

Product Disclosure Statement

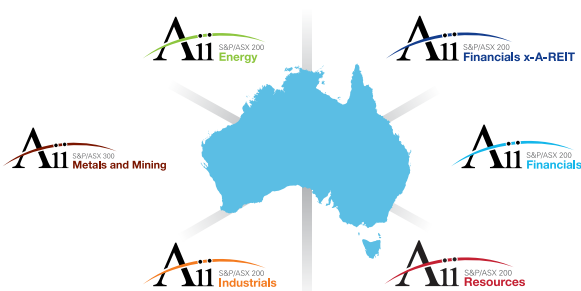
Australian Index Investments Sector Index Exchange Traded Funds

Dated: 31 January 2011



Aii S&P/ASX 200 Resources (ASX code: RSR)
Aii S&P/ASX 200 Financials (ASX code: FIN)
Aii S&P/ASX 200 Energy (ASX code: ENY)
Aii S&P/ASX 200 Industrials (ASX code: IDD)
Aii S&P/ASX 300 Metals and Mining (ASX code: MAM)
Aii S&P/ASX 200 Financials x-A-REIT (ASX code: FIX)

Issued by Valuestream Investment Management Limited (ABN 66 094 107 034) (AFSL No 246621)



Important Notice

This Product Disclosure Statement ('PDS') is for the Australian Index Investments Sector Index Exchange Traded Funds (ARSN 141 693 727) ('Fund') which offers interests in the Fund (interests being 'Aii ETFs' or 'Units'). This PDS is dated 31 January 2011.

Valuestream Investment Management Limited ('VIML' or 'Responsible Entity') (ABN 66 094 107 034) (AFSL No 246621) is the responsible entity of the Aii ETFs. The Responsible Entity is the issuer of this PDS.

Australian Index Investments Pty Limited ('Australian Index Investments') (ACN 137 160 528) has been appointed by the Responsible Entity as the investment manager of the Fund. Australian Index Investments is appropriately authorised to perform this function as an authorised representative (Representative No 344024) of VIML (AFSL No 246621).

References to 'we', 'our' or 'us' throughout this PDS should be read as references to both VIML and Australian Index Investments as appropriate. A copy of this PDS has been lodged with both the Australian Securities and Investments Commission ('ASIC') and the Australian Securities Exchange ('ASX'). Neither ASIC nor ASX take any responsibility for the contents of this PDS. The Aii ETFs are quoted on the AQUA Market. An application for quotation was made to (and accepted by) ASX Limited, being the ASX operator. When additional Units are issued, application for quotation on the AQUA Market will be made within 7 days of the date of their issue, where required by law or the ASX.

Trading Participants

The offer in this PDS is only available to 'Authorised Participants'. That is, persons who have been admitted as Trading Participants (acting as principal) under Section 1 of the ASX Operating Rules.

Other Investors

Investors who do not qualify as Authorised Participants and therefore cannot invest in Aii ETFs directly through this PDS, may purchase Aii ETFs through their stockbroker or financial adviser.

For further details on Aii ETFs please contact your financial adviser, your stockbroker or visit:

Australian Index Investments website:
www.australianindexinvestments.com.au

Free call: 1800 256 267

Email: info@australianindexinvestments.com.au

Electronic Product Disclosure Statement

If you have received this PDS electronically and would like a paper copy free of charge, please contact Australian Index Investments on 1800 256 267.

Data Sources

Unless otherwise stated, Australian Index Investments sources its data using public or licensed market data. All material is current as at the date of this PDS.

Update of Information

Information in this PDS is subject to change from time to time and, provided the changes are not materially adverse to investors may be updated by the Responsible Entity by publishing such information on the Australian Index Investments website www.australianindexinvestments.com.au. A paper copy of any updated information will be given upon request and is free of charge.

Classes of Units

Each Aii ETF represents a different class of Unit in the Fund. Each Aii ETF class of the Fund will be quoted on the AQUA market of the ASX - refer to Section 1 for further details on the AQUA Market.

Disclaimers

An investment in the Aii ETFs is subject to various risks (refer to Section 3, 'Risks' on page 9 for further details), which may include possible delays in repayment and loss of income and principal invested. None of VIML, or Australian Index Investments, or their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in the Fund described in this PDS. Members of VIML, and Australian Index Investments may invest in or provide other services in respect of the Aii ETFs.

This PDS is prepared for your general information only. It is not intended to be a recommendation by VIML, Australian Index Investments, any of their associates or any other person to invest in the Fund. In preparing this PDS, VIML and Australian Index Investments did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors should consider (with the advice or assistance of an adviser) whether an investment in the Aii ETFs are appropriate to their needs, objectives and circumstances.

RBC Dexia Investor Services Trust (ABN 75 116 809 824) ('RBC Dexia Investor Services') is custodian for the Fund. RBC Dexia Investor Services' role as custodian is limited to holding assets of the Fund. RBC Dexia Investor Services has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to you for any act done or omission made in accordance with the Custody Agreement.

RBC Dexia Investor Services was not involved in preparing, nor takes any responsibility for this PDS and RBC Dexia Investor Services makes no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.

RBC Dexia Investor Services has given, and not withdrawn, its consent to be named in this PDS in the form and context in which it is so named.

Information available in relation to the Fund and the Aii ETFs

VIML is subject to regular reporting and disclosure obligations, in its capacity as responsible entity of the Fund and issuer of the Aii ETFs. In addition, the following information can be obtained by visiting www.australianindexinvestments.com.au or by calling 1800 256 267:

- details of the Net Asset Value (NAV) for each of the Aii ETFs – this is available monthly;
- details of the NAV Unit price and Basket constituents for each of the Aii ETFs – this is available daily;
- the Unit pricing policy for the Aii ETFs;
- the latest copy of the PDS for the Aii ETFs;
- details of any continuous disclosure notices required to be lodged with ASIC under the Corporations Act in relation to the Aii ETFs;
- details of distribution announcements given by Australian Index Investments for each of the Aii ETFs to the ASX via the ASX Company Announcements Platform.
- annual reports and financial statements for the Fund; and
- details of the Aii ETFs distribution reinvestment plan.

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Section 1

Key features of the ETF offer

What is the Australian Index Investments Sector Index Exchange Traded Funds?

The Australian Index Investments Sector Index Exchange Traded Funds (ARSN 141 693 727) ('Fund') is an Australian unit trust and a registered managed investment scheme under the Corporations Act 2001 (Cth) ('Corporations Act'). The Fund is designed to enable unitholders to obtain exposure to Australian sector specific equities including financials, financials x-A-REITs, industrials, resources, energy, and metals and mining by investing in a class of Units. Each class of Units (also called 'Aii ETFs' in this PDS) will closely track a specific sector index.

The Responsible Entity

VIML, as the responsible entity of the Fund, is responsible for all compliance and regulatory aspects of operating the Fund. VIML's role includes ensuring the Fund meets all Corporations Act requirements.

VIML has entered into a management agreement with Australian Index Investments, under which VIML will delegate to Australian Index Investments, the investment management functions in relation to the Aii ETFs. Further information about the role of Australian Index Investments can be found in Section 8 of this PDS.

What is an Exchange Traded Fund?

The Australian Index Investments Sector Index Exchange Traded Funds is an exchange traded fund. Exchange traded funds ('ETFs') are open ended funds that generally invest in a basket of listed securities, bonds or managed funds that make up an index or a particular sector. ETFs seek to replicate (or in the case of the Aii ETFs, closely track) the relevant index or sector. ETFs come with many benefits, including low cost broad diversification, transparency and tax efficiency. ETFs trade on a securities exchange, such as the ASX, so they also benefit from simple trading and intraday pricing. ETFs like any Fund also carry certain risks, which are explained in more detail in Section 3 'Risks'.

The Offer and Underlying Sector Indices

Each of the Aii ETFs constitute a separate class of Unit in the Australian Index Investments Sector Index Exchange Traded Funds ARSN 141 693 727. See Section 2 'Australian Index Investments ETFs' for more details.

You can choose which class or classes of Units you wish to invest in. See the application form for details.

Who is this Offer To?

The offer in this PDS is only available to stockbrokers acting as principal. That is, persons who have been authorised as trading participants under the ASX Operating Rules ('Authorised Participants').

Secondary market

An application for quotation of Aii ETFs on the AQUA Market was made to (and accepted by) ASX Limited, being the ASX operator. When additional Units are issued, application for quotation on the AQUA Market will be made within 7 days of the date of their issue, where required by law or the ASX. Units can be traded on the market in the same way as other listed securities. Please refer to Section 1, 'AQUA Market of the ASX' for further details of the AQUA Market.

Applications

Aii ETFs can only be applied for by Authorised Participants in multiples of Units that represent creation unit amounts ('Baskets'). Application amounts must be in the form of a parcel of quoted securities selected by Australian Index Investments from time to time transferred through the Clearing House Electronic Subregister System ('CHESS'), together with any balancing cash payment requirements. For further information regarding applications, please refer to Section 4, 'How to transact with Australian Index Investments'.

Redemptions

Aii ETFs can only be redeemed by Authorised Participants in Baskets. The amount payable to an investor on redemption (the withdrawal amount) will be paid through a transfer of a parcel of quoted securities selected by Australian Index Investments from time to time transferred through CHESS, together with any balancing cash payment requirements. Aii ETF investors can only redeem Units if they are an Authorised Participant who is also an Australian resident for tax purposes. For further information regarding redemptions, please refer to Section 4, 'How to transact with Australian Index Investments'.

Distributions

Distributions are calculated semi-annually as of 30 June and 31 December each year or at such other times as determined by the Responsible Entity. The Responsible Entity, at its discretion, may change the frequency in which distributions are paid for each Aii ETF. Should this occur, an announcement will be made to the ASX. The withdrawal amount paid to an investor on the redemption of Aii ETFs may also include a portion of distributable income in relation to the Units for the relevant period of investment prior to redemption.

Summary of the Position of Persons who are not Australian Residents for Taxation Purposes

Persons who are not an Australian resident for taxation purposes may seek to transact in the Aii ETFs via their stockbroker or their financial adviser. As set out above such persons are not eligible to submit ETF Application/Redemption Forms directly to the Fund (and therefore cannot directly apply for or redeem Aii ETFs), however, such persons can trade any Aii ETFs on the market in the same way as other listed securities. Persons who are not Australian residents for taxation purposes should refer to Section 6 'Distributions' and Section 7 'Taxation of ETFs' for information in relation to these matters and the Aii ETFs in which they decide to trade.

AQUA Market of the ASX

The ASX has recently introduced a new market service – the AQUA Market – to provide managed funds, ETFs and structured products with a more tailored framework for the quoting of these products on the ASX with access to back office clearing and settlement services offered by the ASX.

