

BlackRock Australian Quant Strategies Fund (Class D Units)

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 ('SPDS') dated 1 October 2009 is supplementary to the Product Disclosure Statement dated 1 April 2005 and the SPDSs dated 2 October 2006, 25 October 2006 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 17 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. 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

Email: info@fos.org.au

BlackRock Australian Quant Strategies Fund (Class D Units)

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 1 April 2005 and the SPDSs dated 2 October 2006 and 25 October 2006 and must be read in conjunction with the Product Disclosure Statement and the SPDSs dated 2 October 2006 and 25 October 2006.

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 Australian Quant Strategies Fund** has changed to the **BlackRock Australian Quant Strategies Fund**.

Replace all references to the **Merrill Lynch Australian Quant Strategies Fund** in the current PDS with **BlackRock Australian Quant Strategies 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 10 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
- change how you receive your income

Supplementary Product Disclosure Statement

- 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

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.

Margin lending

If you wish to apply using a margin lending arrangement, you must complete the Application Form that accompanies this PDS and sign Part 9 of the Application Form. You must also complete the Tax File Number Notification or Exemption Form ensuring that the Tax File Number you provide is your own and not that of the margin lender. Please forward the completed Application Form to your margin lender for their approval. In particular you will need to understand the terms of using the service in Part 8 of the Application Form. When your margin lender approves your margin lending application, the lender will then forward the completed Application Form and cheque (or any other method of payment acceptable) to us for processing.

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. Conditions Applicable to Investors Using Margin Lending: If the account is mortgaged the Margin Lending institution must complete and sign this section of the application form.

Section 9. 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 Australian Quant Strategies Fund (Class D Units)

