

# MAN OM-IP 3ECLIPSE



MAN OM-IP 3ECLIPSE LIMITED | ARBN 128 688 764 | PROSPECTUS

*For research purposes only.  
Not for public distribution.*

Capital Guarantee by:  
(subject to the terms in Appendix A)

**Commonwealth**Bank





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Access over 100 international markets, the economies of the Asia Pacific region and a range of commodity related investment strategies.

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Man OM-IP 3Eclipse Limited, through its wholly owned subsidiary, Man OM-IP 3Eclipse Trading Limited, will participate in the trading of a managed portfolio of investments in stock, bond, currency, interest rate, energy, metal and agricultural markets which may include the use of futures and options contracts, derivative and interbank currency markets, as well as allocating funds to international fund managers.

Subject to the terms of the CBA Guarantee set out in Appendix A, Commonwealth Bank of Australia guarantees the return of capital to Shareholders on the Maturity Date.

**The Shares are not deposits or other liabilities of the Commonwealth Bank of Australia or its subsidiaries and neither the Commonwealth Bank of Australia, its subsidiaries, the Man Group nor the directors guarantees the performance of the Company. Neither the Company nor the Man Group is a member of the Commonwealth Bank of Australia Group. Investment in the Shares is subject to investment risk, including possible delays in payment and, except as provided in the CBA Guarantee, loss of income and principal invested. Commonwealth Bank of Australia does not in any way stand behind the capital value or performance of the Shares or the investments made by the Company, except as provided in the CBA Guarantee.**

Investors should consider the key risks in Section 4, in particular under the headings 'The CBA Guarantee' and 'Early redemption'.

A copy of this prospectus was lodged with the Australian Securities & Investments Commission on 19 December 2007. The Australian Securities & Investments Commission takes no responsibility for the contents of this prospectus. Additional copies of this prospectus may be obtained from the Company or Man Investments Australia.

The invitation contained in the electronic version of this prospectus is available to persons receiving the electronic prospectus in Australia and New Zealand. This prospectus does not constitute an offer in any jurisdiction where it would be illegal to make such offers or where such offers are not permitted.

**Investors should regard the Shares offered by this prospectus as speculative and should consider the key risks in Section 4.**

Product information

Company information

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# KEY INFORMATION

A capital guaranteed investment built on a tradition of performance, security and diversification.

This section sets out key information regarding an investment in Man OM-IP 3Eclipse. You should read this prospectus in its entirety and seek advice from a licensed financial advisor before making an investment decision.

## **Investment objective** Sections 2 and 6

Man OM-IP 3Eclipse aims to generate medium term capital growth\* in both rising and falling markets with the security of the CBA Guarantee<sup>+</sup>.

## **CBA Guarantee** Section 5

The CBA Guarantee provides Shareholders on the Maturity Date with a Capital Guarantee to protect their initial investment and a Rising Guarantee to lock in a portion of any net new trading profits (subject to the terms of the CBA Guarantee set out in Appendix A).

## **Key benefits** Section 3

Man OM-IP 3Eclipse seeks to provide Shareholders with access to a diversified portfolio of investments and the following benefits:

Performance: aims to generate medium term capital growth\* in both rising and falling markets.

Security: the CBA Guarantee<sup>+</sup>.

Diversification: low correlation with the performance of investments in stocks, property and bonds<sup>^</sup>.

## **Key risks** Section 4

You should carefully consider all of the key risks set out in Section 4. There are risks associated with an investment in Man OM-IP 3Eclipse which include the following:

- the Shares offered by this prospectus are speculative and will depend on the performance of the Investment Manager and trading systems, and the strategies selected;
- the Trading Subsidiary will make investments in markets that are volatile and may become illiquid;
- the sale or redemption of Shares and the payment of proceeds may be suspended; and
- leverage is used by Man OM-IP 3Eclipse and may magnify losses<sup>+</sup>.

## **Investment approaches** Sections 2 and 6

The Trading Subsidiary will invest using two complementary investment approaches, the AHL Diversified Program and the RMF Portfolio.

It is intended that the RMF Portfolio will access the RMF Asian Opportunities Portfolio and the RMF Commodity Strategies Portfolio but may also allocate to other investment strategies and managers.

## **Investment exposure** Section 2

The initial investment exposure will be 120% for each A\$1.00 invested.

The Investment Manager will seek to gradually increase this investment exposure to 150% of the Net Asset Value per Share.

## **The offer** Sections 10 and 11

Fully paid redeemable shares in Man OM-IP 3Eclipse at a subscription price of A\$1.00 each.

## **Offer period**

11 February 2008 – 11 April 2008

## **Minimum investment** Application form

A\$5,000 and then in multiples of A\$1,000.

\* The aim to generate medium term capital growth is based on the past performance of the AHL Diversified Program (see Section 6).

Past performance is not a reliable indicator of future performance.

<sup>+</sup> Subject to the terms of the CBA Guarantee set out in Appendix A.

<sup>^</sup> Past performance is not a reliable indicator of future performance.

Provides the security of the CBA Guarantee<sup>+</sup>.