The key distinction between products admitted under the ASX Listing Rules and those quoted under the AQUA Rules is the level of influence that the issuer has over the underlying instrument. Under the ASX Listing Rules, a listed equity issuer typically has listed securities which reflect the value of a business operated by the issuer. By contrast, securities quoted under the AQUA Rules typically reflect the value of some other asset or thing, in this case they reflect the value of the various underlying equities and not the value of a business operated by a listed company.

This difference should often facilitate liquidity in AQUA-quoted securities by way of market making and redemptions, rather than on the basis of shareholder spread requirements (which is the traditional method for listed equity issuers under the ASX Listing Rules). This is because market makers are exposed to the underlying assets of AQUA-quoted securities, in this case the various underlying equities. The equities are a liquid asset traded on a recognised market with robust and transparent pricing mechanisms.

Key differences between the ASX Listing Rules and the AQUA Rules

The key differences between investments listed under the ASX Listing Rules and those listed under the AQUA Rules are as follows:

Continuous disclosure – continuous disclosure of information is not required under the ASX Rules for AQUA issuers, however, VIML will comply with the Corporations Act as if the Fund were an unlisted disclosing entity, this means that it will comply with the Corporations Act continuous disclosure requirements VIML will make any necessary continuous disclosure via the Fund’s website www.australianindexinvestments.com.au in accordance with ASIC’s good practice guidance. VIML will also make disclosure to ASX and market participants using the ASX Company Announcements Platform at the same time information is disclosed to ASIC. There is a requirement under the AQUA Rules that an AQUA product issuer provide ASX with information that may lead to the establishment of a false market in the products or would materially affect the price of its products.

Periodic disclosure – AQUA Product issuers are not required to disclose half yearly and annual financial information or annual reports to ASX. VIML will lodge these with ASIC as if the Fund were an unlisted disclosing entity.

Corporate control – Because the Fund is not listed (but is quoted on the AQUA Market), the provisions about takeover and substantial securities holding notifications under the Corporations Act do not apply to holders of Aii ETFs. Further, specific ASIC relief has been obtained in relation to these matters. Please see Section 8, ‘Other information you need to know’, particularly ‘ASIC relief’.

An extraordinary resolution would be required to change the responsible entity. An extraordinary resolution is a resolution supported by a majority of the total votes that may be cast by members entitled to vote on the resolution. Further, the ASX requirements in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors’ interests and substantial shareholdings are not relevant and do not apply to AQUA Products. VIML is subject to general Corporations Act requirements in respect of some of these matters.

Related party transactions – ASX requirements relating to transactions between an entity and persons in a position to influence the entity, do not apply to AQUA Products, however, Chapter 2E of the Corporations Act as modified for registered schemes, regarding related party transactions, which is applicable to responsible entities, will still apply to VIML.

Auditor rotation obligations – AQUA issuers, including VIML, will not be subject to the requirements in Part 2M.4 Division 5 of the Corporations Act in relation to auditor rotation.

The Role of Certain Entities in Regard to the Aii ETFs

There are a number of parties involved in the ongoing administration and quotation of the Aii ETFs as detailed below:

Responsible Entity and Custodian

VIML is the responsible entity of the Aii ETFs. RBC Dexia Investor Services Trust is the Fund custodian, responsible for holding of the assets on behalf of the Responsible Entity.

Responsible Entity	Valuestream Investment Management Limited ABN 66 094 107 034
Custodian	RBC Dexia Investor Services Trust ABN 75 116 809 824
Investment Manager	Australian Index Investments Pty Limited ABN 52 137 160 528

Refer to page 22 for more details on the Responsible Entity and page 23 for more details on Australian Index Investments.

Share Registry

The share registry is responsible for maintaining a record of all investors in the Aii ETFs, including details of the number of units held, participation in any dividend reinvestment plan and tax file number.

Share Registrar	MainstreamBPO ABN 48 112 252 114
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Market Maker

A market maker’s role is to ‘make the market’ for the Aii ETFs. They facilitate trading in the Aii ETFs by:

- providing liquidity to the market by acting as the buyer and seller of Units throughout the day; and
- applying for and redeeming Units off-market to ensure the number of Aii ETFs on issue matches supply and demand.

The Fund composition is distributed to the market every morning, allowing market makers to price the Basket of securities underlying each Aii ETF. Based on this information, market makers enter their bid and offer prices around the true value of each Aii ETF and within the agreed maximum spreads. Bid and offer prices are continuously updated throughout the day by appointed market makers in order to reflect price changes in the Basket of securities underlying each Aii ETF.

Market makers are selected based on their experience in market making, both in Australia and international markets, and if they make markets in existing Australian based ETF products on the ASX.

The companies to be selected to make markets are ASX participants and have agreements with the ASX to make markets in existing Australian-based ETF products.

Material Contracts

We have entered into the following contracts in relation to the offer of the Aii ETFs:

Other party involved	Description
Standard and Poor’s	Aii ETF index licence agreement. The licence allows the use of certain indices in the operation of the Aii ETFs.
RBC Dexia Investor Services Trust	Custodian agreement which sets out the services provided by the custodian on an ongoing basis together with the service standards.
MainstreamBPO	Registry agreement which sets out the services provided by the share registrar on an ongoing basis together with the service standards.
Australian Index Investments Pty Limited	Investment management agreement which sets out the services provided by Australian Index Investments Pty Limited in relation to the Aii ETFs.
MainstreamBPO	Fund administration agreement which sets out the ongoing operational and administration requirements of the Aii ETFs.
Authorised Participants	Authorised Participant agreements which set out execution and settlement procedures in relation to the application and redemption of Aii ETFs.

Section 2

Australian Index Investments ETFs

Each class of the Aii ETF aims to track a single S&P/ASX Sector Index. The various Aii ETFs are outlined in the table below.

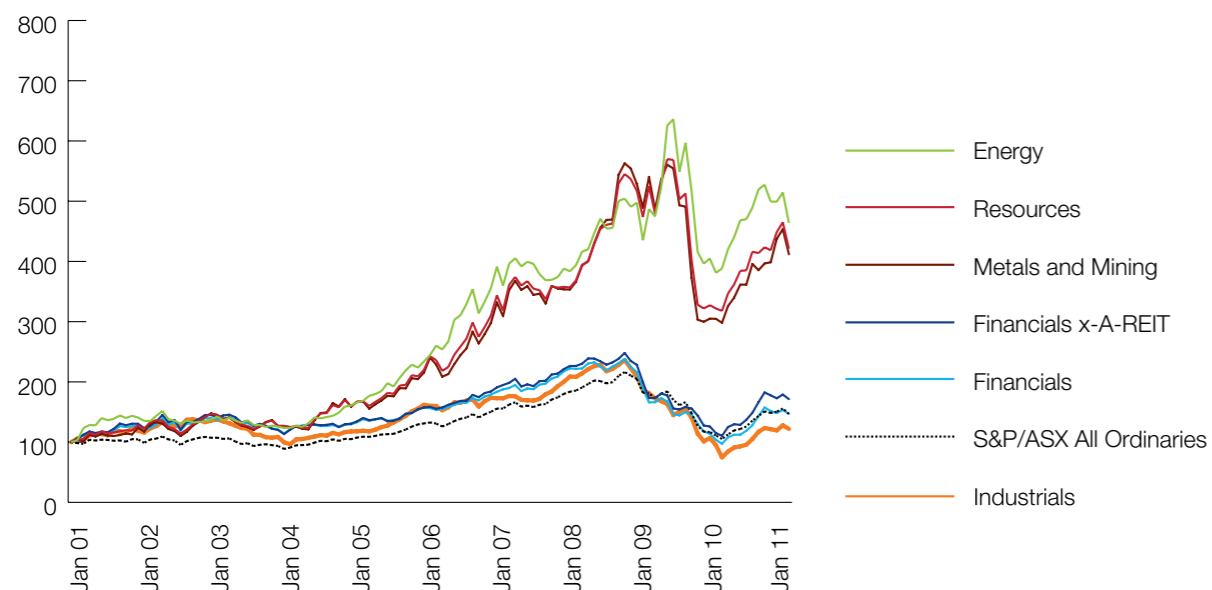
Australian Index Investments ETFs	ASX Code	Underlying Sector Index	ASX Code	Management Costs*
Aii S&P/ASX 200 Resources ETF	RSR	S&P/ASX 200 Resources	XJR	0.43% p.a.
Aii S&P/ASX 200 Financials ETF	FIN	S&P/ASX 200 Financials	XFJ	0.43% p.a.
Aii S&P/ASX 200 Energy ETF	ENY	S&P/ASX 200 Energy	XEJ	0.43% p.a.
Aii S&P/ASX 200 Industrials ETF	IDD	S&P/ASX 200 Industrials	XNJ	0.43% p.a.
Aii S&P/ASX 300 Metals and Mining ETF	MAM	S&P/ASX 300 Metals and Mining	XMM	0.43% p.a.
Aii S&P/ASX 200 Financials x-A-REIT ETF	FIX	S&P/ASX 200 Financials x-A-REIT	XXJ	0.43% p.a.

* Please refer to Section 5, 'Fees and other costs' on pages 15 to 17 for further information.

Over time certain sectors have performed well as compared to the broader market as represented by the S&P/ASX All Ordinaries Index. Investing in specific sectors can provide more (or less) favourable returns than investing in the broader market. The chart below shows the historical performance of the various S&P/ASX sector indices from January 2001 to January 2011 benchmarked against the S&P/ASX All Ordinaries Index. It is important to note that past performance is not indicative of future performance, returns are not guaranteed and investment values may rise and fall.

S&P/ASX Sector Indices

Rebased to 100



Index values for each underlying index are available daily on Australian Index Investments' website at www.australianindexinvestments.com.au and also at www.asx.com.au

The Aii ETFs do not perfectly replicate the S&P/ASX sector indices on a one to one basis rather they closely track them. This is because the Aii ETFs have fees, costs and taxes that apply to them (see Section 5, 'Fees and other costs') and Australian Index Investments may invest in securities that have been (but are no longer) included in a particular sector index or which are reasonably expected to be included in a particular sector index at some point in the future and may allow individual security weightings to vary marginally from a particular sector index.

The latest published Aii ETF Unit values are also available on Australian Index Investments' website.

Index Summary

Sector indices enable investors to benchmark the performance of a particular stock market sector or industry. Each company is assigned an industry classification according to that company's principal business and companies with the same business activity are grouped to form market sector indices.

For more information on each sector index, including the index methodologies, please refer to www.standardandpoors.com/indices/main/en/us/ and click on S&P ASX 300 Metal and Mining for that index and S&P ASX 200, under the Australian tab for the other sector indices.

The constituents of the index are usually reviewed quarterly by the index provider using the previous six-months' data.