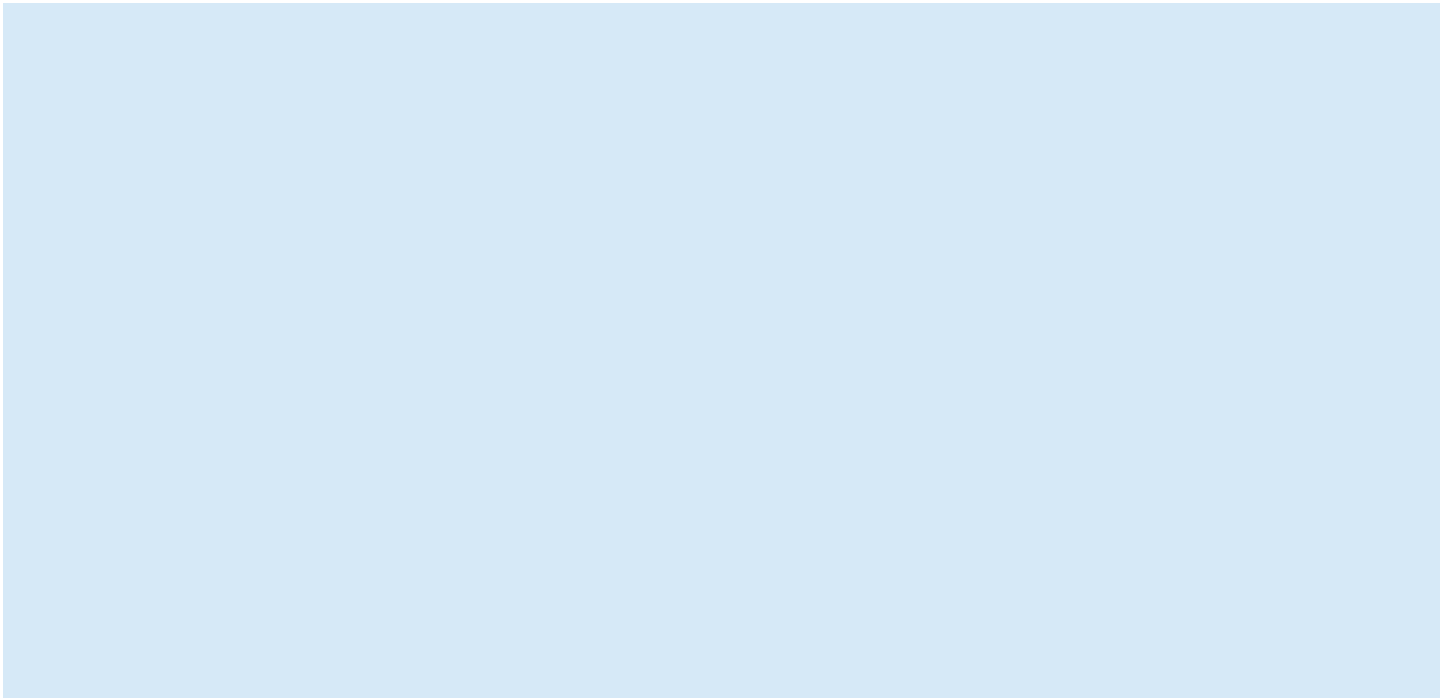
Product Disclosure Statement

Dated: 1 April 2005

ARSN 101 267 252

Merrill Lynch Investment Managers Limited ABN 13 006 165 975

Australian Financial Services Licence No 230523



Supplementary Product Disclosure Statement to the Merrill Lynch Australian Quant Strategies Fund (Class D Units) Product Disclosure Statement dated 1 April 2005

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

Issued 25 October 2006

This Supplementary Product Disclosure Statement ('SPDS') dated 25 October 2006 is supplementary to the Product Disclosure Statement ('PDS') dated 1 April 2005 and the SPDS dated 2 October 2006 and must be read in conjunction with the PDS and the SPDS dated 2 October 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.

1. Updated information on fees and other costs

The section "Fees and other costs" on page 8 – 10 of the PDS will be amended as follows effective 25 October 2006.

What fees apply

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) 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 and costs are in Australian dollars and, unless otherwise indicated, reflect the impact of Goods and Services Tax (GST) less any reduced input tax credits.

Fees and other costs

Type of fee or cost	Amount	How and when paid	Example for \$50,000 investment
Fees when your money moves in or out of the Fund¹			
Establishment fee. The fee to open your investment.	Nil	Not Applicable	Nil
Contribution fee. The fee on each amount contributed to your investment.	Nil	Not Applicable	Nil
Termination fee. The fee to close your investment.	Nil	Not Applicable	Nil
Withdrawal fee. The fee on each amount you take out of your investment.	Nil	Not Applicable	Nil
Management Costs. The fees and costs for managing your investment.			
Management fee.² The fee for managing your investment.	0.78% p.a.	The Management fee is calculated in relation to the Net Asset Value (NAV) of the Fund. It 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 (usually at the end of a month). The amount of this fee can be negotiated. ³	$\$50,000 \times 0.78\% = \390
Service fees			
Investment switching fee.¹ The fee for changing investment options.	Nil	Not Applicable	Nil

1. You may incur a buy/sell spread when your money moves in and out of the Fund. Refer to "Transaction Costs" 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 pages 3 and 4 of this SPDS.

3. Refer to "Differential fees" under the heading "Additional Explanation of fees and costs" on page 4 of this SPDS.

Additional explanation of fees and costs

Management costs

The Management Costs include the:

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

The expenses (other than abnormal expenses) will be paid out of the Management fee and not recovered as additional expenses out of the Fund. Refer to the "Expense recovery costs" section below.

Management fees

The current Management fee for the Fund is set out in the table titled "Fees and other costs" on page 2 of this SPDS.

Expense recovery costs

We are entitled to be reimbursed for certain expenses in managing and administering the Funds. These expenses relate to the administration and operation of the Funds. 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 expenses incurred in both the investing fund and the fund in which it invests.

Abnormal expenses

Abnormal expenses are expenses we are entitled to deduct from the Fund but they are 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.

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-sell spread is reflected in the difference between application and withdrawal prices. 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.