01

**Application for Shares**  
Section 11  
Application form

You can only apply for Shares on an application form accompanying this prospectus.  
New Zealand investors must complete the application form attached to the Investment Statement.

**Valuation of Shares**  
Section 11

The NAV will be calculated monthly and published on [www.maninvestments.com.au](http://www.maninvestments.com.au)

**Shareholder reports**

Monthly: NAV update (see above).  
Quarterly: Strategic Investment Review newsletter containing NAV update and a report from the Investment Manager.  
Annually: Annual Report containing a report from the Investment Manager, a Directors' report and the concise consolidated financial statements.  
CBA Rising Guarantee Notice when there has been an addition to the Security Deposit.

**Liquidity**  
Section 12

You can sell Shares to Man Investments Australia or have them redeemed by the Company on the first Business Day of each month at 98% of the NAV (or at 100% of the NAV after 30 April 2011, subject to the terms and conditions in Section 12).

**Maturity Date**

29 April 2016

**Fees**  
Section 8

Refer to the table in Section 8 which sets out the fees and costs of the Company and the Trading Subsidiary.

**Taxation**  
Section 14

Taxation summaries are included in Section 14 for Australian and New Zealand resident taxpayers. You should, however, seek your own tax advice.

**Investment Manager**  
Section 9

Man Investments

**Sponsor**  
Section 9

Man Investments Australia

**Definitions**  
Section 15

Definitions of terms used in this prospectus are set out in Section 15.

**Contact details**

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225 George Street  
Sydney NSW 2000  
Australia  
  
Man Investments Australia  
PO Box N672  
Grosvenor Place NSW 1220  
Australia

Phone (61-2) 8259 9999 or  
Toll Free (Australia) 1800 222 355 or  
Toll Free (New Zealand) 0800 878 220  
Fax (61-2) 9252 4453 or toll free  
(New Zealand) 0800 787 220  
  
[info@maninvestments.com.au](mailto:info@maninvestments.com.au)  
[www.maninvestments.com.au](http://www.maninvestments.com.au)

<sup>+</sup> Subject to the terms of the CBA Guarantee set out in Appendix A.

# INVESTMENT OVERVIEW

Access more than 100 international markets and more than 40 specialised international fund managers.

## Investment strategy

Man OM-IP 3Eclipse will provide investors with exposure to a wide range of international markets and specialised fund managers which may not be included in a traditional portfolio of stocks, property and bonds. This combination of features, normally difficult for an individual investor to access, will be available through an investment in Man OM-IP 3Eclipse.

Man OM-IP 3Eclipse is the third in the series of Eclipse funds, which have raised in excess of A\$250 million. The first OM-IP Eclipse fund was launched in August 2006 and was structured to provide investors with access to Asian markets, commodity markets and a trend following investment program. Although the first OM-IP Eclipse fund has only been trading for a short time, commencing in August 2006, it has provided its investors with a compound annual return of 16.7% since inception, with an original A\$1.00 share now worth A\$1.21<sup>^</sup>. Past performance is not a reliable indicator of future performance.

Man OM-IP 3Eclipse will invest in two complementary investment approaches with the aim to generate medium term capital growth\* in both rising and falling markets.

**The AHL Diversified Program** is the foundation of the investment strategy. A systematic program managed by Man Investments in London, it invests in a range of market sectors in over 100 international markets. As one of the world's longest running managed futures programs, it identifies opportunities to take advantage of persistent market inefficiencies, primarily in the form of price trends. The AHL Diversified Program invests in a diversified portfolio of market sectors including stocks, bonds, currencies, short-term interest rates, energy, metals and agricultural contracts.

**The RMF Portfolio** currently accesses the expertise of more than 40 international managers and is managed by RMF Investment Management, Nassau branch. The RMF Portfolio will initially access two specialised investment approaches:

**The RMF Asian Opportunities Portfolio** accesses selected Asian-focused investment managers. The geographic focus may cover markets in the Asia Pacific region, such as Japan, China, India and Australia.

**The RMF Commodity Strategies Portfolio** uses investment managers that specialise in a diverse range of commodity sectors. These may include energy, transportation, power, metals, agriculture and livestock.

See Section 6 for further information on the AHL Diversified Program and the RMF Portfolio.

The Man OM-IP 3Eclipse investment strategy is designed to harness the performance of the AHL Diversified Program and the RMF Portfolio. These investment approaches have a low correlation with the performance of investments in stock, property and bond markets and may help diversify a traditional portfolio. Past performance is not a reliable indicator of future performance.

Man OM-IP 3Eclipse also provides the security of a Capital Guarantee and a Rising Guarantee from Commonwealth Bank of Australia, the CBA Guarantee<sup>+</sup>.

Investors should regard the Shares offered by this prospectus as speculative, as they may increase or decrease in value. Investors should consider the key risks in Section 4 and seek advice from a licensed financial advisor before making an investment decision.