S&P/ASX 200 Resources

The S&P/ASX 200 Resources Index (XJR) is a subset of the S&P/ASX 200 index and generally comprises companies involved in mineral exploration and mineral production, which can be broadly classified as base metals, gold and precious metals, mineral sands, diamonds, iron ore and other steel related ores. The index can also comprise energy companies, including oil and natural gas, steaming and coking coal, coal seam methane gas and uranium. Exports of mineral commodities underpin the performance of our economy.

S&P/ASX 200 Financials Index

The S&P/ASX 200 Financial Index (XFJ) is a subset of the S&P/ASX 200 index and generally comprises companies involved in activities such as banking, mortgage finance, consumer finance, specialised finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, and financial investment, and real estate, including REITs.

S&P/ASX 200 Energy Index

The S&P/ASX 200 Energy Index (XEJ) is a subset of the S&P/ASX 200 index and generally comprises companies whose businesses are dominated by the construction or provision of oil rigs, drilling equipment and other energy-related service and equipment, including seismic data collection. The index can also comprise companies engaged in the exploration, production, marketing, refining and/or transportation of oil and gas products, coal and other consumables.

S&P/ASX 200 Industrials Index

The S&P/ASX 200 Industrials Index (XNJ) is a subset of the S&P/ASX 200 index and generally comprises companies involved in construction & engineering, infrastructure, transport and commercial services. It can include companies whose businesses are dominated by manufacturing and distribution of capital goods, including aerospace & defence, construction, engineering & building products, electrical equipment and industrial machinery; or the provision of commercial services and supplies, including printing, employment, environmental and office services; or the provision of transportation services, including airlines, couriers, marine, road & rail and transportation infrastructure.

S&P/ASX 300 Metals & Mining Index

The S&P/ASX 300 Metals and Mining Index (XMM) is a subset of the S&P/ASX 300 index and generally comprises companies that are classified as being in the metals and mining industry. The index includes producers of aluminium, gold, steel, precious metals and minerals as well as diversified metals and minerals

S&P/ASX 200 Financials excluding A-REITs Index

The S&P/ASX 200 Financials excluding A-REITs Index (XXJ) is a subset of the S&P/ASX 200 index and generally comprises all the companies in the financials sector except those that are classified as A-REITs. This index offers exposure to a relatively concentrated portfolio of national, regional and investments banks and other large financial institutions.

Investment Objective

The Aii ETFs will aim to provide investment returns, before fees and expenses, that closely correspond to the performance of the particular index applicable to the Fund (being the S&P/ASX 200 Financials x-A-REIT, S&P/ASX 200 Financials, S&P/ASX 200 Industrials, S&P/ASX 200 Resources, S&P/ASX 200 Energy, S&P/ASX 300 Metals and Mining)¹.

Investment Strategy

A passive management strategy designed to track the performance of the indices will be adopted for the Fund. The Fund will generally invest directly in the securities comprising the relevant index in proportion to their relative weightings in that Index. To closely track the index, this strategy may include optimisation techniques to select a representative sample of securities in the index, allowing for individual security weightings to vary marginally from the index from time to time. The Fund may also invest in securities that have been or are reasonably expected to be included in the index.

Futures may be used to gain market exposure without investing directly in securities. This allows Australian Index Investments to maintain the Fund's liquidity without being under-invested. Importantly, derivatives are not used to leverage the Fund's portfolios or used speculatively.

Performance

Up-to-date performance information for the Aii ETFs are published on the website:

www.australianindexinvestments.com.au

Neither the return of capital invested nor the performance of the Aii ETFs are guaranteed. Past performance is not an indicator of future returns.

Changes to Investment Objectives and Strategy

We may from time to time vary the investment objectives and policies of the Fund. Such variations may include changes to the target indices chosen for the Fund. We will notify investors of any such changes. We will not make any significant change to the investment objective and strategy without first obtaining a resolution of the relevant Aii ETF investors approved by at least 75% of the votes cast by investors on the resolution.

Environmental, Social and Ethical Considerations

We do not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments for the Fund.

Section 3 Risks

All forms of investment involve some level of risk. Investors in the Aii ETFs face a number of investment risks, so it is important you understand what risk is and how it might affect your investments in one or more of the ETFs offered in this PDS. Remember that, in general, higher returns usually involve higher risks and low levels of risk are associated with lower potential returns.

An investment in Aii ETFs could lose money over short or even long periods. The price of an Aii ETF Unit can fluctuate within a wide range like fluctuations of the overall stock market or fluctuations within a particular stock market sector. When you consider an investment in one or more of the Aii ETFs, you must be aware of your personal risk tolerance for fluctuating market values. There is no guarantee that the value of your investment capital will be maintained.

The following outlines the key risks that can affect the performance of the Aii ETFs.

Market Risk

This is the risk that the value of the Fund's investment portfolio fluctuates in response to securities market movements and will result in the value of the Funds' underlying assets, and the value of your investment, moving up or down. Growth investments such as shares generally have relatively higher risk than property securities and bonds. Cash investments generally have the lowest market risk. Short-term market risks are high to very high for most asset classes. In any asset sector, the returns of individual securities are a combination of the market return and returns specific to each security.

By diversifying their holdings across the market, ETFs are generally well protected from the specific risk of individual securities (e.g. the delisting of or underperformance of certain securities). Their specific returns tend to cancel each other out, leaving the ETF with the market return and its associated risk.

Sector Risk or Concentration Risk

Sector risk or concentration risk applies to each class of the Fund. While the underlying assets of each class are diversified across companies they are only diversified within a particular sector, such as resources or financials. As such the underlying assets are expected to have some higher degree of correlation with each other than a broad based market wide index. The sector you invest in may underperform other sectors and the market generally.

Trading Risk

The Fund is quoted under the AQUA Rules on the ASX. Secondary market trading of Units in the Aii ETF may be suspended by the stock exchange because of market conditions or other reasons and therefore investors will not be able to buy or sell the Aii ETFs on the ASX. In these circumstances, there can be no assurance the application and redemption process for Authorised Participants will continue to be met or remain unchanged.

Although the Units in the Fund are quoted on the ASX there can be no assurance that there will be a liquid market. We appoint a market maker to assist in maintaining liquidity for the respective Aii ETFs on the ASX as per the AQUA Rules.

The issue price and redemption price applicable to a Unit may differ from the trading price of a Unit on the ASX. The trading price is dependent on a number of factors including the demand for Units in the Fund. This risk is mitigated as the application and redemption method is designed to minimise the likelihood that the Units will trade on the ASX at a discount or premium to the issue price or redemption price.

Derivative Risk

Derivatives derive their value from the performance of an underlying asset or assets, a market index, interest rate or exchange rate. The use of derivatives involves risk different from, or possibly greater than, the risk associated with investing directly in securities or more traditional investments, depending on the characteristics of the particular derivative and the Fund as a whole.

- Variability of the market value: as markets fluctuate potential gains and losses can be magnified compared with investments that do not use derivatives
- Potential illiquidity: not being able to sell the derivatives we hold
- Counterparty risk: the other party in a derivative transaction may not be able to meet its financial obligations

The risk of a performance difference is minimised by investing in derivative contracts where the behaviour is expected to resemble that of a fund's underlying securities. The risk that the Fund may not be able to close out a derivatives position is minimised by entering into such transactions on an exchange with an active and liquid secondary market.

Derivatives are not used to leverage the Fund's portfolios or for speculation. The Fund may invest in futures to gain a market exposure for the Aii ETFs.

¹ The investment objective is expressed before the deduction of management costs and before taxation, i.e. performance is measured before fees and costs are deducted. Refer to the Section 5 'Fees and other costs' and Section 7 'Taxation of ETFs' for further details. The investment objective is an indication of what the investment strategy aims to achieve over the medium term, assuming financial markets remain relatively stable during that time. The Fund may not achieve its investment objective and the returns are not guaranteed.

Currency Risk

This is the risk that currency movements will adversely affect the value of securities within the sector indices that have exposures to overseas currencies. This is because losses or gains must be converted back into Australian dollars. For example, a fall in the value of the Australian dollar can increase the value of international investments held by a company in which the Fund invests. On the other hand, a rise in the Australian dollar can reduce the value of such investment.

The Fund however does not have any direct currency exposures.

Multiple Classes Risk

The Fund intends to manage the assets, liabilities and distributions attributable to each class of Units separately but legally, they are all assets and liabilities of the Fund as a whole.

As such, if the Fund becomes insolvent, all Classes of Units may be affected. Similarly if a particular class of Units becomes insolvent then creditors may make a claim for all of the assets in the Fund and not just the assets of the insolvent class of Units.

For tax purposes the net income of the Fund is determined for each class of Units separately. This means that losses attributed to one class of Units is offset against any income or gains attributable to that class of Units only. Losses from one class of Units is not offset against 'income or gain' from another class of Units.

Please refer to Section 7 'Taxation of ETFs' for information about taxation.

Manager Risk

This is the risk that the Fund may fail to meet its objectives as a result of Australian Index Investments' selection of securities from the relevant index; and the costs of managing the portfolios that are not measured by the relevant index.

The Fund is managed passively to closely track the composition of the relevant index.

This significantly lowers the risk of short-term underperformance, relative to those target indices, compared to managers who employ an active investment strategy, relative to their own benchmarks.

Securities Lending Risk

The Fund does not currently participate in a securities lending program, but may do so in the future. Please see Section 8 'Other information you need to know' for more details.

Securities lending risk is the risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return loaned assets in the event that the Fund engages in securities lending. In this event the Fund could experience delays in recovering assets and may incur a capital loss. Where the Fund invests any collateral it receives as part of the securities lending program, such investments are also subject to the general investment risks outlined above.

Operational Risk

This is the risk that failure of circumstances beyond Australian Index Investments' reasonable control may impact on the operation and performance of the Fund. Examples of these circumstances include strikes, industrial disputes, failure of a securities exchange, fires or other casualty, war, civil disturbance, terrorist acts, governmental pre-emption in connection with an emergency of state and epidemics (including potential epidemics). By investing in the Fund you agree that we are not liable if we are prevented from managing the Fund by circumstances beyond our reasonable control.

Australian Index Investments aims to closely track the relevant underlying sector indices, not replicate them. It may not always be possible for the Fund to accurately track the relevant sector index. The underlying assets of the Aii ETFs may differ to the relevant index from time to time. Australian Index Investments is kept informed daily of the changes in the underlying indices by a data feed from Standard and Poor's. The Aii ETF portfolios are generally rebalanced in accordance with changes in the indices; however, Australian Index Investments may in some circumstance not be able to perfectly match the indices.

Regulatory and Tax Risk

This is the risk of the Fund being exposed to regulatory and tax changes. Such changes may occur in Australia – where the Fund is located – or any country in which the companies the Fund invests in operate or are invested. Regulatory and tax changes can affect the value of both the Fund and the Fund's investments. These changes may be either favourable or unfavourable and it is generally not possible to mitigate the impact of unfavourable regulatory events.