The estimated buy-sell spread for the Fund (together with a Dollar example assuming an investment of \$50,000) is shown in the table below.

We will notify you if the transaction costs increase.

Estimated buy/sell spread		
Name of Fund	Transaction Costs	Dollar Example
Australian Quant Strategies Fund	0.275%	\$137.50

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 titled "Fees and other costs" on page 2 of this 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:

Application Fee – in respect of each application for units, we are entitled to a fee of up to 5% of application money.

Withdrawal Fee – in respect of each redemption of units, we are entitled to a fee of up to 5% of the redemption proceeds.

Management Fee – up to 2% per annum of the NAV calculated daily and payable monthly in arrears.

Investment Fee – up to 3% per annum of the NAV calculated monthly (or less frequently at our discretion).

Payments to advisers and other service providers

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

Fund Manager payments and product access payments

We may at our discretion, enter into a variety of arrangements with service providers such as master fund and Investor Directed Portfolio Service (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. These payments are paid out of our fees and are not an additional cost to the investor. No such payments currently apply.

Alternative forms of remuneration

Additionally, we may provide alternative forms of remuneration which include professional development, sponsorship and entertainment or to 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 the 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.

Please contact us for further details.

Example of annual fees and costs

The table on this page 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
PLUS		
Management Costs		
Management Fees	0.78%	And, for every \$50,000 you have in the Fund you will be charged \$390
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year you would be charged \$390. 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 fees may apply, for instance you may incur a buy-sell spread when your money moves in or out of the Fund.

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.

Supplementary Product Disclosure Statement to the Merrill Lynch Australian Quant Strategies Fund (Class D Units) Product Disclosure Statement dated 1 April 2005

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 1 April 2005 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.

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

Email: 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.

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.

The Fund is managed by the Quantitative Advisers Team (the "Team"). This Team interacts closely with other senior investment professionals in the global BlackRock Quantitative Advisers group based in the US on investment research and matters relating to trading strategies as well as leveraging from the experience of the Australian fixed income and equity teams.

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

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 Class D units in the Fund.

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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
Email: client_servicesaus@ml.com

Before you start

Investment in the Merrill Lynch Australian Quant Strategies 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.

This is an Australian share fund managed with the aim of the Fund’s fundamental characteristics being closely matched to those of the S&P/ASX 300 Accumulation Index with outperformance of the index sought using quantitative stock selection techniques and trading strategies designed to take advantage of existing market anomalies.

The Fund may issue more than one class of units but only Class D units are available under this PDS.

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 as 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 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, email client_servicesaus@ml.com or visit our website at 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 portfolio appropriate to your investment needs and suit your risk profile.

Access to single asset class fund: these funds invest within one asset class, such as shares, but they are still diversified within the 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.

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\$8 billion in Australia.

The Fund is managed by the Quantitative Advisers Team (the "Team"). This Team interacts closely with other senior investment professionals in the global Merrill Lynch Quantitative Advisers group based in the US on investment research and matters relating to trading strategies as well as leveraging from the experience of the Australian fixed income and equity teams.

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.

About this Fund

What is the investment objective of the Fund?

The Fund seeks to outperform the S&P/ASX 300 Accumulation Index ("Index"), adjusted for franking credits, by 200–300 basis points per annum (before fees) when measured over rolling three year periods. The Fund will seek to maintain ex ante tracking error* of below 3% per annum.

Both the benchmark index and comparative performance will be determined after allowing for the impact of franking credits.

What is the Fund strategy?

In constructing a portfolio, we aim for the Fund's fundamental characteristics such as market capitalisation and industry weights to closely match those of the Index. Any returns above the Index are then sought using a variety of quantitative stock selection techniques and trading strategies designed to take advantage of existing market anomalies that occur naturally and repeatedly in financial markets.

What is the investment approach of the Fund?

We believe that financial markets present a range of natural profit opportunities.

