

## Supplementary Product Disclosure Statement

BlackRock Scientific Global Markets Fund

(known prior to the 2 December 2009 as the Barclays Global Markets Fund)

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

This Supplementary Product Disclosure Statement is issued by BlackRock Asset Management Australia Limited (ACN 001 804 566, AFSL Licence No: 225398). It updates the Product Disclosure Statement dated 5th December 2008 (“Product Disclosure Statement”) for the BlackRock Scientific Global Markets Fund (known prior to 2 December 2009 as Barclays Global Markets Fund) and should be read in conjunction with the Product Disclosure Statement. All changes will take effect from the date of issue of this Supplementary Product Disclosure Statement.

The Product Disclosure Statement is hereby supplemented as follows:

### 1. Closing of BlackRock Transaction

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

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

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

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

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

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

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

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

## 3. Fund Name Changes

The name of the Fund has changed to the BlackRock Scientific Global Markets Fund from 2 December 2009.

Each of the references to the “Barclays Global Markets Fund” in the Product Disclosure Statement should now be read as “BlackRock Scientific Global Markets Fund”.

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

## 4. Website and Email Address Changes

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

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

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

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

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

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

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

## Who manages the Fund?

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

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

## About the Fund

The Fund aims to achieve returns of 7% p.a. (net of fees) above the RBA Cash Rate Target (the “Benchmark”) over rolling 3-year periods. In order to achieve its expected return objective, we expect the Fund to incur a total risk of about 8% p.a. over a rolling 3-year period. By “total risk” we mean the annualised standard deviation of returns net of fees (that is, we expect the Fund’s return to be within 8% above or below its expected return level, roughly two years out of every three). Investors should bear in mind that the Fund’s expected return objective is predictive in nature, may be affected by unknown risks and uncertainties, and that actual returns may differ from this objective.

Should the expected return and active risk parameters of the Fund change, we will inform Unitholders as soon as is practicable.

The Fund uses a high-risk investment strategy that is designed to add value above the Benchmark by gaining exposure to long and short positions in global markets. A disciplined quantitative process is applied that exploits the relative mispricing of these markets as identified by our research. Currently the investment process uses the following sets of information:

- Fundamental value – these signals assess the underlying fundamental value of each market;
- Economic environment – these signals are designed to capture the effect of changing economic conditions on the value of each market; and
- Market sentiment – these signals aim to account for the impact that recent investor behaviour has on the price of each market.

By using a disciplined long/short portfolio construction methodology we aim to fully extract the information in our investment insights.

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

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

## How do we manage your money?

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

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

## What does the Fund invest in?

In pursuing its investment objective the Fund gains exposure to Global Ascent Ltd. (the “GA Fund” or “Underlying Fund”), an actively managed fund domiciled in the Cayman Islands. The GA Fund currently gains exposure to long and short positions in several types of domestic and international derivatives, which may include, but are not limited to, bond and share price index exchange traded futures, commodity futures, over-the-counter foreign exchange forward contracts, over-the-counter swaps, and options. The Fund may also gain exposure to physical securities.

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

By using derivatives rather than physical securities, asset allocation decisions can be implemented rapidly and cost effectively. The GA Fund is long in markets:

- that appear cheap on a fundamental basis;
- that have favourable economic environments; and
- that exhibit favourable market sentiment.

Conversely, the GA Fund will take short positions in those markets that have neutral to negative outlooks on many of these factors.

Whilst the GA Fund is highly leveraged, it has limited liability and it is designed to endeavour to avoid uncompensated risks. However, it is important to note that the GA Fund will usually, by investing primarily in derivatives, be geared with a gross market exposure of many times the value of its Net Asset Value. Accordingly, any event which adversely affects the value of an investment will be magnified to the extent gearing is utilised. The cumulative effect of the use of leveraging with respect to any investments in a market that moves adversely to such investments will result in a loss which would be greater than if the investments were not leveraged. **In order to better understand the risks associated with this strategy in terms of how it utilizes derivatives to achieve the desired level of gearing, and how BGI effectively manages these risks, please read the Derivatives Risk Statement (DRS) associated with this Fund, and seek specific advice from your financial adviser.** A copy of our DRS is freely available by contacting Barclays Global Investors on the toll free number disclosed on page 12.

In order to achieve the target return/risk objective, an appropriate portion of the Fund’s capital is also exposed to short dated fixed interest securities, which aim to replicate the return of the UBS Bank Bill Index.

The Fund aims to remain fully invested at all times.