The Fund may be affected by changes to legislation or government policy both in Australia and in other countries. These changes are monitored by us and action is taken, where appropriate, to facilitate the achievement of the Fund's investment objectives.

Fund Risk

This is the risk that something happens to the Fund such as a failure to meet its objectives, the fees and expense applicable to the Fund could change, the Fund could terminate, Australian Index Investments could be replaced as Investment Manager or VIML could be replaced as responsible entity.

There is also a risk that investing in the Fund may give different results than investing directly, because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

Settlement Risk

The Fund is subject to the normal settlement procedures through CHESS. The operation of CHESS means that the issue of Units can proceed independently of the transfer of Baskets. The Aii ETFs are exposed to some risk if the Authorised Participants fail to comply with their settlement obligations. This risk is partly mitigated as Authorised Participants in CHESS are subject to rules of participation and ASX fail fees.

Section 4 How to transact with Australian Index Investments

Applications for and redemptions from the Fund must be made by Authorised Participants by completing the ETF Application/Redemption form attached to this PDS. In addition, each Authorised Participant will need to complete an Authorised Participant Agreement prior to transacting with us. For a copy please contact Australian Index Investments on 1800 256 267.

Other investors may not apply for Units, but may purchase Units on the ASX through a stockbroker.

The Basket will consist of two components:

- securities; plus
- residual cash.

Securities

Prior to the open of trading for every ASX trading day for each Aii ETF, the composition of securities in the Basket is prepared by Australian Index Investments.

The securities in the Basket generally correspond to the composition of the relevant sector index but may differ between the application securities that are to be delivered by an Authorised Participant and the withdrawal securities delivered by us upon redemption. The application securities and the withdrawal securities will be determined on the day which the purchase price or withdrawal amount for the application or redemption is determined (see 'Processing Applications / Redemptions' below).

Residual cash

The residual cash is a balancing amount to cover the difference between the value of the creation or redemption basket of securities and the aggregate of the NAV to ensure there is no impact (e.g. no dilution in value) for existing investors arising out of an application or redemption.

Minimum Applications and Redemptions

The minimum number of Units for each of the Aii ETFs is specified in the following table:

Australian Index Investments ETF	ASX Code
Aii S&P/ASX 200 Energy	ENY

**Aii ETFs Minimum
Creation/Redemption Size**
80,000 Units

Australian Index Investments ETF	ASX Code
Aii S&P/ASX 200 Resources	RSR
Aii S&P/ASX 200 Financials	FIN
Aii S&P/ASX 200 Industrials	IDD
Aii S&P/ASX 300 Metals and Mining	MAM
Aii S&P/ASX 200 Financials x-A-REIT	FIX

**Aii ETFs Minimum
Creation/Redemption Size**
200,000 Units

Aii ETFs Basket Size (approximate)*
AUD 1 million

* The creation/redemption Basket size is a function of the minimum number of Units multiplied by the purchase price of the relevant Aii ETFs at the relevant date.

Processing Applications/Redemptions

ETF Application/Redemption forms are processed at the purchase price for the Aii ETF calculated as at close of trading on the day they are received provided they are received from Authorised Participants before 4.00 pm on an ASX trading day.

ETF Application/Redemption forms are processed at the purchase price of the Aii ETF calculated as at close of trading on the next ASX trading day if received after 4.00 pm on an ASX trading day or on a non-ASX trading day.

For an application, the Authorised Participant must deliver to us the Basket (unless we agree otherwise to accept cash) and will in return receive the equivalent amount of Aii ETFs. We may accept cash in place of certain securities in the Basket where, for example, an Authorised Participant is prevented from trading certain securities (e.g. due to internal trading policy, conflict of interest or other relevant restriction) and in some cases accept applications in cash only.

For a redemption, the Authorised Participant must deliver the Units of the Aii ETF to us and in return will receive the Basket, comprising the withdrawal securities and the cash component. VIML reserves the right to refuse any application or redemption.

If an application or redemption is rejected, the Authorised Participant will be notified.

We must approve any non-standard baskets or cash only applications and redemptions.

Suspension of Applications and Redemptions

We may suspend applications or redemptions in certain circumstances. This will generally occur around the end of a distribution period when we are calculating and paying the distributable income for the relevant period or where there are factors, as determined by us, which prevent the accurate calculation of Unit prices. However we may suspend applications or redemptions in other circumstances. We will advise you when such an event occurs.

The redemption conditions described above assume that the Fund remains 'liquid' – meaning that its assets can be readily sold. The Fund is liquid if 80% of the value of the Fund's assets comprise of liquid assets. If the Fund is 'liquid', for the purposes of the Corporations Act, the Fund's constitution requires that VIML and Australian Index Investments must redeem your Units within a maximum of 180 days of the date on which your redemption request is accepted or such longer period as permitted by the Fund's constitution. Notwithstanding this, we confirm that while the Fund is liquid, Units will generally be redeemed within 3 ASX trading days of acceptance of a redemption request being notified to us.

If the Fund is illiquid, a withdrawal request must be dealt with in accordance with the constitution and the Corporations Act. You may not be able to withdraw your investment in a timely manner if the Fund is illiquid. It is not expected that the Fund will be illiquid.

Valuations and Pricing

The Fund comprises different classes of Units, with each class of Unit representing a respective Aii ETF. In calculating the NAV for each class of Unit (i.e. for each respective Aii ETF product), the assets and liabilities (including accrued fees, costs, liabilities and provisions) specific to that class of Unit will be taken into account. Assets and liabilities of the Fund are determined then allocated to each class in proportion to the number of Units on issue for each class.

Upon the NAV for each class of Unit having been determined per the above, the purchase price and withdrawal amount (being the amount payable on the redemption of Units in each respective Aii ETF), is calculated by dividing the NAV for each class of Units by the number of Units on issue for each respective Aii ETF class.

The withdrawal amount paid to an investor on the redemption of Aii ETFs includes an entitlement to the distributable income referable to that class of Units for the period prior to redemption and since the last distribution. Please refer to Section 6, 'Distributions' on page 18 for further details regarding how this entitlement is determined. The balance of the withdrawal amount will comprise payment of the withdrawal price (or NAV price) of the respective Aii ETF, calculated in accordance with the constitution for the Fund.

Applications and/or redemptions received before 4pm on an ASX trading day are taken into account in the calculation of the purchase price and/or withdrawal amount for the Aii ETF as at the close of trading on that day.

Applications and/or redemptions received after 4pm on an ASX trading day or a non-ASX trading day, are taken into account in the calculation of the purchase price and/or withdrawal amount for the Aii ETF as at the close of trading on the next ASX trading day.

Details of the daily NAV Unit price and Basket constituents for each Aii ETF and details of the NAV for each of the Aii ETFs will be made available on the following website: www.australianindexinvestments.com.au or by contacting Australian Index Investments on 1800 256 267.

Unit Pricing Policy

VIML has documented its Unit Pricing Policy that sets out how it calculates the unit prices for its managed funds, the valuation methodology, the rounding of decimal places, cut-off times for receiving instructions and the frequency of income distributions and unit pricing discretions.

The policy complies with ASIC requirements. A copy is available to all investors at no charge on request. We will observe this policy in relation to the Aii ETFs and will record any exercise of discretion outside of the scope of the policy.

Facsimile Instructions

If you provide us with a facsimile instruction (including applications and redemption requests) you agree that:

- a facsimile instruction will only be processed if it is received in full and has been signed by authorised signatories;
- any loss or delay that results from a facsimile transmission not being received by us is not our responsibility;
- you will consider and you agree that any payment made in accordance with a facsimile instruction shall be a complete satisfaction of our obligations, notwithstanding any fact or circumstance including that the payment was made without your knowledge or authority;
- you will not accept a facsimile receipt confirmation from the sender's facsimile machine as evidence of receipt of the facsimile;
- that all risk of unauthorised instructions of fraud lie with you and are not borne by us; and
- we will not compensate for any losses relating to facsimiles, unless required by law, and any such loss will be borne by the investor. Caution: There is a risk that someone who has access to your account details may make fraudulent facsimile instructions.

In the event of fraud, investors agree to release us from and indemnify us against, all losses and liabilities arising from all actions, claims, demands, expenses and liabilities (however they arise) suffered by the investor or suffered by or brought against us, in respect of the facsimile instructions, genuine or not, that we act upon, to the extent permitted by law.

Section 5 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.

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's 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.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee: The fee to open your investment.	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee: The fee to close your investment.	Nil	Not applicable
Management costs¹		
Investment management fee		
The fees and costs for managing your investment:	0.43% p.a.	
Aii S&P/ASX 200 Resources ETF		
Aii S&P/ASX 200 Financials ETF		
Aii S&P/ASX 200 Energy ETF		
Aii S&P/ASX 200 Industrials ETF		
Aii S&P/ASX 300 Metals and Mining ETF		
Aii S&P/ASX 200 Financials x-A-REIT ETF		
Service fees		
Investment switching fee: The fee for changing investment options.	Nil	Not applicable

The management cost for each Aii ETF is calculated as a percentage of that Aii ETF's net asset value. The fee is accrued daily and paid monthly. The fee for a month is paid on or after the first day of the following month. This fee is deducted from the assets of the Fund in respect of each class of Units, and is reflected in the daily Unit price. The management costs include all ordinary expenses of the Fund, excluding transaction-based fees (see page 16).

Any abnormal expenses (including costs of investor meetings or legal proceedings) are not capped and may be claimed above the 0.43% p.a. referred to in this table.

Fees may be negotiated. Please see 'Alternative forms of remuneration' on page 17 for details.

¹ Worked dollar example for the Fund is shown on page 17 of this PDS.

Example of Annual Fees and Costs

The following table provides examples of how the fees and costs for each of the Aii ETFs can affect your investment over a one-year period. You should use this table to compare these products with other managed investment products.

Example:

Aii ETF (S&P/ASX 200 Financials)		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs ¹	0.43 % p.a.	And, for every \$50,000 you have in the Fund you will be charged \$215 each year.
EQUALS Cost of Fund	\$215	If you had put in \$5,000 during a year and your balance was \$50,000, then for that year you would be charged fees of \$215. ² What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

¹ Refer to page 17, 'Alternative forms of remuneration' for details on how to negotiate a rebate of management costs.

² Additional fees may apply for Authorised Participants only, please see transaction costs for Authorised Participants on page 17. The example also assumes no abnormal expenses are incurred.

Additional Explanation of Fees and Costs

Management costs

The management costs include:

- Responsible Entity's fee;
- custodian fees (excluding transaction-based fees);
- accounting and audit fees;
- index license fees;
- registry service fees (excluding transaction-based fees); and
- all expenses relating to our duties under the constitution of the Fund, including but not limited to the cost of preparing and amending the constitution, the cost of producing the PDS, postage, Fund administration, reporting and legal expenses.