These opportunities generally come about because investors:

- have different investment objectives (eg. absolute returns, liquidity, relative returns);
- are subject to different constraints (eg. time horizon, tax domicile, investment universe); and
- perceive risk differently.

These factors often combine in a predictable manner to create circumstances that result in profitable investment opportunities for a particular group of investors.

Our investment process consists of three distinctive stages.

Stage 1: Use of quantitative screens (ie quantitatively measurable statistical characteristics) to develop a tightly risk controlled portfolio with the aim of outperforming the Index. This stage is expected to be the largest contributor to potential returns. An example is "earnings revisions" where changes in earnings estimates as provided by broking analysts can be indicative of the changing opinion of the underlying growth potential of a stock. Improvements in earnings expectations tend to be followed by further upward revisions and earning downgrades tend to be followed by further downward revisions.

Stage 2: Identification of opportunities which exist to substitute some positions from Stage 1 with other stocks that represent better value for domestic institutional investors.

Some examples are:

- Hybrid securities – taking advantage of circumstances where the relationship with equity and fixed income market can be misaligned. In such circumstances hybrid securities can be a cheaper substitute for the underlying stock.

- Index adds/deletes – when an index is restructured, index funds benchmarked against that index necessarily need to match the changes. This causes liquidity imbalances in the stock which the Team can take advantage of.
- Risk arbitrage – in some circumstances where a company launches a scrip based takeover of another company, advantage can be gained by substituting a holding in the acquirer company with a holding in the target company. When the takeover is completed, the Fund then receives shares in the acquirer company back. The rationale for this trading arises from the fact that the price of the target stock often trades below that implied by the takeover offer. There is always a risk however, that the takeover will not proceed.

Stage 3: Manage portfolios with an awareness of franking credits and consideration of the capital gains tax position.

Underpinning the whole investment process is a base of quantitative research into the underlying sources of the structural advantage and trading methodologies.

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.

* Tracking error is a measure of active risk, that is, the level of risk taken in the management of the Fund. This is a statistical measure of the potential for differences in the returns generated by the Fund from those of the Fund's benchmark. A higher tracking error means that we expect the average of the magnitude of the difference between Fund returns and benchmark returns to be greater than that for a fund with a lower tracking error. Tracking error for the Fund is estimated on an 'ex ante' basis, i.e. an estimate in relation to future performance. This is not a guarantee of the performance of the Fund.

What does the Fund invest in?

The Fund invests in stocks that are within the S&P/ASX 300 Accumulation Index and those expected to be added to the index. In addition, we are permitted to invest in a broad range of instruments including listed hybrids, equity swaps, futures, options and international securities which are related to these securities. Derivatives are used in portfolio construction as well as in connection with arbitrage transactions.

Although the maximum cash exposure of the Fund is 5%, we aim for the portfolio to be close to fully exposed to the equity market at all times. The holding of cash is permitted to facilitate transactions and is not used as a market timing instrument.

Short selling: Short selling is permitted in the Fund of up to 15% of the net asset value of the Fund. We currently use equity swaps to achieve the majority of short positions in the Fund.

Short positions are developed in the context of the overall portfolio. Our process focuses on the development of active positions against benchmark. The decision whether to short sell is the outcome of this process and is not a stand-alone component of the process.

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 10 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 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 11.

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.

What about the specific risks of this Fund?

The significant risks for this Fund may include:

Individual investment risk: individual investments we buy, like shares, can and do fall in value for many reasons such as changes in a company's internal operations or management, or in its business environment.

Share prices experience volatile price movements and dividend payments from shares may also vary over time.

We aim to reduce these risks with careful analysis of research from many sources and by talking to those people who run 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.

Derivative risk: An investment in derivatives can cause the Fund to make gains or incur losses. Derivatives may not be used for the purpose of adding net leverage to the portfolio. At all times we must retain sufficient liquid assets within the Fund or use borrowings to enable us to meet the likely margin calls associated with derivatives. Derivative exposure when combined with a physical exposure should not result in a net exposure which is inconsistent with the Fund's investment strategy.