## Man OM-IP 3Eclipse

Initial investment exposure

120% Initial investment exposure		
AHL Diversified Program 80%	RMF Portfolio 40%	
AHL Diversified Program	RMF Commodity Strategies Portfolio	RMF Asian Opportunities Portfolio

### Note

This illustration shows the initial investment exposure of Man OM-IP 3Eclipse to the AHL Diversified Program and the RMF Portfolio. Investment allocations and exposures may change over time as the Trading Subsidiary makes profits and/or as a result of the Investment Manager's ongoing research. See Section 7 for further information on how leverage is used in Man OM-IP 3Eclipse.

<sup>^</sup> Past performance is not a reliable indicator of future performance. This performance figure is calculated net of all fees as at 31 October 2007.

\* The aim to generate medium term capital growth is based on the past performance of the AHL Diversified Program (see Section 6).

Past performance is not a reliable indicator of future performance.

<sup>+</sup> Subject to the terms of the CBA Guarantee set out in Appendix A.

The Man Group was established in 1783 and is listed on the London Stock Exchange.

## The Man Group

The Investment Manager of the OM-IP funds is Man Investments, a wholly owned subsidiary of Man Group plc, one of the world's largest alternative asset managers. Established in 1783 and listed on the London Stock Exchange, Man Group plc has a market capitalisation of more than US\$21 billion (as at 2 October 2007) and approximately US\$68 billion under management<sup>†</sup>. It employs approximately 1,600 people in thirteen countries with key centres in London, Switzerland, Chicago, New York, Tokyo, Hong Kong and Sydney.

Man Investments was established in 1983 as the Man Group's alternative asset division and has launched more than 500 alternative investment products, offering tailor made solutions for private and institutional clients. Man Investments provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions seeking to deliver medium to long term investment performance.

Man Investments has a track record of more than 20 years in the field of alternative investment strategies, supported by strong product development and structuring skills as well as extensive investor service and global distribution networks.

Man OM-IP 3Eclipse is the 31st OM-IP fund. The OM-IP funds are designed to diversify a traditional investment portfolio of stocks, property and bonds. As at 31 October 2007, Man Investments Australia has sponsored OM-IP funds with more than A\$6 billion under management.

## Awards

## Man Group



Financial News European Asset Management Firm of the Decade  
Man Investments, 2006



Euromoney Private Banking Survey (Best provider of managed futures)  
Man Investments, 2006 in the Western Europe, Asia, Hong Kong, Singapore, Saudi Arabia, Switzerland and UK categories



Euromoney Best Provider of Managed Futures  
Man Group, 2005 in the Global, Switzerland and UK categories

Note Awards are granted by external agencies who evaluate fund managers and their funds.

## How is your money invested?

- For each A\$1.00 invested, the Company will have an initial investment exposure to the two investment approaches of approximately A\$1.20 (120%)\*. The Investment Manager will seek to gradually increase the investment exposure to 150% of the Net Asset Value per Share as the Trading Subsidiary generates profits.
- Investment exposure refers to the Company's allocations made to the AHL Diversified Program and the RMF Portfolio through the Trading Subsidiary. Through the use of leverage, the initial investment exposure to the AHL Diversified Program is A\$0.80 and the initial investment exposure to the RMF Portfolio is A\$0.40.
- The Company's investment in the Trading Subsidiary will be supplemented by funds borrowed under a Leverage Facility, which will be used by the Trading Subsidiary to invest in the RMF Portfolio.
- The Company will also invest in the Security Deposit to provide Shareholders with the security of receiving a Capital Guarantee of A\$1.00 per Share on the Maturity Date\*. However, the amount of the Capital Guarantee at the Maturity Date is unlikely to have the same real value as A\$1.00 today, due to the likely effect of inflation and the time value of money.
- Details of how the Company and the Trading Subsidiary invest are described in Section 7.

Strategic investments such as Man OM-IP 3Eclipse may benefit investors who seek:

- Access to investments in the economies of the Asia Pacific region and a range of commodity related investment strategies.
- An international investment designed to have a low correlation with stockmarkets.
- Investments that aim to generate returns\* in both rising and falling markets.
- Diversification of a traditional portfolio of stock, property and bonds.
- To guarantee their initial investment amount at the Maturity Date\*.
- A medium term investment of eight years.

The information in this section is general, not personal, advice and may not be suitable for all investors. It does not take into account anyone's objectives, financial situation or needs so before acting on it consider its appropriateness to your circumstances and consult your financial advisor. Persons considering investing in the Shares should carefully read all of this prospectus before making an investment decision.

<sup>†</sup> Funds under management as at 30 September 2007.

\*\* This is possible by trading in international futures, options, derivatives and currency markets, which require deposits of approximately 15-25% of the underlying contract value providing leverage to the investment of approximately 75-85%, and the use of the Leverage Facility.

+ Subject to the terms of the CBA Guarantee set out in Appendix A.

\* The aim to generate returns is based on the past performance of the AHL Diversified Program (see Section 6).  
Past performance is not a reliable indicator of future performance.





12:00

15:00

18:00

21:00



Access a combination of global investments including currencies, interest rates, commodities and the economies of the Asia Pacific region.



# KEY BENEFITS

Man OM-IP 3Eclipse aims to generate medium term capital growth\* in rising and falling markets with an 8 year term.