The management costs for the Fund incorporate Goods and Services Tax ('GST') after taking into account any expected input tax credits.

The management costs of investing in the Aii ETFs are capped while this PDS is current. The cap excludes any transaction fees incurred by the Aii ETFs, such as ordinary brokerage and transaction fees charged by the custodian for settling trades of the Aii ETF assets, transaction-based fees charged by the registry and abnormal expenses (see 'Abnormal Expenses')

In calculating taxable income (and therefore income distributions) for the Fund, all available tax deductions are taken into account. This means that the effective after-tax cost to investors of the relevant management costs may be lower than the amounts specified on page 15, to the extent that management costs are a tax-deductible expense and reduce the taxable income of the Fund. Please refer to Section 7 'Taxation of ETFs' for more information.

Abnormal expenses

Abnormal expenses are expenses not generally incurred in the day-to-day operations of the Fund and include things such as the costs of calling and holding a meeting of investors or legal costs incurred in bringing or defending legal proceedings. Abnormal expenses are not included in the management costs nor are they paid by us.

The Fund's constitution allows for the reimbursement of all expenses, including abnormal expenses, from the Fund. Abnormal expenses are deducted from the Fund as and when they arise and are accounted for in the Unit price of the Fund.

Transaction costs for Authorised Participants

Transaction costs are incurred with the creation/redemption of Units and the transfer of Baskets. These transaction costs include the costs associated with the custodian, stamp duty and other costs incurred when applying and redeeming Units and the securities that underlie the transaction.

These transaction costs will vary depending on the number of securities and size of the transaction and could be higher than those indicated in the table below. The following table gives an indication of the transaction fees for each Aii ETF. Transaction costs are inclusive of GST.

The transaction fee is payable by the Authorised Participant on application and on redemption of Aii ETF Units.

Aii ETF	ASX Code	Create and/or Redeem Fee
Aii S&P/ASX 200 Resources	RSR	\$1,800
Aii S&P/ASX 200 Financials	FIN	\$1,500
Aii S&P/ASX 200 Energy	ENY	\$1,000
Aii S&P/ASX 200 Industrials	IDD	\$1,200
Aii S&P/ASX 300 Metals and Mining	MAM	\$1,800
Aii S&P/ASX 200 Financials x-A-REIT	FIX	\$1,000

Stockbroker fees for all other investors

All other investors (other than Authorised Participants) will incur customary brokerage fees and commissions when buying and selling Aii ETFs on the ASX. This fee should be discussed with your stockbroker prior to investing.

Notification of changes to fees

The management costs include a fee payable to VIML which is VIML's remuneration for being responsible entity of the Fund and a management fee component which is Australian Index Investment's remuneration for managing the Fund, and expense reimbursement component.

We do not intend to change the fees described under this PDS or introduce new fees. We have the right to change the fees at any time by giving at least 30 days notice to investors before any fee increase, or introduction of a new fee, takes effect. The constitution of the Fund contains the maximum fees that may be charged. Investor approval is required to increase fee levels under the constitution.

Alternative forms of remuneration

Occasionally we may provide alternative forms of remuneration for wholesale clients (as defined in the Corporations Act), licensed financial advisers, dealer groups and master trust or IDPS operators in order to negotiate or reduce management costs for investing sizeable amounts in the Fund. The amount of fee reduction is at our discretion. Such investors may contact us if they wish to apply for a rebate of management costs. Australian Index Investments would make any such payment from its own resources and these payments are not an additional cost to you.

The Responsible Entity maintains an Alternative Remuneration Register which lists each occasion on which an alternative form of remuneration is paid or received from AFSL holders, managers or representatives (if any). The register is a public register and will be made available to you by contacting VIML.

Incidental fees

The Responsible Entity is entitled to charge a fee directly to an investor if they make a special request. For example a \$25 fee could be charged for reissuing a tax statement or holding statement.

Goods and services tax

It is anticipated that the Fund will be charged GST on management costs and other fees charged by the Responsible Entity in its personal capacity. The Fund may be entitled to input tax credits or reduced input tax credits which effectively reduces the GST costs. The Responsible Entity will claim a proportion of the GST charged as input tax credits or reduced input tax credits on behalf of the Fund. Unless otherwise stated, fees and charges in this PDS have been stated inclusive of the net impact of GST.

Section 6 Distributions

Each Unit class of the Fund may earn income paid in the form of distributions. Your distribution may include dividends, interest, other assessable income and realised capital gains. The distributable income of the Fund will be allocated to each Aii ETF Unit class. The amount allocated is determined in accordance with the constitution for the Fund, and is based on the underlying assets held by each Unit class and the fees and expenses which are referable to each Unit class.

Periodic Distribution

Investors holding Units in an Aii ETF Unit class at the end of a distribution period are entitled to the distributable income of the Fund based on the number of Units they hold.

The amount of the distributable income that each Aii ETF investor is entitled to at the end of each distribution period is based on:

- the distributable income of the underlying Unit class held for the financial year to date;
- less any amounts which have already been distributed to investors during the financial year to date, including amounts distributed on the redemption of Units in the Aii ETFs.

Distributions will be paid to investors based on the number of Aii ETFs held as at the end of the distribution period. Therefore, should the number of Units on issue in a particular Unit class increase before the end of a distribution period, for instance, this may decrease the level of distributable income per Unit that might otherwise have been payable. Distributions are calculated in cents per Unit and will normally be paid within 30 business days after the distribution dates.

The distribution periods for the Fund will, at a minimum, be determined semi-annually (30 June and 31 December each year). The Fund will determine the length and frequency of distribution periods and payment dates having regard to payment inflows into the Fund and what is in the best interest of each Aii ETF. The responsible entity may, at its discretion, change the frequency in which distributions are paid. Should this occur, an announcement will be made to ASX.

Please note that distribution amounts will vary from period to period. Furthermore, there is no guarantee that the Fund will pay a distribution, therefore there may be periods when the Fund will not pay a distribution. Details will be available on www.australianindexinvestments.com.au should this occur.

Distributions on Redemption

Upon redemption of Aii ETFs, the withdrawal amount paid to an investor may include a distribution of the distributable income of the Fund.

For further information regarding how this entitlement is determined, please refer to Section 7 'Taxation of ETFs' on page 19.

Details regarding the composition of any income entitlement included in the withdrawal amount and the composition of the withdrawal amount itself, such as how much of the withdrawal amount realised consists of the distribution of the distributable income of the Fund and how much consists of the withdrawal price or capital, will not be known until after the end of the financial year. As soon as this information becomes available, any persons who have redeemed Aii ETFs during a financial year will be notified of the composition of any income entitlement received and the composition of the withdrawal amount received resulting from the redemption of Aii ETFs.

Tax Statement

Unitholders entitled to income from one or more of the Unit classes in the Fund will receive an annual tax statement. This will be issued as soon as practicable after the end of each financial year.

Distribution Reinvestment Plan

A Distribution Reinvestment Plan (DRP) is available to eligible investors in the Aii ETFs. DRP Participation is subject to the rules of the DRP policy document available free of charge from us, or from the Share Registrar, MainstreamBPO.

Investors in the Aii ETFs can choose to:

- participate in the DRP, where all distributions are reinvested in additional ETF Units in the same Aii ETF. Partial reinvestment will not be available; or
- have their distributions paid directly to a nominated Australian bank account in cash (via electronic funds transfer ('EFT')) provided that details of the Investor's nominated bank account has been given to the Fund's Share Registrar.

Investors can notify the Fund's Share Registrar, MainstreamBPO, which of the above alternatives they wish to elect by completing the relevant forms, which will be forwarded to Investors upon joining the Fund. Additional copies of forms can be obtained by calling MainstreamBPO on 02 9247 3326.

Details regarding when investors' elections must be notified as above, for a particular distribution, will generally be announced via the ASX Company Announcements Platform.

If an investor does not elect one of the above alternatives, distributions will be automatically paid in cash.

Section 7 Taxation of ETFs

The Australian tax commentary in this PDS is provided for general information only .

This information is necessarily general in nature and does not take into account the specific circumstances of each investor who may invest in the Aii ETFs. It should not be used as the basis upon which potential investors in the Aii ETFs make a decision to invest in Aii ETFs.

Investing, and dealing with investments, often has tax implications which can be complex, and which are invariably particular to each investor's circumstances. As Australian tax law is complex and may change, all potential investors should satisfy themselves of possible consequences by consulting their own professional tax advisers before making an investment decision particularly if the investor is not a resident of Australia or is a 'temporary resident' of Australia for tax purposes.

The taxation information in this PDS has been prepared based on income tax legislation in force, and the interpretation of the Australian.

Taxation of Australian Resident Investors

Distributions from the Aii ETF

VIML, as Responsible Entity, should not be subject to Australian income tax on the net income of the Fund on the basis that Australian resident Unitholders will be presently entitled to all of the distributable income of the Fund. VIML and Australian Index Investments intend to distribute all of its distributable income to Unitholders each year.

Unitholders will be assessable on the net income of the Fund in proportion to their entitlement to the distributable income of the Fund in the year in which the entitlement arises, even if payment of the entitlement may not occur until after the end of the financial year.

A Unitholder receives an entitlement to the Fund's distributable income for a financial year if they hold Units in the Aii ETFs at the end of a distribution period, or if they redeem any Units in the Aii ETFs during the financial year.

The tax impact for a holder of Units in the Aii ETFs of receiving an entitlement to the income of the Fund depends upon the components of the distribution.

Unitholders will be provided with tax statements after the end of each financial year detailing the components, for tax purposes, of any income distributions you received from the Fund during the financial year, including on the redemption of your Units in the Aii ETFs. These can be used as the basis for preparing your tax return for the year.

Franking credits

The Fund may generate franking credits through investment in Australian shares. Franking credits attached to distributions will be shown in the Unitholders' annual tax statement.

Subject to the holding of the interest in the Aii ETFs for the qualification period (known as the Holding period rule) Unitholders may use franking credits to reduce the tax liability on their share of the net income of the Fund or their other assessable income for the relevant tax year. Franking credits to the extent that they exceed your Australian income tax payable in the relevant year will be refunded.

Capital gains

Assessable capital gains may arise on the disposal of Fund investments (e.g. on the transfer of the index parcel when Aii ETFs are redeemed). Assessable capital gains derived by the Fund to which you become entitled form part of your assessable income.

Non-taxable amounts

The Fund may distribute to Unitholders amounts which are not taxable.

There are two main types of non-taxable amounts to Unitholders in relation to investing in the Fund.

- i) Capital gains tax (CGT) concession amounts – this is the portion of any discounted capital gains distributed by the Fund which are not taxable.