Whilst the constitution of the Fund allows borrowing, it is our intention that no borrowing arrangements will be entered into by the funds other than temporary overdrafts which may be used as a means of managing certain cash flows, and by gaining leveraged market exposures as explained above.

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

## What are the benefits?

One of the main benefits the Fund aims to achieve is a return of 7% p.a. (net of fees) above the RBA Cash Rate Target over rolling 3-year periods.

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

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

The Fund expects to receive returns from its investments, and in turn, may make distributions to investors (usually shortly after the end of June each year). There may be periods in which no distributions are made.

Investors also have the benefit of gains (or suffer losses) when they dispose of their investment in the Fund such as by exiting the Fund or disposing of their units. Investors also participate in other distributions (such as if the Fund was ever terminated).

## What are the risks?

It is important that prospective investors understand that the Fund gains exposure to both the returns of the UBS Bank Bill Index, which can be considered to be of lower risk, as well as exposure to the use of derivatives which are generally considered high-risk investments.

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

- market volatility
- global and domestic economic conditions;
- international and domestic government policies and tax laws;
- currency exchange rates, interest rates and inflation rates;
- credit and liquidity market events;
- leverage;
- industry factors and consumer demand; or
- investor sentiment.

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

The unstable market conditions and highly unsettled credit markets experienced since the second half of 2007 and particularly in the second half of 2008 have highlighted the risks that need to be considered by investors. In accordance with AIMA Australia's Guidelines to Risk Disclosure for Australian Hedge Funds (released in August 2007), some of the specific risks identified with the GA Fund's strategy include the following:

- Potentially high volatility due to the level of leverage within the strategy;
- Liquidity risks including the risk of illiquidity of underlying investments: the illiquidity of underlying investments to which the Fund is exposed may adversely affect the Fund were interests to be sold at an inopportune time;
- Short-selling risks: the underlying strategy may engage in short selling. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating any loss;
- Counterparty risk: Some of the markets in which the underlying GA Fund may effect transactions are not "exchanged-based", including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss;
- credit risk: The GA Fund is subject to credit risk where the issuer, credit enhancer, financial guarantor or counterparty of an instrument held by the GA Fund may be unable to pay interest or principal when due, or be perceived by the market as being potentially unable to do so. Any such downgrade or default could result in material losses to the Fund. The unsettled credit markets, have, in fact, illustrated the lack of financial stability of a number of established counterparties and brokers;
- business and regulatory risk: for instance, in September 2008, regulators in various countries temporarily banned short-selling of publicly traded equity securities and required certain investors, including hedge fund managers, to make disclosure of short positions on publicly traded equity securities. Governmental actions like these may adversely impact the GA Fund's ability to execute certain investment strategies which could have a material effect on the Fund's performance.

In particular, unstable market conditions, as exemplified recently may make it more difficult for the GA Fund to exit and realise value from its existing investments. It is important to understand that the Fund can incur material losses even if the GA Fund's strategy reacts quickly to difficult market conditions and there can be no assurance that the Fund will not suffer material adverse effects from broad and rapid changes in market conditions.

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

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

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

Active investment risk will vary from manager to manager, depending upon their investment management process. Our active investment strategies manage risk by seeking to ensure that investors only incur active risks for which we believe they will be adequately compensated. To this end, we aim to identify and control the other risk factors that can affect the actual return of the underlying markets relative to the Benchmark.

We have entered into International Swap Dealers Association (ISDA) contracts with one or more counterparties in relation to foreign currency transactions for some of the underlying funds. In the event of default (for reasons such as a sudden decline in Fund net asset value), it is possible that all the foreign exchange contracts will be closed out by one or more counterparties in circumstances that adversely affect the value of your investment.

## What about Fund performance and size?

For recent Fund performance, benchmark performance or Fund size, please contact the operator of your master trust or wrap account. You can also call us toll free on 1800 222 743 or visit our website: [www.barclaysglobal.com](http://www.barclaysglobal.com) (see page 12 for our contact details).

Past performance is not indicative of future performance of the Fund.

## Fees and other costs

### Consumer Advisory Warning

Government regulation requires all product issuers to include the following standard consumer advisory warning as set out in the box below. The information in the box is standardised across all product issuers and does not provide any specific information on the fees and charges in this fund and therefore, may not reflect what fees you may be charged. You should refer to the fees in the fee template on page 10 for information on the specific fees and charges that apply to this Fund.