## Diversification

Man OM-IP 3Eclipse aims to generate medium term capital growth\* that is not dependent on the continued growth of stockmarkets by harnessing the complementary investment approaches of the AHL Diversified Program and the RMF Portfolio.

The AHL Diversified Program is a computer driven program managed by Man Investments that trades around-the-clock using real time price information from currently more than 100 international markets. It uses a range of instruments including futures, options, forward contracts, swaps and other derivative instruments to access a range of market sectors including stocks, bonds, currencies, short term interest rates, energy, metals and agricultural contracts.

The RMF Portfolio intends to access the RMF Commodity Strategies Portfolio and the RMF Asian Opportunities Portfolio, to gain access to investments in a diverse range of commodity sectors such as energy, transportation, power, metals, agriculture and livestock as well as access to selected managers focused on markets in the Asia Pacific region.

## A medium term investment with a Capital Guarantee<sup>+</sup>

Man OM-IP 3Eclipse has been structured as a medium term investment aiming to generate medium term capital growth\*. It also provides the security of the CBA Guarantee to Shareholders on the Maturity Date<sup>+</sup>.

The AHL Diversified Program is the foundation of the investment strategy of Man OM-IP 3Eclipse, being approximately two-thirds of the investment exposure. The past performance of the AHL Diversified Program has shown that annualised returns over the short term were sometimes less than historic medium term results, sometimes more<sup>^</sup>. Over a longer period of time annual returns still varied, however, the degree of variation of returns was much smaller. This highlights the importance of viewing an investment in Man OM-IP 3Eclipse as a medium term investment\*.

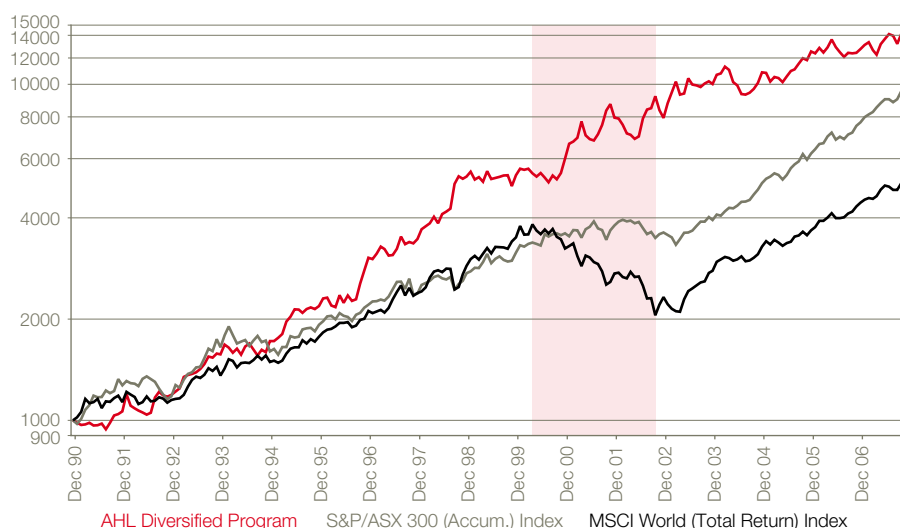
To judge performance over a short term period of one, two or even three years can be misleading as Man OM-IP 3Eclipse will inevitably, like other investments, have periods of flat, below average or negative performance.

## Balancing a traditional portfolio

It is widely accepted that a traditional portfolio of stocks, property and bonds can benefit from the additional diversification that strategic investments such as Man OM-IP 3Eclipse can provide.

By investing in over 100 international markets and more than 40 specialised international fund managers, Man OM-IP 3Eclipse may increase the consistency of returns of an investment portfolio and reduce dependence on stock, property and bond markets during cyclical downturns.

AHL Diversified Program vs Australian and global stockmarket indices  
December 1990 to October 2007<sup>^</sup>



Source  
Man Investments

**Note**  
The chart is expressed in log scale to uniformly illustrate percentage changes each month. It shows an index of the performance of the AHL Diversified Program and are the actual trading results for Athena Guaranteed Futures Limited, Man Investments' longest running AHL capital guaranteed fund, that have been adjusted to reflect the current fee structure from December 1990 to October 1997. It is not designed to predict the future performance of Man OM-IP 3Eclipse or the AHL Diversified Program.

\* The aim to generate medium term capital growth is based on the past performance of the AHL Diversified Program (see Section 6).  
Past performance is not a reliable indicator of future performance.

<sup>+</sup> Subject to the terms of the CBA Guarantee set out in Appendix A.

<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees as at 31 October 2007.

By accessing strategic investments such as Man OM-IP 3Eclipse, investors may be able to diversify a traditional investment portfolio of stocks, property and bonds.

### Access to the RMF Portfolio: specialised international fund managers

Man OM-IP 3Eclipse will provide investors with exposure to a wide range of international markets and specialised fund managers. The RMF Portfolio will access international fund managers that specialise in investing in the Asia Pacific region and/or a range of commodity strategies. This combination of expertise, normally difficult for an individual investor to access, will be available through an investment in Man OM-IP 3Eclipse.

### Access to the AHL Diversified Program

Man OM-IP 3Eclipse will also provide investors with a substantial exposure to the AHL Diversified Program.