Derivative transactions may involve credit risk that the counterparty on a transaction will be unable to honour its financial obligation to the Fund.

Arbitrage/correlation risk: The Fund engages in arbitrage strategies. These strategies involve the purchase of an asset and the concurrent sale of that asset in a different market, or the sale of a related asset, in order to capture small price discrepancies between markets or related assets.

Arbitrage strategies involving related assets carry the risk that the value of the related assets will not track or affect each other in the manner anticipated by us. Arbitrage strategies generally assume the price of related assets will converge to some historic or quantitative relationship, and the price discrepancies from this relationship will disappear. In the event the price discrepancies do not disappear or widen, however, a fund could lose money on an arbitrage trade.

Liquidity risk: The Fund may invest in securities which are in practice infrequently traded or for which typical daily volumes traded are small. The Fund may not be able to sell such securities when it is desired to do so or to realise what the manager perceives to be their fair value in the event of a sale. We aim to reduce this risk by understanding the liquidity characteristics of securities the Fund invests in and planning our trading so as to minimise the adverse consequences of low liquidity.

Risks associated with hybrid securities: Hybrid securities are issued by companies as an alternative to equity capital raising. In general, they promise the holder an income stream better than the prevailing company dividend or cash rate. The security may provide an option to convert to ordinary shares, or other similar arrangement for repayment of capital, at some future predefined point of time or under particular circumstances linked to the price of ordinary shares in the company. Risks associated with such securities include:

- Interest rate risk – the risk borne by debt related securities when interest rates fluctuate.
- Credit risk – the risk associated with the credit worthiness of the financial obligator of a security.
- Liquidity risk – hybrid securities tend to be less frequently traded than the issuing company's ordinary shares.

Foreign market risk: The Fund may invest in securities or derivative instruments issued in foreign markets, generally as a part of an Arbitrage strategy. Risks inherent in this type of investment include:

- Differences between countries in relation to accounting, auditing, financial reporting, government regulation, securities exchanges and transactional procedures.
- Foreign markets may have different levels of liquidity, pricing availability and settlement and clearance procedures.
- Currency risk resulting from fluctuations in the Australian dollar against currencies in which foreign securities or exposures are denominated.

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.

Fees and other costs

The table below shows the fees and costs that you may be charged.

These fees and costs may be deducted from your money, from the returns on your investment or from the Fund as a whole. You should read all the information about fees and costs, 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.

Fees and other costs

Type of fee or cost	Amount	How and when
Fees when your money moves in or out of the Fund. You may also incur a buy-sell spread¹ when your money moves in or out of the Fund.		
Establishment fee: this is a fee to set up your initial investment.	Nil	Not applicable
Contribution fee: this is a fee for initial investments you make to the Fund. It is also known as an entry fee.	Nil	Not applicable
Withdrawal fee: this is a fee for each withdrawal you make.	Nil	Not applicable
Termination fee: this is a fee for closing your investment.	Nil	Not applicable
Management costs		
Administration costs: the fees and costs for operating the Fund. They include administration and other fees charged by the product issuer, distribution costs and other expenses incurred in operating the Fund.	Not applicable	All administration and investment management fees are charged as one fee. See below under the heading "Investment management fee".
Investment management fee: the fees and costs for investing the assets. They include fees charged by the product issuer, fees paid to external investment managers and other expenses incurred in investing the assets (excluding transaction costs).	0.78% (\$3,900)	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.
Expense recoveries: the out-of-pocket expenses we recover from the Fund.	Nil	Not applicable ²
Additional service fees		
Switching fee: a fee for when you switch between investment options.	Nil	Not applicable
Adviser service fee: this is the fee for extra advice from your adviser about your investment.	Nil	Not applicable

¹ Refer to "Transaction costs" in the "Important additional information" section on page 9.

² Refer to "Expense Recoveries" in the "Important additional information" section on page 9.