#### **DID YOU KNOW?**

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

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

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

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

#### **TO FIND OUT MORE**

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

**Fees and other costs**

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

Information about taxes is set out on page 12 of this document.

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in and out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment.	Nil	Not applicable.
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil	We will not charge a contribution fee for your initial or any additional investments.  An allowance is made in the entry unit price for transaction costs in the form of a buy spread. <sup>1</sup>
<b>Withdrawal fee</b> The fee on each amount you take out of your investment .	Nil	We will not charge a withdrawal fee for withdrawals you make from the Fund.  An allowance is made in the exit unit price for transaction costs in the form of a sell spread. <sup>1</sup>
<b>Termination fee</b> The fee to close your investment .	Nil	Not applicable.
<b>Management costs</b>		
The fees and costs for managing your investment.  Until Unitholders receive notice to the contrary, this will be charged as one base management fee and (if applicable), a performance fee.  (i) Base Fee	Current base management fee <sup>2</sup> : 1.025% pa	The base management fee, including GST less reduced input tax credits, is calculated on the Net Asset Value of the Fund on a daily basis and is generally paid to the Responsible Entity from the

<p>The base management fee covers the following:  <i>Administration fee:</i> this is to cover the general administration of the Fund  <i>Investment management fee:</i> this is for managing the Fund's investments  <i>Operational expenses and reimbursements:</i> this covers most of the out-of-pocket expenses the Responsible Entity is entitled to recover from the Fund including custody safekeeping fees and other investment related expenses<sup>3</sup>.</p>		<p>Fund on a quarterly basis. The Responsible Entity may, under special circumstances, elect to vary the frequency of its fee collection.</p>
<p><b>(ii) Performance Fee</b></p>	<p>20.5% of outperformance<sup>4</sup></p>	<p>The performance fee, if payable, is generally paid to the Responsible Entity from the Fund on a quarterly basis. The Responsible Entity may, under special circumstances, elect to vary the frequency of its fee collection.</p>
<p><b>Service fees</b></p>		
<p><b>Investment switching fee</b>  The fee for changing investment options.</p>	<p>Nil</p>	<p>No specific switching fee is applicable, however, appropriate buy/sell spreads will apply<sup>1</sup>.</p>

1. Transaction costs ('buy/sell' spreads) apply to the Fund. Refer to 'Additional Explanation of Fees and Costs' below.
2. Current management fees are inclusive of GST less reduced input tax credits. It is not possible to unbundle the exact amounts of the components of the management costs. The effect of tax benefits on the actual impact of management fees on your investment is discussed below under 'Additional Explanation of Fees and Costs'.
3. That is, from the one management fee we charge, we will pay ongoing fees and expenses that are incurred in connection with the Fund. Our management fee does not cover the following:
  - expenses such as transactional costs, government taxes and charges on the purchase and sale of securities; nor
  - unusual expenses (such as non-recurrent expenses, for example, the costs involved in litigation or the running of unitholders meetings). No unusual expenses have been incurred in the Fund in the past three financial years. Where these expenses are incurred, they will be paid from the Fund and reflected in the unit price and in the management costs reported to you in your periodic statement;
  - Each Class of Shares in the GA Fund bears its pro rata share of the GA Fund's direct operating costs, trading costs, and fees and expenses. The Class of shares that the Fund invests in is not subject to any management fees or incentive fees at the GA Fund level.
4. See below under 'Additional Explanation of Fees and Costs' for further information.

## **Additional Explanation of Fees and Costs**

### **Performance Fee**

The total management costs of the Fund will include a performance fee if the Fund outperforms. The performance fee (including GST less Reduced Income Tax Credit) is calculated based on Fund outperformance when compared to the performance of the Benchmark.

Performance fees are not refunded when the accumulated Fund performance is below the Benchmark following a performance fee payment date. In these circumstances, no performance fees are charged to the Fund until the accumulated Fund performance is again above the Benchmark.

The accrual of the performance fee in the unit price can result in different implied levels of performance fees for individual investors depending on the timing of their investment and the relative performance of the Fund over time. This reflects the commingled nature of the Fund and the fact that performance fees are charged against the performance of the Fund rather than against each individual investor. This effect is expected to diminish as the Fund's size increases.