The AHL Diversified Program has a long history of generating returns despite the direction of both Australian and global stockmarkets and providing diversification during stockmarket corrections<sup>^</sup>.

The past performance of the AHL Diversified Program is compared to Australian and global stockmarket indices in the chart opposite. The highlighted period in the chart shows that the AHL Diversified Program continued to record positive medium term growth despite the downturn in global stockmarkets and flat performance of the Australian stockmarket.

The chart opposite also demonstrates how the past performance of the AHL Diversified Program generated returns regardless of the direction of these markets

over the medium term and provided investors with diversification within a traditional investment portfolio.

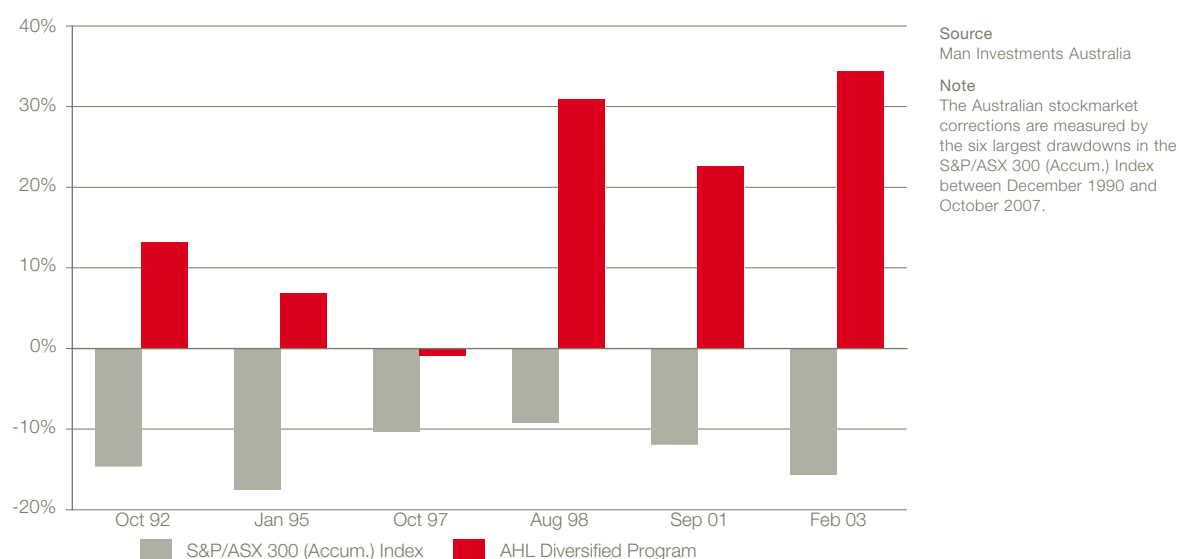
**Past performance is not a reliable indicator of future performance.**

The AHL Diversified Program has outperformed Australian and global stockmarket indices, with greater volatility. The AHL Diversified Program has recorded a volatility of 16.4% p.a since December 1990 while the S&P/ASX 300 (Accum.) Index and the MSCI World (Total Return) Index recorded lower volatility of 12% p.a and 13% p.a respectively over the same period<sup>~</sup>.

The chart below looks more specifically at the past performance of the AHL Diversified Program during the six largest drawdowns in the Australian stockmarket from December 1990 to October 2007. The six largest drawdowns are measured by the six largest percentage drops in prices from any month end peak to the lowest price reached at the end of any subsequent month.

The AHL Diversified Program has achieved positive returns during five out of the six largest drawdown periods and outperformed the S&P/ASX 300 (Accum.) Index during the remaining drawdown period. Whilst the chart below is not designed to compare the performance of the AHL Diversified Program against the performance of the Australian stockmarket in general, it shows that the AHL Diversified Program has made profits when the Australian stockmarket was falling<sup>^</sup>.

Six largest drawdowns in the Australian stockmarket  
December 1990 to October 2007<sup>^</sup>



<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees and measured as the increase or fall in price during the periods of drawdown of the S&P/ASX 300 (Accum.) Index set out in the chart.

