement are to Australian Goods and Services Tax, unless otherwise stated. See page 22 of the Product Disclosure Statement for a description of Australian Goods and Services Tax that may be payable.

Current taxation in New Zealand on distributions and withdrawals

Distributions – calculation of income

From 1 April 2007, units in the Funds will be subject to New Zealand's new "Foreign Investment Fund" (FIF) rules. Under these rules, investments in foreign unlisted unit trusts will be taxed not on actual dividend receipts but by using one of six alternative methods for calculating income from offshore investments. The default method is known as the "Fair Dividend Rate" (FDR).

There are a number of exemptions from the FIF rules. For example, the FIF rules will not apply to individuals (and in some cases, trusts) holding less than \$50,000 in FIFs. There is also an exemption for holdings in Australian unit trusts (such as the Funds) if the investor appoints a RWT proxy in New Zealand, to deduct New Zealand resident withholding tax from dividends received. The net value of assets held by the Fund must also be less than or equal to 3 times the net gain from assets disposed of during the income year. New Zealand investors will need to take their own professional advice to determine if they can take advantage of one of these exemptions.

Investors who are exempt from the FIF rules will continue to pay tax on dividends actually received.

If an investor is not able to take advantage of one of the exemptions, then income must be returned each year on the investment using one of the approved income calculation methods. The default FDR method applies to holdings in foreign companies and trusts of less than 10 per cent. Under this method, 5 per cent of the portfolio's market value adjusted for sales and purchases must be returned as income each year. If the actual return is less than 5 per cent, tax is reduced to the lesser amount (provided the investor has supporting evidence). No further tax is payable if the actual return exceeds 5 per cent.

Different calculation methods apply if the FDR method is unsuitable and for holdings exceeding 10 per cent.

The effect of these rules is to tax investors on a maximum of 5 per cent of the value of their offshore investments in a given year. The fair dividend rate is intended to tax something approximating a reasonable dividend yield.

Individual investors will be liable to pay tax in New Zealand, at their personal income tax rate, on the FIF calculated income or if the FIF rules do not apply, on income actually received.

New Zealand companies who are investors in the Funds will be liable to make foreign dividend withholding payments at the rate of 33 per cent on dividends actually received. A tax credit will be available to be passed on to shareholders when the dividend is subsequently distributed.

Withdrawals

At present, withdrawal from a Fund will be processed as a redemption of units in accordance with the Product Disclosure Statement. A redemption of units is where units are redeemed directly by the Fund.

In New Zealand, unit trusts are taxed as if they were companies. A redemption of units is equivalent to a return of company capital and special tax rules apply. In summary, a redemption of units in an unlisted foreign trust will only be tax free as to the amount initially paid. Any increase in value per unit will be taxable to the New Zealand investor at his or her marginal tax rate.

If the units were sold to a third party (including the manager of the Fund), the increase in value will not be taxable unless the units were held on revenue account. Officium Capital may at some future time (or by negotiation at its discretion), purchase units as a method of withdrawal.

If the redemption or sale of units results in a loss, the loss will not be deductible unless the investor deals or trades in such investments, carries on a business of buying and selling such investments, or acquired the units with the dominant purpose of resale.

Officium Capital will provide New Zealand investors with an Australian annual tax statement and certificates for Australian withholding tax deductions, generally in August each year. This will help investors complete their obligations in terms of New Zealand income tax. This statement should be retained for the purpose of claiming any available tax credits.

Taxation in Australia on distributions and withdrawals

The taxation comments below relate to investors who are New Zealand resident individuals that hold their Units on capital account.

The following taxation comments are general in nature. It is recommended that investors obtain independent Australian taxation advice to determine their own situation.

Australian income tax issues

The Funds generally do not pay income tax if they distribute all their taxable income to investors each financial year.

The Fund is required to withhold tax on Australian sourced income distributed to New Zealand resident investors and the amount of tax will vary according to the various components of the distribution. At each distribution the Fund will calculate the components that make up the distribution and the amount that the Fund will withhold and remit to the Australian Taxation Office from each component is as follows:

- Interest – 10 per cent
- Unfranked dividends – 15 per cent
- Franked dividends – Nil
- Royalties – 10 per cent
- Other income
 - Based on current legislation – the amount the Fund is required to withhold is based on the marginal tax rate for the non-resident investor. The marginal tax rates are currently between 29 per cent and 45 per cent. In practice, as the Fund will not know the investor's other Australian Income, the assumption will be that the investor's only other Australian income is from the Fund and determine the withholding rate accordingly.
 - Proposed legislation – The Australian government has indicated that the current regime may be replaced with a flat 30 per cent withholding tax rate on other income. Such changes are not expected to become effective until (at the earliest) July 2007

Individual New Zealand resident investors are required to lodge an Australian income tax return if the withholding tax remitted by the Fund is less than the tax assessable to the New Zealand resident investor in Australia. Likewise, a New Zealand investor may claim any overpayment by filing an Australia income tax return.

Australian capital gains tax

References to capital gains tax in the Product Disclosure Statement (for example, on page 21) are to capital gains tax payable in Australia.

Following the introduction of the newly enacted Taxation Laws Amendment (2006 Measures No.4) Act 2006, New Zealand investors will not be subject to Australian capital gains tax on the disposal of an asset, unless the asset is real property, a non portfolio share or interest in a land rich entity or the asset is used in carrying on a business through a branch in Australia.

In most circumstances, the new Australian capital gains taxation regime should not apply to New Zealand investors, in respect of the disposal of units in the Funds.

The capital gains tax statement for Australian investors referred to on page 13 of the Product Disclosure Statement is generally not applicable to New Zealand investors.

Warning

The information above is provided by Duncan Cotterill Lawyers which are not required to hold an Australian Financial Services Licence ("AFSL") under the Corporations Act 2001 to provide that information. Investors should consider taking advice from a holder of an AFSL before making a decision about investing in the fund.

ADDITIONAL INFORMATION RELEVANT TO NEW ZEALAND INVESTORS

New Zealand investors' Australian dollar denominated bank drafts or cheques should be made payable to 'Bond Street Custodians Limited – Officium Capital'.

Australian GST is not included in commissions or ongoing service fees paid to New Zealand advisers under current law.

Units will be allotted in accordance with the terms and conditions set out in the Product Disclosure Statement and the Constitution of the Fund.

Upon request and free of charge the Responsible Entity will supply:

- a copy of the most recent annual report of the Fund;
- the current Australian Product Disclosure Statement;
- the Constitution of the Fund and any subsequent amendments.

Within 30 days of the day on which the Units in the Fund are allotted to you under the dividend reinvestment scheme, we will send you a statement of the amount of the distribution and the number of securities that have been allotted.

BSB Numbers, Australian Tax File Numbers, Australian Business Numbers and the Australian Medicare Levy are generally not applicable to New Zealand investors.

Should New Zealand investors wish to contact either the Financial Industry Complaints Service (FICS) or the Australian Securities and Investments Commission (ASIC), the phone numbers are:

FICS (0061) 1300 78 08 08
ASIC (00612) 9911 2000

You can request a free copy of the most recent New Zealand offer document by visiting www.officiumcapital.com.au or contacting the Responsible Entity and requesting the offer documents.

The address that New Zealand investors should use for all communications is:

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