

10 steps to creating Aii Units

When	What	How
1 Prior to market open	Access daily index basket	<ul style="list-style-type: none"> • australianindexinvestments.com.au • Daily email distribution by Mainstream BPO
2 During trading hours	Contact Mainstream BPO and advise of intended application to the fund	Telephone: 02 9247 3326 Fax: 02 9251 3325
3 During trading hours	Forward completed application form to Mainstream BPO	Sourced from australianindexinvestments.com.au Fax to: 02 9251 3325
4 During trading hours	Advise ASX Market Control (ASX Trading Operations and Markets)	Fax: 02 9235 1857 Email: marketcontrol@asx.com.au
5 After market close, prior to market opening next day	Report in-kind security trades through ITS.	Report as 'ETF Special Trade' (Condition Code: ET) using close of day index prices – as defined by S&P/ASX
6 Trade date +1	Access prior day's Fund NAV	australianindexinvestments.com.au
7 Trade date +1	Adjust NAV by transaction charge	See example on page 2
8 Trade date +1	Generate CHESS 101 messages for security and ETF trades: <ul style="list-style-type: none"> • Transaction Basis F • Against RBC Dexia PID 	Calculate consideration: <ul style="list-style-type: none"> • Basket securities – use S&P/ASX index closing price as at Trade Date • ETF Units – use ETF NAV as calculated by Aii adjusted for transaction fee
9 Trade date +2	Trades are pre-matched	Via CHESS
10 Trade date +3	Trades settle	Via CHESS

Example of creation unit ⁽¹⁾

NAV per unit	\$	5.00
Units per creation unit		200,000
NAV per creation unit	\$	1,000,000.00
Value of index parcel for DDMMYYYY	\$	999,500.00
Cash component per creation unit ⁽²⁾	\$	500.00
Transaction fee per application/redemption	\$	2,000.00

Application	Units	NAV	\$
ETF buy trade	200,000	5.00	1,000,000.00
ETF buy trade adjusted for transaction fee ⁽³⁾	200,000	5.01	1,002,000.00
50 sell stock trades vs consideration	aggregate consideration		999,500.00
Contra units vs stocks leaves residual cash *			2,500.00

* \$2,000 transaction fee plus \$500 cash component

Redemption	Units	NAV	\$
ETF sell trade	200,000	5.00	1,000,000.00
ETF sell trade adjusted for transaction fee	200,000	4.99	998,000.00
50 buy stock trades vs consideration	aggregate consideration		999,500.00
Contra units vs stocks leaves residual cash *			1,500.00

* \$2,000 transaction fee less \$500 cash component

Example of creation unit (with negative cash component) ⁽¹⁾

NAV per unit	\$	5.00
Units per creation unit	\$	200,000.00
NAV per creation unit	\$	1,000,000.00
Value of index parcel for DDMMYYYY	\$	1,000,100.00
Cash component per creation unit	-\$	100.00
Transaction fee per application/redemption	\$	2,000.00

Application	Units	NAV	\$
ETF buy trade	200,000	5.00	1,000,000.00
ETF buy trade adjusted for transaction fee ⁽³⁾	200,000	5.01	1,002,000.00
50 sell stock trades vs consideration	aggregate consideration		1,000,100.00
Contra units vs stocks leaves residual cash *			1,900.00

* \$2,000 transaction fee plus -\$100 cash component

Redemption	Units	NAV	\$
ETF sell trade	200,000	5.00	1,000,000.00
ETF sell trade adjusted for transaction fee	200,000	4.99	998,000.00
50 buy stock trades vs consideration	aggregate consideration		1,000,100.00
Contra units vs stocks leaves residual cash *			2,100.00

* \$2,000 transaction fee less -\$100 cash component

(1) All of these components are needed to make a creation unit.

(2) This is the difference between NAV per creation unit and the value of the index parcel.

(3) NAV is adjusted by dividing the consideration by 200,000 units.

Funds	ASX Ticker	EIN Ticker	Basket Ticker
Aii Financials x-A-REIT	FIX	YFIX	FIXBSK
Aii Financials	FIN	YFIN	FINBSK
Aii Resources	RSR	YRSR	RSRBSK
Aii Industrials	IDD	YIDD	IDDBSK
Aii Energy	ENY	YENY	ENYBSK
Aii Metals & Mining	MAM	YMAM	MAMBSK

Fund Specifications

NAV (Net Asset Value)	Fund is valued daily, using close of day S&P/ASX index prices
Management Costs (capped)	0.43% p.a.
Trading hours	ASX trading hours
Applications	Available to participating brokers of the ASX operating as principal

Index Basket Information

Index basket files	Calculated daily and distributed prior to market opening
Access to index basket files	Available on: australianindexinvestment.com.au ASX signal E feed: SK – Securities Detail and ST – ETF Details – FINBSK, FIXBSK, RSRBSK, IDDBSK, ENYBSK, MAMBSK
Basket size	Minimum 200,000 Units of the Fund, multiples thereafter, minimum 80,000 for ENY
Basket transaction charges	From \$1,000 to \$1,800 depending on basket
Trading hours for primary market	ASX trading hours
Primary market trading	Available to participating brokers of the ASX operating as principal
Creation/Redemption	Primary market transactions made during ASX trading hours, are applied against fund's closing NAV for that day
(Applications/Redepmtions)	Applications received after the end of trading are applied against the next day's fund closing NAV
Index basket pricing	S&P/ASX closing day index prices
EIN	Estimated Intraday NAV, calculated by ASX on 30 second snap
Cash component	Difference between NAV and value of index basket shares
Counterparty for settlements	RBC Dexia Investor Services Trust PID

Contacts

Australian Index Investments	Investment	Email: brokerbasket@aifunds.com.au
	Manager	Telephone: 02 9259 0750
MainstreamBPO	Registry	Telephone: 02 9247 3326
		Fax: 02 9251 3525