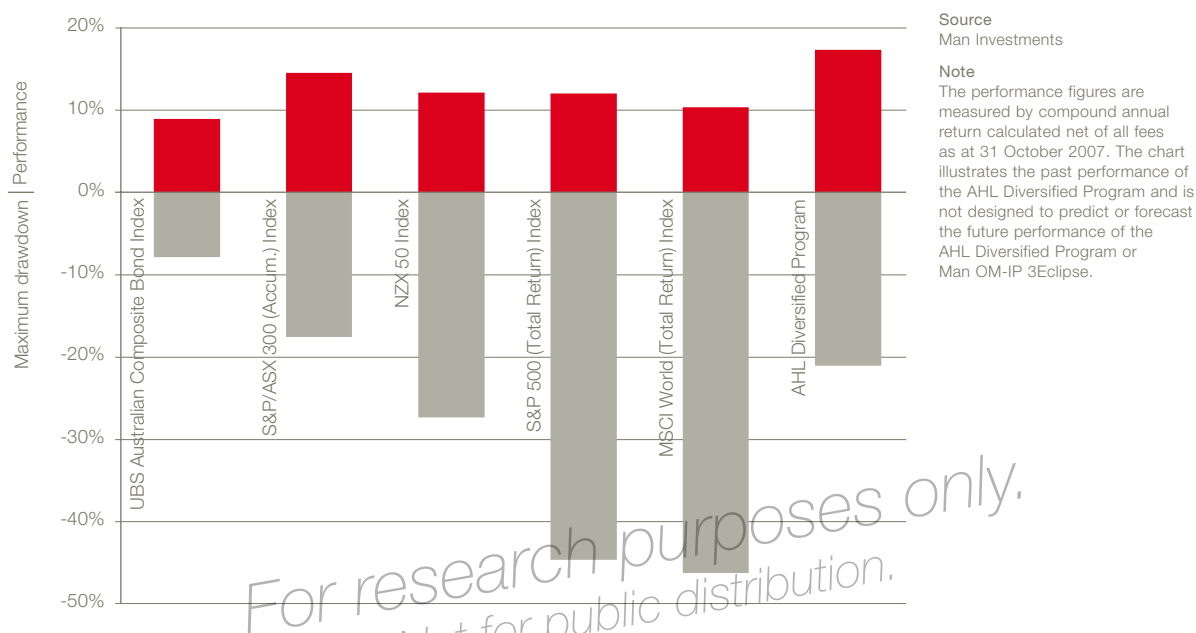
<sup>~</sup> Volatility measures the degree of fluctuation around the average performance of the AHL Diversified Program, Australian and global stockmarket indices since inception. The higher the volatility, the higher the degree of fluctuation in returns.



## Managing investment risk across a broad range of markets.

### Performance vs maximum drawdown

Past performance of the AHL Diversified Program vs other investments – December 1990 to October 2007<sup>^</sup>



<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees as at 31 October 2007.

The AHL Diversified Program has in the past had a performance/maximum drawdown profile which may be considered by some investors to be more favourable than each of the indices shown in the chart above.

The past performance of the AHL Diversified Program is compared to Australian stock and bond indices as well as global, US and New Zealand stock indices. Over the period shown, the AHL Diversified Program achieved a compound annual return of 17.3%<sup>^</sup>.

The chart also shows maximum drawdown which is the single largest percentage drop in price from any month end peak to the lowest price reached at the end of any subsequent month. There are many aspects of risk in investments and maximum drawdown is only one indicator of the level of risk in an investment.

Over the period shown, the AHL Diversified Program had a higher maximum drawdown than Australian bond and stock indices but lower than the New Zealand, US and global stock indices<sup>^</sup>. This highlights the AHL Diversified Program's and the Investment Manager's expertise and experience in managing investment risk by reducing the extent of drawdown. However, their ability to manage risk in the past is not necessarily a reliable indicator of their future ability to do so.

This performance/maximum drawdown profile, coupled with the past performance of the AHL Diversified Program showing profits in both rising and falling markets, may provide investors with a new way to diversify and balance their portfolio.

### Management of risk

Risk in investments covers a range of circumstances that may or may not occur in the future. Generally, the higher the return of an investment, the higher the risk of negative returns.

Risk may be effectively managed in a number of different ways, including through diversification and the use of appropriate risk control measures.

The AHL Diversified Program is underpinned by computer supported analytical instruments and disciplined real-time risk control and management information systems. It is 100% systematic and positioned to respond quickly to price moves. This means the AHL Diversified Program can employ rigorous risk control across investments in a broad range of markets.

The RMF Portfolio allocates to managers and strategies which employ in-depth analysis of the market environment reinforced by an ongoing process of due diligence, asset allocation reviews and risk analysis. The combined approach helps to manage risk across a broad range of markets.

**You should seek independent advice from your financial advisor when assessing the suitability of including an investment in Man OM-IP 3Eclipse as part of your investment portfolio.**

# KEY RISKS

Investment in the Company is subject to certain risks.

Investors should regard the Shares offered by this prospectus as speculative, as they may decrease as well as increase in value and will depend on the performance of the Investment Manager and trading systems, and the strategies selected. Investors should carefully consider each of the risks set out in this section, as well as the other information in this prospectus, in assessing the suitability of Man OM-IP 3Eclipse as part of their investment portfolio and seek advice from a licensed financial advisor.

**Performance history:** Neither the Trading Subsidiary nor the Company has an operating history. The performance information contained in this prospectus is not intended to be a forecast of the future performance of the investment approaches, the AHL Diversified Program, the RMF Portfolio or Man OM-IP 3Eclipse.

There can be no assurance that the Company's aim to generate medium term capital growth\* in rising and falling markets will be achieved. As with all investments that rely on the skill of an underlying investment manager, there is the risk that the manager may make an investment decision that does not generate the targeted returns. Past performance is not a reliable indicator of future performance.

The Company has been structured as a medium term investment. The historic performance of the AHL Diversified Program has shown a greater degree of variation over a shorter term than over a medium to long term. Investors should also be aware that the RMF Asian Opportunities Portfolio and the RMF Commodity Strategies Portfolio have relatively short trading histories.