For Unitholders assessed on the disposal of Aii ETFs under the capital gains tax provisions, they should not be assessed on non-assessable amounts to which they become entitled. However, the receipt of certain non-assessable amounts may have capital gains tax consequences. To the extent that certain amounts distributed are non-assessable CGT concession amounts do not reduce the cost base of your Units.

- ii) Tax deferred amounts – this is the amount relating to capital allowance deductions in underlying property trusts, and distributions of corpus by a trust.

For Unitholders taxed under the capital gains tax provisions tax deferred amounts do reduce the cost base of your Units, for the purpose of determining any capital gain or loss on any subsequent disposal of Units.

For Unitholders assessed on the disposal of Aii ETFs other than under the capital gains tax provisions (e.g. if they are in the business of dealing in securities like Units in the Aii ETFs), they may be assessed on any non-assessable distributions made by the Fund.

Disposal of units by a Unitholder on the ASX

For a Unitholder that disposes of their Aii ETFs on the ASX, the Unitholder may be liable for tax on any gains realised on that disposal of Units.

If a Unitholder holds their Units as trading stock or on revenue account, and disposes of their Units on the ASX any profits made will be assessable as ordinary income. Any losses will be an allowable deduction. No CGT discount concessions will be available.

If a Unitholder holds their Units on capital account and disposes of the units on the ASX, it is assessed under the CGT provisions. The Unitholder may make a capital gain or loss on the sale or transfer of their Units in the Aii ETFs.

Under the CGT provisions, any taxable capital gain arising on disposal of your Units may form part of your assessable income. Where the Units have been held continuously for 12 months or more, some Unitholders may be entitled to a CGT concession in relation to the disposal of Units and the Fund satisfies certain requirements. Any capital loss arising on a disposal of Units may be able to be offset against capital gains made in that year or subsequent years.

Goods and Services Tax (GST)

The acquisition, withdrawal or other disposal of Units in the Fund are not subject to GST. The Fund generally incurs GST in respect of its various fees and expenses.

The Fund may not be entitled to claim input-tax credits for the full amount of the GST incurred, but will generally be able to claim, for the majority of the expenses, a Reduced Input-Tax Credit ('RITC') of 75% of the GST paid.

The GST and expected RITC relating to fees and expenses is incorporated in the management cost for each Aii ETF. Transaction costs on the creation or redemption of Aii ETFs are subject to GST.

Tax Reform

The Australian Taxation Office and the Board of Taxation is currently reviewing taxation of managed investment schemes and trusts (including the characterisation of gains and losses on the sale of certain assets).

The Responsible Entity has elected for the Fund to be treated on capital account under the new MIT tax law amendments.

We recommend that investors monitor reforms closely.

Application for creation and redemption of Units by Authorised Participants

As the taxation implications are specific to each investor, we recommend that Authorised Participants seek their own independent professional tax advice regarding the tax consequences of applying for creations and redemptions of Units, particularly if they consider that they may be assessed on the disposal of Units under the capital gains tax provisions.

Taxation of Non-Resident Investors

The Fund must withhold tax from the Australian sourced distributions made to a non-resident investor (even if the distribution is reinvested).

The rate of withholding tax is as follows:

TYPE OF INCOME	RATE OF TAX
Interest	10%
Franked Dividends	Nil
Unfranked Dividends	5 – 30% *
Other Income **	29 – 47% ***

* Depending on whether the Unit Holder is a resident of a country with which Australia has entered into a double taxation agreement (DTA) and the particular terms of the DTA.

** Typically, the other forms of income included within this category would be profits on the realisation of the Fund's assets.

*** 30% in the case of a non-resident Unit Holder that is a company. Not applicable to a non-resident that is a trustee. In the case of an investor that is an individual or trust, any capital gains derived by the Fund on the disposal of its investments may be eligible for the 50% CGT discount if the Fund held these investments for at least 12 months.

Disposal of units of Non-Resident Investors

Broadly, any gains made by a non-resident Unit Holder on the redemption or transfer of Units held on revenue account will be assessable as ordinary income if the gain has an Australian source. The source of the gain will depend on a number of factors including the place of contract to acquire and redeem or transfer the Units and the place of any activities relevant to the holding of the Units. Further, the terms of any relevant double taxation agreement should be taken into account.

In contrast, any gains made by a non-resident Unit Holder on the redemption or transfer of units held on capital account will only be assessable if the non-resident Unit Holder together with its associates has held at least 10% of all units in the Fund at any time during the five years before the redemption or transfer.

Section 8

Other information you need to know

Valuestream Investment Management Limited as the Responsible Entity

VIML, as Responsible Entity, is solely responsible for all compliance and regulatory aspects of operating the Fund. VIML holds an Australian Financial Services Licence (AFSL No.246621), which authorises it to act as the responsible entity of the Fund. VIML is an independent responsible entity and issuer of units in managed investment schemes in the Australian market. VIML establishes funds with quality investment managers to deliver investors with clear and desirable investment options.

The powers and duties of VIML are set out in the Fund's constitution, the Corporations Act and general trust law.

The duties of VIML under the Corporations Act include:

- acting in the best interests of investors and, if there is a conflict between investors' interests and VIML's interests, giving priority to investors' interests;
- ensuring that Fund property is clearly identified as Fund property and held separately from property of VIML and property of any other fund, and is valued at regular intervals;
- ensuring that payments out of Fund property are made in accordance with the Corporations Act; and
- reporting to the ASIC any significant breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on the interests of investors.

Subject always to any liability which the Corporations Act might impose on the Responsible Entity, so long as it acts in good faith and without gross negligence it is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund. The liability of the Responsible Entity to any person other than an investor in respect of the Fund is limited to the Responsible Entity's actual indemnification from the Fund's assets for that liability.

VIML has a compliance plan for the Fund which details the methods it takes to ensure that in operating the Fund it complies with the Corporations Act and the Fund's constitution.

The Responsible Entity also has a compliance committee, which (amongst other things) monitors the Responsible Entity's adherence to the compliance plan. It comprises three members, all being independent external parties. The Compliance Committee would report any breaches of the constitution and the Corporations Act to the Responsible Entity, and in some instances, to ASIC.

VIML is the issuer of this PDS and the issuer of all Units in the Fund. Australian Index Investments has been contracted by VIML to carry out all investment management functions in relation to the Aii ETFs.

Robert Marie, Managing Director

Robert Marie has over 20 years experience in the financial services sector. Over the last 15 years Robert has specialised in product design, distribution, management of managed investment schemes and financial services marketing working with a range of leading companies, including Macquarie Bank, Australian Wealth Management and BankWest.

Since 2004 Robert successfully provided consulting services to a range of financial services companies. His clients include the Australian Securities Exchange, FundHost, Eley Griffiths

Group, ACI Broking, FAST Mortgage Aggregators, Generation Financial Services, and Redwood Capital Group. Robert holds a B Com from UNSW, F Fin and AFMA Dip. Fin.

Kirsten Marie, Non Executive Director Appointed 9 May 2009

Kirsten Marie has over 10 years experience in financial services as an institutional stock broker, institutional bond dealer and has extensive foreign currency and futures trading experience.

Kirsten holds a degree in business from Curtin University and is also an Associate Member of FINSIA.

Michael Fenech, Non Executive Director Appointed 26 June 2009

Michael has spent over 23 years in Banking & Finance, 17 of those in financial markets in senior roles with Macquarie Bank, National Australia Bank, CUSCAL and HSBC.

Following nine years at CUSCAL Michael was appointed the Chief Operating Officer at HSBC Australia, responsible for the banks

operations in Australia & New Zealand. In this role he successfully restructured the business focusing on compliance, risk and cost management.

Since 2007 Michael has been running a consultancy, research and software provider for financial services organizations focusing on credit unions, fund managers and financial planners.

The Constitution

VIML's responsibilities and obligations as Responsible Entity are governed by the Fund's constitution and PDS. Under the constitution, VIML has all the powers of a natural person in respect of the Fund. The constitution contains a number of provisions relating to the rights of investors and the obligations of VIML, as Responsible Entity. This PDS outlines some of the more important provisions of the constitution.

The constitution gives the Responsible Entity the right to be paid fees and expenses from the Fund, and governs matters such as investor meetings, the issue and withdrawal of Units and unit pricing, as well as what happens when the Fund is terminated.

We will provide investors with a copy of the constitution upon request.

Amendments to the Constitution

VIML may amend the constitution of the Fund from time to time, subject to the provisions of the constitution and the Corporations Act. Generally, VIML can only amend the constitution where VIML reasonably believes that the change will not adversely affect your rights as an investor. Otherwise the constitution can only be amended if approved at a meeting of investors.

Australian Index Investments Pty Limited as the Investment Manager

VIML has appointed Australian Index Investments Pty Limited as Investment Manager for the Fund under an Investment Management Agreement dated 29 October, 2009. The appointment is for a term of 5 years. The appointment can be terminated upon the occurrence of certain agreed default events and the non-defaulting party giving up to 20 Business Days notice of termination to the other party or, in non-default circumstances, by either party giving the other party 3 months notice or such other period of notice agreed by the parties. If Australian Index Investments elects a non-default termination it must pay VIML an amount being the greater of A\$25,000.00 (exclusive of GST) and the amount being the fees received by VIML as responsible entity for the 3 month period immediately preceding the termination date. This fee is payable by Australian Index Investments and not by investors. There is no agreement for an additional payment amount to be paid to Australian Index Investments in the event VIML elects a non default termination.

Australian Index Investments is a member of the Euro Finance Group, an Australian owned and managed group, established in 1989 which provides funds management and mortgage management capabilities, and has established a strong reputation and expertise. Euro Finance Group's funds under management have been in the order of \$100 million, whilst its mortgage management funds have achieved over \$500 million on behalf of various finance institutions.

From 2004 the Euro Finance Group further increased its funds under management, through the issue of a series of debenture prospectuses, under which funds from retail investors, sophisticated investors and corporate investors have been raised.

Currently the Euro Finance Group maintain fund management activities on behalf of certain domestic banking institutions through a \$50 million revolving line of credit and a \$15 million raising through its debenture issue. Australian Index Investments is a new entity established by the Euro Finance Group to list a number of exchange traded funds on the ASX. Australian Index Investments' initial offering includes the six Australian equity-sector ETFs referred to in this PDS and consistent with the Euro Finance Group's track record of building funds under management ('FUM'), Australian Index Investments' intention is to build FUM value on market in relation to the ETFs, and to further increase FUM through the introduction of a series of additional strategically targeted ETFs over the next 2-5 year period.

Under the Investment Management Agreement, Australian Index Investments has agreed with VIML to perform all investment management functions in relation to the Aii ETFs. The functions to be performed by Australian Index Investments shall include those functions attributed to

Australian Index Investments throughout this PDS together with those summarised below.