Important additional information

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 costs are sometimes called a “buy-sell spread”. These costs won’t impact you unless you invest or withdraw. Transaction costs 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 costs that apply to the Fund are 0.275% on entry and exit.

The Fund’s constitution allows us to charge an estimate of the transaction costs 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.

Unless we advise otherwise, all Fund expenses will be paid for by the Manager from the Investment Management Fee and no additional expenses will be recovered.

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 (if applicable) relating to the Fund. The MER does not include contribution or withdrawal 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 year to 30 June 2005 will be 0.78%.

Dollar fee example

The table below shows the dollar effect that the MER for the year ending 30 June 2005 would have on your investment. The example above assumes an account balance of \$500,000. 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
2005	0.78% of your account balance \$3,900

This is an illustration only. In practice, the fees and expenses are based on the value of the entire Fund, which fluctuates daily. The figure does 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 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” 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.

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 MLIM and not an additional cost to you. We maintain a public register of alternative forms of remuneration in accordance with the IFSA/FPA Industry Code of practice on Alternative Forms of Remuneration. Please contact our Client Service Centre if you wish to inspect this register.

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 where ASIC offers a fee calculator to help investors compare the fees of different products.

Fund performance and size

The total Fund size (including units not offered through this PDS) as at 31 January 2005 was \$210.5m. Class D units are being offered for investment for the first time under this PDS.

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. The benchmark of the Fund is the S&P/ASX 300 Accumulation Index.

As Class D Units are being offered for the first time under this PDS, no performance information is available. Fund performance shown is that of the total Fund (inclusive of all classes of units).

Performance to 31 January 2005

	Since 21/11/2003* % p.a.
Total (gross) return	30.18
Benchmark	28.98

* The Fund was established on 18th September 2002 and was initially managed by the Merrill Lynch Quantitative Advisers US team (MLQA US). While managed by MLQA US the fund was substantially different to the current fund. In particular, it was run with lower ex-ante (forecast) tracking error, did not have the ability to enter into short positions and was managed using a subset of strategies now utilised.

On 7 August 2003 management of the fund was moved to the Quantitative Advisers Team, based in Melbourne. During November 2003 substantial assets earmarked for investment in the fund were transitioned from the MLIM Balanced Pooled Super Fund and the MLIM Wholesale Balanced Fund. The Fund has been invested according to the structure set by the Team only since close of business 21 November 2003.

Effective 31 January 2005 the benchmark and Fund performance calculations were adjusted to reflect the impact of franking credits. Total returns and benchmark performance figures shown are gross (ie. do not include expenses, fees or tax).

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

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. See page 14 for further details on how to access current information.

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.

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.

Distribution (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 March, June, September and December 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 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.

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 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.

The distributable income of the Fund may include non-assessable amounts to unit holders. Receipt of certain non-assessable amounts may have capital gains tax consequences.

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. Any excess foreign tax credits may be carried forward for 5 years and offset against the tax liability of future foreign income of the same class.

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.

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, whilst losses should be allowable deductions.

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 disclosure document 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** on an annual basis if you make a withdrawal during the year.

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, Statement 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.

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;
- email to client_servicesaus@ml.com

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.

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 which relate to your rights under the Constitution include:

- 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.

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 PricewaterhouseCoopers ("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.

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 1 April 2005. 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.

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 or email to client_servicesaus@ml.com.

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
Email: client_servicesaus@ml.com

Directors

Maurice J O'Shannassy
Kerrie A Howard
Peter J Gibbs
James T Stratford
Rob Fairbairn
Damien Frawley

The Directors have authorised the issue of this PDS.

Melbourne
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120 Collins Street,
Melbourne Vic 3000

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19–29 Martin Place,
Sydney NSW 2000

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1 Eagle Street,
Brisbane QLD 4000

Perth
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Perth WA 6000

Adelaide
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213 Greenhill Road,
Eastwood SA 5063

Client Service Centre:
1 300 366 100
Website:
www.mlim.com.au