**Illiquid markets:** The Trading Subsidiary may make investments in markets, using the AHL Diversified Program and the RMF Portfolio, that are volatile and which can become illiquid. This may result in it being expensive or not possible to liquidate positions against which the market is moving or to meet margin requests, margin calls, redemptions or further requirements. As a consequence, the Directors may declare a suspension of the determination of the NAV or a suspension of the redemption or purchase of the Shares or a suspension of payment of the proceeds of a redemption or purchase of the Shares.

To enable the Company to rebalance the portfolio on a monthly basis and provide liquidity to Shareholders, the Trading Subsidiary may (on the advice of the Investment Manager) utilise uncommitted dealing facilities or enter into uncommitted liquidity facilities with a member of the Man Group and/or any other third party acting as counterparty, to facilitate monthly liquidity in respect of underlying investments.

## **Suspension of the redemption and purchase of**

**Shares:** During a suspension of the determination of the NAV or a suspension by the Company of the redemption or purchase of the Shares, the right of Shareholders to have their Shares redeemed by the Company or purchased by Man Investments Australia will be suspended.

This may result in periods where the Shares cannot be valued, sold or redeemed.

The Company may also suspend the payment of the proceeds of redemption and purchase of Shares.

The circumstances when the Company may suspend determination of the NAV, or redemption or purchase of the Shares, or suspension of the payment of proceeds of redemption or sale are set out in Sections 11 and 12.

**Use of leveraged investments:** Investments using leverage, such as Man OM-IP 3Eclipse, are subject to a number of risks and may be regarded as highly speculative. Leveraged trading may result in the risk of substantial losses as well as the possibility of gains.

Any event which adversely affects the value of an investment would be magnified to the extent leverage is used. However, Man OM-IP 3Eclipse will aim to spread the risk over more than 100 international markets traded using the AHL Diversified Program and currently more than 40 specialised international fund managers used by the RMF Portfolio.

By participating in leveraged trading, the Trading Subsidiary will be required to pay deposits and margins on demand to its brokers. Investments made using the AHL Diversified Program may be subject to counterparty or broker risk in the event of an insolvency or similar event occurring in relation to the broker counterparty or any bank or financial institution with which the Company deals. In these circumstances, the Trading Subsidiary may become an unsecured creditor with respect to the deposit or margin and any unrealised profits, and may incur substantial losses in the event that it is not able to recover its investment. The underlying vehicles through which the Trading Subsidiary invests using the RMF Portfolio may bear similar risks.

Deposits payable in respect of futures and options contracts are determined by the International Broker in relation to the AHL Diversified Program. These deposits will be approximately 15-25% of the underlying value of the contracts and therefore substantial leverage is available. Prices of leveraged contracts may be subject to volatility. Should prices move adversely, losses in excess of the deposit paid may be incurred. Increases in the amount of margin or deposits could result in the

\* The aim to generate medium term capital growth is based on the past performance of the AHL Diversified Program (see Section 6). Past performance is not a reliable indicator of future performance.



need for trading which could be disadvantageous and could result in substantial losses. The Trading Subsidiary may also be required to pay margins representing the unrealised loss on contracts held. The International Broker or sub-brokers acting for the Trading Subsidiary will be entitled to close out contracts at their discretion.

**Investment strategy:** As Shareholders will be issued fully paid redeemable shares, they will not be called upon at any time to provide additional funds.

On the advice of Man Investments, the Trading Subsidiary may change the allocation of funds between the AHL Diversified Program and the RMF Portfolio in the future based on the ongoing performance of each investment, the risk/reward of each investment and their contribution to building a balanced investment portfolio.

In the event that market conditions change, the Investment Manager may revise the target investment exposure of 150% of the Net Asset Value per Share in order to maintain a balanced investment portfolio.

If there is a substantial fall in interest rates prior to the Closing Date and an increase in the investment in the Security Deposit, the Investment Manager may vary the initial investment exposure to the AHL Diversified Program and the RMF Portfolio.

In the event of an initial decline in the Net Asset Value per Share by approximately 36%, being the estimated amount of trading capital which will be available after the close of the Issue, or sustained losses by the Trading Subsidiary to a level insufficient to continue trading or to meet the repayment of interest or capital on the Leverage Facility, the Trading Subsidiary may have to liquidate positions and cease trading in some or all of the investment strategies.

In such a case the CBA Guarantee will, subject to its terms, provide for the return of A\$1.00 per Share (or such greater amount which, as a result of previous additions to the Security Deposit by the Company, represents the amount of the CBA Guarantee prior to the cessation of trading by the Trading Subsidiary) to Shareholders on the Maturity Date.

The assets and liabilities of the share class of RMF Investment Strategies SPC, a company incorporated in the Cayman Islands, in which the Trading Subsidiary will invest in order to gain exposure to the RMF Portfolio, are legally required to be segregated from the assets and liabilities of the other share classes of that company (i.e. the assets of one share class may not be applied to meet the liabilities of another share class). However, RMF Investment Strategies SPC may invest or operate in jurisdictions which do not recognise the legal segregation of these assets. The Trading Subsidiary may incur losses in these circumstances. In any event,

this would not have an adverse effect on the CBA Guarantee relating to the Shares at the Maturity Date nor on the Trading Subsidiary's investment using the AHL Diversified Program.