### **Fee for Wholesale Investors**

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

### **Buy/ Sell Spreads**

When an investor enters or exits the Fund, an allowance for transaction costs is included in the entry or exit price. Transaction costs are paid from the Fund. When you invest or withdraw all or part of your investment, we use what is called a 'buy/sell' spread to recover estimated transaction costs associated with buying and selling a Fund's assets. We use the buy/sell spread to direct transaction costs such as brokerage, bank charges and market impact to transacting investors rather than investors remaining in the relevant Fund. The buy/sell spreads are paid to the relevant Fund and are not fees paid to BGI. Should we need to revise the Fund's buy/sell spreads of a Fund we will notify Unitholders.

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

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

Buy spread	0.25%
Sell spread	0.25%

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

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

### **Fee for Wholesale Investors**

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

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

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

BGI may also make Fund Manager Payments to institutional investors and Australian Financial Services Licensees such as financial advisers and dealer groups, IDPS platform providers, including master trusts or wrap account operators who invest in the Fund. All Fund Manager Payments are paid directly by BGI and are not paid out of the Fund. Such payments are individually negotiated with each platform provider investor or Licensee. Payments may be rebated by the institutional investor or Licensee platform provider to its end consumer clients or may be retained by the platform institutional investor or Licensee by way of a commission (please refer to the PDS or Financial Services Guide of your particular platform provider or financial adviser). Currently there are no Fund Manager Payments paid by BGI to either platform providers or Licensees.

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

### **Public register of alternative remuneration**

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

### **Third party arrangements**

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

### **Fee Changes**

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

## Example of annual fees and costs for the Fund

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

<b>EXAMPLE – the Barclays Global Markets Fund</b>		<b>BALANCE OF \$50,000 WITH CONTRIBUTIONS OF \$5,000 DURING YEAR</b>
Contribution Fees	0%	For every \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs: <i>Base fee</i>	1.025% per year	For every \$50,000 you have in the Fund you will be charged \$513 each year.
<b>PLUS</b> Management Costs – <i>Performance Fee</i> (if any is payable)	20.5% of outperformance	<p>The performance fee will vary based on the return of the Fund over the relevant period and the accumulated performance of the Fund at the end of the relevant period. If accumulated Fund performance is below the Benchmark, no performance fees will be charged until the accumulated Fund performance since the last performance fee payment date is again above the Benchmark. If accumulated Fund performance is above the Benchmark, then for example, if the Fund has achieved its targeted average annual return before fees of 10% above the Benchmark, for every \$50,000 you have in the Fund, you will be charged approximately \$1,025 for the period. If the Fund return is below the Benchmark following a performance fee payment date, no performance fees will be charged for the period.</p> <p>Please note that due to the nature of performance fees, it is not possible to predict with any certainty the amount of performance fees that will be payable during the year.</p>
<b>EQUALS</b> Cost of Fund		<p>If you had an investment of \$50,000 and you put in an additional \$5,000 during the year, you will be charged a total fee of from:</p> <p style="text-align: center;"><b>\$513 + performance fee (if any) to \$564 + performance fee (if any)</b></p> <p><b>What it costs you will depend on the fees you negotiate with your fund or financial adviser, Actual total fees will depend on the performance and pattern of performance of the Fund, and when you contribute the additional \$5,000 (that is, if your additional contribution occurs at the end of the year, you will pay about \$513 in <u>base</u> fee whereas if you contribute at the start of the year, you will pay \$564 in <u>base</u> fee).</b></p>

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

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

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

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

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

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

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

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

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

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

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

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

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

The price of the units in the Fund is determined by dividing the Net Asset Value of the Fund by the total number of units in the Fund, and adding (for applications) or deducting (for redemptions) an allowance for transaction costs (as described on pages 8-9).

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

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

Normally we process redemption requests by the master trust or wrap account operator within 6 Business Days of the last Business Day of the month (the constitution allows up to 90 days from receipt by us of a request for redemption when the Fund is liquid within the meaning of the Corporations Act), but remember that the master trust or wrap account operator then needs time to get your money to you.

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

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

We can delay access to an investor's money in some circumstances such as where due to circumstances beyond our control, it is not possible to realise assets to pay the redemption or if the Fund is not liquid within the meaning of the Corporations Act (the law dictates this) – we do not anticipate it would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit.

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

## Tax

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

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

## About this Product Disclosure Statement

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

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

## Complaints

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

## Where to find us

### **Barclays Global Investors Australia Limited**

Registered and Principal Office:

Level 43, Grosvenor Place,

225 George Street  
Sydney, NSW 2000

PO Box N43  
Grosvenor Place, NSW 1220

Tel: 1800 222 743  
Fax: (02) 9272 2577  
Website: [www.barclaysglobal.com](http://www.barclaysglobal.com)