The general investment management functions to be performed by Australian Index Investments in relation to the Aii ETFs and the Fund include:

- determining and implementing an index management strategy and investment policy for the Fund and each Aii ETF; and
- determining the index parcels for each Aii ETF.

Australian Index Investments will work with the Responsible Entity and Fund's service providers who will:

- manage all income (including setting the management fees and other transaction costs for the Aii ETFs) and monitor the expenses of the Fund and arranging the Fund's payments to all creditors of the Fund (including the custodian, investment manager, Standard & Poor's, ASX and other service providers to the Fund);
- determine and arrange payment of all distributions in respect of the Fund and administer all distribution and taxation statements and notifications;
- process and administer all application and redemption transactions in relation to the Aii ETFs (refer to section 5 for further detailed description of the procedures to be followed by us in relation to these functions);
- co-ordinate and manage all communications with ASX in relation to the quotation of the Aii ETFs on the ASX AQUA platform and communicate with ASIC and other regulators as appropriate in relation to the Fund;

- address and respond to all Investor and unitholder enquiries, complaints, if any, and notification requirements;
- co-ordinate all unitholder updates and reports, resolutions and unitholder meetings and attend to all issues in relation to the Fund's constitution as appropriate;
- prepare, maintain and implement policies in all areas of the Fund's operations including the Fund's compliance plan, unit pricing policy, proxy voting policy and dividend reinvestment plan; and
- marketing and promotion of the Fund and the Aii ETFs, providing all information and support as appropriate to the Authorised Participants and other relevant parties including any appointed lead manager and other appointed brokers or financial advisors to assist in their marketing, promotion and distribution of the Aii ETFs.

Custody

RBC Dexia Investor Services Trust (ABN 75 116 809 824) has been appointed to act as an independent custodian to hold and have overall responsibility for holding the assets of the Aii ETFs. The custodian may, from time to time, appoint sub-custodians.

Compliance Plan

VIML has lodged a compliance plan for the Fund with ASIC. The compliance plan sets out the measures that VIML takes to ensure that it complies with the Corporations Act and the constitution of the Fund. Each year the compliance plan is independently audited, as required by the Corporations Act, and the auditor's report is lodged with ASIC. VIML has established a Compliance Committee to oversee compliance with the Compliance Plan.

The Compliance Committee is required to monitor VIML's and Australian Index Investments' compliance with the compliance plan, assess the adequacy of the compliance plan and report breaches of the constitution and the Corporations Act to VIML and Australian Index Investments, and in some circumstances ASIC.

Change of Index

Australian Index Investments has the right to change the index provider (subject to any contractual arrangements with the index provider). If an index was to be changed, Australian Index Investments must make an announcement to the ASX and take other steps as required by law.

We will not make any significant change to the investment objective and strategy without first obtaining a resolution of the relevant Aii ETF investors approved by at least 75% of the votes cast by investors on the resolution.

Rights of an Investor

A Unit confers a beneficial interest on an investor in the assets of the Fund but not an entitlement or interest in any particular part of the Fund or any asset.

The terms and conditions of the Fund's constitution are binding on each investor in the Fund and all persons claiming through them respectively, as if the investor or person were a party to the constitution.

Reimbursement of Expenses

VIML is indemnified and entitled to be reimbursed out of, or paid from, the assets of the Fund for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as responsible entity of the Fund. VIML has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund and, for the purpose of determining whether VIML has properly performed its duties as responsible entity, VIML is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

Retirement of VIML

VIML may retire as Responsible Entity of the Fund by calling a meeting of Unitholders to enable investors to vote on a resolution to choose a company to be the new responsible entity. VIML may be removed from office by an extraordinary resolution (i.e. 50% of the Units that can be voted) passed at a meeting of investors, in accordance with the Corporations Act.

Termination

VIML may wind up the Fund at any time on giving three months notice. Following winding up, the net proceeds will be distributed to Unitholders.

Limitation of Liability of Investors

The rights and obligations of investors are governed by the Fund's constitution and this PDS, but are also affected by the Corporations Act, exemptions and declarations issued by ASIC, and the general law relating to trusts. The Fund's constitution states that investors' liability is limited to its investment in the Fund and that an investor is not required to indemnify VIML or a creditor of VIML against any liability of VIML in respect of the Fund. However, the courts are yet to determine the effectiveness of provisions of this kind.

Proxy Voting

We vote proxies in companies/funds where the Fund has a significant economic interest, and it is reasonably practicable to do so. We exercise the votes with the goal of maximising the value of the investments for the benefit of Unitholders.

A copy of VIML's proxy voting policy can be requested free of charge.

Meeting of Investors

VIML or Australian Index Investments may convene a meeting of investors of the Fund at any time. Examples of circumstances where meetings may be called include to approve certain amendments to the Fund's constitution or to wind up the Fund (if required by law). Investors also have limited rights to call meetings and have the right to vote at any investor meetings. Except where the Fund's constitution or Corporations Act provides otherwise, a resolution of investors must be passed by investors who hold Units exceeding 50% in value of the total value of all Units held by investors who vote on the resolution.

A resolution passed at a meeting of investors held in accordance with the Fund's constitution binds all investors of the Fund.

Indemnities and Limitation of Liability of VIML and Australian Index Investments

In general, VIML and Australian Index Investments may act in good faith on the opinion of, advice of and information obtained from advisers and experts. In those cases, VIML and Australian Index Investments are not liable for anything done in good faith in reliance on that opinion, advice or information.

VIML and Australian Index Investments are indemnified out of the Fund against any expenses, loss, costs, damages and liabilities that may be incurred in properly performing any of their duties or prosecuting or defending any action or suit in connection with the Fund other than if it arises out of VIML's or Australian Index Investments' respective fraud, negligence or breach by VIML or Australian Index Investments.

Subject always to any liability which the Corporations Act might impose on the Responsible Entity, so long as it acts in good faith and without gross negligence it is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund. The liability of the

Responsible Entity to any person other than an investor in respect of the Fund is limited to the Responsible Entity's actual indemnification from the Fund's assets for that liability.

Borrowings

It is not the intention of the Fund to borrow money, other than to meet short-term liquidity requirements like redemption requests or fund expenses. It is not currently the Fund's intention to borrow for the purposes of gearing. The Fund will only borrow where we believe it is in the best interests of the investors. No borrowing facility is currently in place however if one is established it will be on usual commercial terms with an Australian trading bank.

Securities lending

The Fund does not currently participate in a securities lending program, but may do so in the future. In this instance, the Fund's assets may be loaned to a borrower. In exchange, the Fund will receive collateral equal to at least 100% of the value of the assets loaned. We may place restrictions on which assets of the Fund are available to be loaned. Acceptable collateral may include but is not limited to cash, cash equivalents, shares and government bonds.

Any income (net of fees paid for administering securities lending) that the Fund generates from the securities lending program will be used to offset the Fund's custody expenses. There are additional risks involved with securities lending. See Section 3 "Risks" for details.

No Cooling Off Rights

Authorised Participants acquiring Aii ETFs are not entitled to cooling off rights.

Complaints

VIML have arrangements in place for handling complaints. If you have a complaint regarding the Fund or our services, please contact us either by phone or in writing. Our procedures ensure that we deal with complaints, as soon as possible but within 60 days of receipt and acknowledge any written complaint within 15 days of receipt.

Complaints can be directed to:

Valuestream Investment Management Ltd

Level 34, 50 Bridge Street

Sydney NSW 2000

Telephone 02 8216 0740

If we are unable to resolve the complaint or you are dissatisfied with the outcome you can contact the Financial Ombudsman Service ("FOS"), which is independent from Valuestream. Contact FOS on:

Telephone 1300 780 808 (local call)

Facsimile (03) 9613 6399

Email info@fos.org.au

Mail Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

FOS is an independent body and is approved by ASIC to consider complaints. In order for a complaint to be considered by FOS, the claim must be less than \$500,000 (unless we and you agree otherwise in writing).

FOS is only able to make a determination of up to \$150,000 per claim (excluding compensation for costs and interest payments) lodged up to 31 December 2011. For claims lodged from 1 January 2012, the amount per claim will increase to \$280,000.

Keeping Investors Informed

We will:

- confirm every transaction you make in relation to the Fund;
- provide transaction statements at least annually summarising all relevant transactions in relation to the Fund;
- provide access to the annual financial statements of the Fund as soon as practical from the end of the financial year on the Fund's website at:
www.australianindexinvestments.com.au
(unless you indicate on the application form that you want these to be posted to you); and

- provide investors with a tax report for Australian resident investors to help with your tax return at financial year-end.

VIML will make any necessary continuous disclosure as required by the Corporations Act via the Fund's website www.australianindexinvestments.com.au in accordance with ASIC's good practice guidance. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. As an investor in the Fund, you have the right to obtain a copy of the Fund's annual financial report most recently lodged with ASIC and any half year financial report lodged with ASIC.

Privacy Policies

As required by law, we have adopted Privacy Policies that governs the collection, storage, use and disclosure of personal information.

Should you apply for Units by lodging an application form, by signing the application form, you acknowledge and agree to us collecting, storing, using and disclosing your personal information in accordance with our Privacy Policies. This includes using your personal information to:

- process your application for the Units, issue ETF Units, manage your investment and comply with relevant laws.

For example your information may be used to:

- ensure compliance with all applicable regulatory or legal requirements. This includes the requirements of ASIC, ATO, AUSTRAC, ASX and other regulatory bodies or relevant exchanges including the requirements of the superannuation law;
- ensure compliance with the Anti-Money Laundering and Counter-Terrorism Financing legislation;

If you do not provide the personal information required, your application may not be processed.

We may be required to disclose some or all of your personal information, for certain purposes (as described under the Privacy Act 1988 (Cth)) to:

- our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, such as share registries, custodians, auditors of the scheme and certain software providers related to the operational management and settlement of the Units; or
- related bodies corporate that might not be governed by Australian laws for the purpose of account maintenance and administration;
- to your financial adviser if you provide us with written consent to do so.

We may also disclose your personal information to:

- market products and services to you; and
- to improve customer service we may provide your personal details to other external service providers (including companies conducting market research). This is to keep you informed of Australian Index Investments' products and services, or to your financial adviser or broker (as noted on the Application Form) to provide you with financial advice and ongoing service.

If any of the disclosures in the previous bullet points require transfer of your personal information outside of Australia, you consent to such transfer.

By applying for ETF Units, we will assume you consent to your personal information being used for the purposes of providing information to you on services offered by Australian Index Investments and being disclosed to market research companies for the purposes of analysing Australian Index Investments' investment base unless you tell us otherwise.

To obtain a copy of the Australian Index Investments privacy policy visit

www.australianindexinvestments.com.au or to access or update your personal information please contact Client Services on 1800 256 267, or write to GPO Box Q32, QVB Post Office, Sydney, NSW, 1230.

All personal information collected by VIML will be collected, used, disclosed and stored by VIML in accordance with the VIML Privacy Policy, a copy of which will be made available to you on request. To obtain a copy, please contact VIML on (02) 8216 0740. You can access the personal information VIML holds about you.

If you apply for Units, VIML and/or its associates may wish to communicate with you in the future, including by email, about other investment opportunities which may be of interest to you, and you agree to be contacted for these purposes. If you do not wish to be contacted for these purposes, please indicate so on the application form or contact VIML

Interest on Amounts Awaiting Investment or Withdrawal

Amounts paid to the Fund may accrue interest in the Fund's accounts pending the issue of Units or the return of application monies to you. Similarly, amounts made available to satisfy a withdrawal request may also accrue interest pending payment to you. Any such interest will be retained by the Fund for the benefit of all investors and apportioned proportionately across Unit classes.

ASX and S&P Disclaimer

The Aii ETFs are not sponsored, endorsed, sold or promoted by Standard & Poor's and its affiliates ('S&P') or by the ASX. S&P and ASX make no representation, condition or warranty, express

or implied, to the owners of the Aii ETFs or any member of the public regarding the advisability of investing in securities generally or in the Aii ETFs particularly or the ability of the S&P/ASX 200 Financials Index, the S&P/ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ASX 200 Energy Index and the and the S&P/ASX 300 Metals and Mining Index to track the performance of certain financial markets and/or sections thereof and/or of groups of assets or asset classes. S&P's and ASX's only relationship to Australian Index Investments is the licensing of certain trademarks and trade names and of the S&P/ASX 200 Financials Index, the S&P/ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ ASX 200 Energy Index and the and the S&P/ASX 300 Metals and Mining Index Financials Index, which is determined, composed and calculated by S&P without regard to VIML or Australian Index Investments or the Aii ETFs. S&P and ASX have no obligation to take the needs of VIML or Australian Index Investments or the owners of the Aii ETFs into consideration in determining, composing or calculating the S&P/ASX 200 Financials Index, the S&P/ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ASX 200 Energy Index and the and the S&P/ASX 300 Metals and Mining Index. S&P and ASX are not responsible for and have not participated in the determination of the prices and amount of the Aii ETFs or the timing of the issuance or sale of the Aii ETFs or in the determination or calculation of the equation by which the Aii ETF securities are to be converted into cash. S&P and ASX have no obligation or liability in connection with the administration, marketing, or trading of the Aii ETFs. S&P and ASX do not guarantee the accuracy and/or the completeness of the S&P/ASX 200 Financials Index, the S&P/ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ ASX 200 Energy Index and the S&P/ASX 300 Metals and Mining Index or any data included therein and S&P and ASX shall have no liability for any errors, omissions, or interruptions therein. S&P and ASX make no warranty, condition or representation, express or implied, as to results to be obtained by VIML, Australian Index Investments, owners of the Aii ETFs, or any other person or entity from the use of the S&P/ASX 200 Financials Index, the S&P/ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ASX 200 Energy Index and the S&P/ASX 300 Metals and Mining Index or any data included therein. S&P and ASX make no express or implied warranties, representations or conditions, and expressly disclaim all warranties or conditions of merchant ability or fitness for a particular purpose or use and any other express or implied warranty or condition with respect to the S&P/ ASX 200 Financials Index, the S&P/ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ASX 200 Energy Index and the S&P/ASX 300 Metals and Mining Index or any data included therein. Without limiting any of the foregoing, in no event shall S&P or ASX have any liability for any special, punitive, indirect, or consequential damages (including lost profits) resulting from the use of the S&P/ASX 200 Financials Index, the S&P/ ASX 200 Financials x-A-REIT Index, S&P/ASX 200 Industrials Index, S&P/ASX 200 Resources Index, the S&P/ASX 200 Energy Index and the S&P/ASX 300 Metals and Mining Index or any data included therein, even if notified of the possibility of such damages.

ASIC Relief

Equal treatment relief

ASIC has granted relief under section 601QA of the Corporations Act from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the responsible entity to restrict eligibility to submit redemption requests in relation to Units to those who are qualifying Australian residents. A condition of the relief is that Units remain admitted to Trading Status on the AQUA Market of the ASX.

PDS and issue of securities requirements

ASIC has granted relief under section 1020F(1)(c) of the Corporations Act from sections 1013H and 1016D, to reflect the continuous offering of Units in the Fund. For the purposes of this relief an application for quotation of newly issued Units on the AQUA market of the ASX will be made within 7 days of the date of their issue, and the maximum time in which application moneys will be held before the issue of relevant Units will not exceed 7 days.

Redemption facility – relevant interest in Fund assets

ASIC has granted relief under sections 655A(1)(b) and 673(1) of the Corporations Act by modifying section 609 of the Corporations Act to ensure that the ability to lodge a redemption request under the redemption facility offered by the Fund does not by itself give investors a relevant interest in the securities held by the Fund. The instrument clarifies that those relevant interests do not need to be taken into account by investors in relation to their obligations under the takeover and substantial holder notices regimes in the Corporations Act. The relief will not apply once the relevant Units are redeemed. A condition of the relief is that the Fund must continue to have essential characteristics of an ETF (i.e. in broad terms, continue to invest in line with the relevant indices, offer an in-kind redemption facility and qualify as an 'ETF' under the ASX Operating Rules).

Section 9 ETF Application/Redemption Form

Australian Index Investments Exchange Traded Funds

ARSN 141 693 727

Issued by Valuestream Investment Management Limited ABN 66 094 107 34 AFSL No 246621 for the Australian Index Investments Sector Index Exchange Traded Funds Product Disclosure Statement dated 31 January 2011.

Please note: This form is for use by participants authorised by Australian Index Investments Pty Limited only.

There is an Australian Index Investments ETFs Product Disclosure Statement dated 31 January 2011. It is important to read the Australian Index Investments ETFs Product Disclosure Statement carefully before investing in Australian Index Investments Sector Index Exchange Traded Funds. A person who gives another person access to the application form must at the same time and by the same means give the other person access to the PDS and any supplementary PDS. If this PDS was obtained electronically, a paper copy of this PDS and the ETF Application/Redemption Form will be provided free of charge upon request.

Please fax the completed Application/Redemption Form to 02 9251 3525. VIML and MainstreamBPO reserve the right to refuse applications if you do not provide relevant AML/CTF information requested.

1 APPLICANT DETAILS

Name of Applicant

ACN/ABN

Email Address

Postal Address

Suburb

State Postcode

Telephone Fax

Participant ID (PID) Tax File Number

2 NUMBER OF UNITS TO BE APPLIED OR REDEEMED

This Applicant hereby applies to Australian Index Investments Pty Limited for Units as specified below.
Please note: Applications are to be made in whole multiples of the minimum expressed below and on page 11 of the PDS.

Australian Index Investments ETF	Min Size	ASX Code	Number of Application Units	Number of Redemption Units
Aii S&P/ASX 200 Resources ETF	200,000	RSR	<input type="text"/>	<input type="text"/>
Aii S&P/ASX 200 Financials ETF	200,000	FIN	<input type="text"/>	<input type="text"/>
Aii S&P/ASX 200 Energy ETF	80,000	ENY	<input type="text"/>	<input type="text"/>
Aii S&P/ASX 200 Industrials ETF	200,000	IDD	<input type="text"/>	<input type="text"/>
Aii S&P/ASX 300 Metals and Mining ETF	200,000	MAM	<input type="text"/>	<input type="text"/>
Aii S&P/ASX 200 Financials x-A-REIT ETF	200,000	FIX	<input type="text"/>	<input type="text"/>

I wish to receive hard copies of financial reports.

3 SIGNATURE

- I/We acknowledge that we are an Australian Resident for tax purposes at the time this form was signed (both for an application and redemption)
- I/We have received the Australian Index Investments Sector Index Exchange Traded Funds PDS dated 31 January 2011 (electronic or hard copy), and I/we have detached this Application for Investment Form from the PDS and declare all details given in this application are true and correct.
- I/We have read the PDS to which this application applies and agree to be bound by the terms and conditions of the PDS and the constitution of the Fund in which I/we are investing, as referred to on page 23 of the PDS (and as amended from time to time), which governs the Fund.
- I/We understand that none of VIML or Australian Index Investments Pty Limited or their related entities, directors or officers guarantees the performance of, the repayment of capital, or income invested in, the Fund.
- I/We declare that I/we have the capacity and power to make an investment in accordance with the application.
- I/We declare that in making a decision to invest the only information and representations provided by VIML or Australian Index Investments Pty Limited are those contained in the PDS to which this application relates.
- If signed under power of attorney, the attorney verifies that no notice or revocation of that power has been received.
- I/We agree to reimburse and indemnify VIML and Australian Index Investments Pty Limited for all taxes, duties and charges imposed against VIML and Australian Index Investments Pty Limited or their agents that may be assessed against VIML or Australian Index Investments Pty Limited as a result of my/our entitlement to the capital or distributable income of the Fund (Taxation Amount).
- I/We authorise VIML and Australian Index Investments Pty Limited to deduct from my/our income distributions payable from the Fund, on account of the Taxation Amount which VIML or Australian Index Investments Pty Limited is or may become liable to pay in respect of my/our entitlement to the capital or distributable income of the Fund.

Applicant Signatures

Each signatory below confirms that they has been duly authorised to execute this application on behalf of the applicant/s and that the signing authorities specified below have also been duly authorised.

Authorised Signatory	Date
Name <input type="text"/>	
Position <input type="text"/>	

Authorised Signatory	Date
Name <input type="text"/>	
Position <input type="text"/>	

Section 10 Contacting Australian Index Investments

The Investment Manager
Australian Index Investments Pty Limited

Sydney office
Level 10, 19-31 Pitt St
Sydney, NSW, 2000
Telephone: 02 9259 0750

Postal address
GPO Box Q32
QVB Post Office
Sydney, NSW, 1230

Australian Index Investments ETF
Product Representative
8:30 am to 5:30 pm Sydney time
Monday to Friday

Telephone: 1800 256 267
Facsimile: 02 9252 8788
E-mail: info@aiifunds.com.au
Website: www.australianindexinvestments.com.au

The Responsible Entity
Valuestream Investment Management Limited

Perth office
18 Stirling Highway
Nedlands, WA ,6009
Telephone: 08 9355 5044
Facsimile: 08 9307 2030

Sydney office
Level 34, 50 Bridge Street
Sydney NSW 2000
Telephone: 02 8216 0740
Facsimile: 08 9307 2030

Postal address
GPO Box 1088
Hillarys WA 6923

Custodian
RBC Dexia Investor Services Trust
Level 17
2 Park Street
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