**Computerised trading:** Investors should note that the AHL Diversified Program is 100% systematic and relies solely on computer driven trading. There may be risks that are unique to computer trading programs, including risks arising from the use of technology, however the AHL Diversified Program seeks to manage these risks through the use of disaster recovery and other risk management processes.

**Foreign currency exposure risk:** The Company will ensure that the Security Deposit is denominated in Australian dollars. Trading in non-Australian dollar assets involves an exposure to currency fluctuations which may adversely affect the Trading Subsidiary. As a consequence, the Trading Subsidiary will seek, but cannot guarantee, a reduction of this exposure by holding excess cash in Australian dollars and by either converting profits or losses into Australian dollars or hedging that exposure, using a discretionary process, on a regular basis.

**The Leverage Facility:** The Leverage Facility will be used primarily to provide exposure to the RMF Portfolio which is designed to provide additional diversification. It also creates an additional layer of leverage, which will, in the event of trading losses being incurred by the Trading Subsidiary, magnify those losses (but will not affect the CBA Guarantee relating to the Shares at the Maturity Date).

A loss of or reduction in the line of credit from the lender may also have the effect of causing the Investment Manager to seek alternative funding arrangements or investments or reduce its overall investment exposure to the AHL Diversified Program and/or the RMF Portfolio.

There is no assurance that the Leverage Facility will be renewed in whole or in part. Third parties may not be able to act as lenders and the Man Group itself may face regulatory, commercial or other constraints resulting in it not offering or renewing the Leverage Facility. Additionally, the Leverage Facility may be subject to early termination in accordance with its terms and may be terminated by a counterparty.

The renewal of the Leverage Facility might be subject to a change in the terms of that Leverage Facility including, but not limited to, a change in applicable interest rates.

If the Investment Manager arranges an Alternative Funding Arrangement, counterparty risk may arise in relation to the counterparty. In the event of the insolvency of that counterparty the Trading Subsidiary

may indirectly become an unsecured creditor in relation to any deposit and/or margins paid to the counterparty and any unrealised gains under an Alternative Funding Arrangement. It may also lose further investment opportunities while alternative arrangements are put in place to enable the Trading Subsidiary to access the RMF Portfolio at the target investment exposure.

A loss of, a termination of or a reduction in the Leverage Facility, may have the effect of causing the Trading Subsidiary to reduce its overall investment exposure with a corresponding reduction in the profit potential of the Company.

**The CBA Guarantee:** The amount of the Capital Guarantee at the Maturity Date is unlikely to have the same real value as A\$1.00 today due to the likely effect of inflation and the time value of money. The CBA Guarantee will only increase if the Company adds to the Security Deposit. Investors should carefully read the full text of the CBA Guarantee in Appendix A before making an investment decision.

If there is an unremedied default under the Company's agreements with Commonwealth Bank of Australia, Commonwealth Bank of Australia is entitled to be paid or to set off any amounts it owes to the Company against all payments due to it under those agreements. Commonwealth Bank of Australia will therefore, in relation to the assets of the Company, subject to the terms of the security given to the bank, rank in priority ahead of the unsecured creditors (other than those preferred by law) and Shareholders to the extent of any liability of the Company under the terms of the Indemnity, and other agreements with Commonwealth Bank of Australia.

**Early redemption:** Shareholders who sell or redeem their Shares before the Maturity Date will not have the benefit of the CBA Guarantee and if the NAV is, at the time of early sale or redemption, less than A\$1.00, Shareholders may receive less in total than the amount they paid for their Shares. Shareholders who apply to Man Investments Australia to redeem or sell Shares prior to the Maturity Date should note that at least two weeks notice is required before the relevant Dealing Day and that Shareholders may also be required to provide documentation to verify their identity prior to transacting a sale or redemption. Shareholders will not know in advance of giving notice the price at which the Shares referred to in that notice will be redeemed or sold. The NAV for the purpose of that sale or redemption may be less than the NAV published at the time the notice for sale or redemption is given. Shareholders who sell or redeem Shares prior to the Maturity Date should also note that an increase in interest rates may affect the value of the Security Deposit and the net asset value of

their Shares. This risk will be greater if interest rates rise in the formative years of the investment. The Investment Manager may reduce this risk by hedging that exposure.

The right of a Shareholder to redeem Shares is subject to the laws of the Cook Islands under which creditor interests may in some circumstances preclude redemption. No redemption or sale of Shares may be made by the Company if it is insolvent or when such redemption or purchase would result in the Company being incapable of meeting its existing obligations to existing creditors as they fall due.

**Effect of changes in applicable law:** The CBA Guarantee can be affected by tax or changes of law during the life of the investment. If there is any reduction in the value of the Security Deposit or certain bank accounts held by the Company as a result of any tax, or the imposition or proper payment of any taxes or any change of law (which includes any appropriation, confiscation, order or directive of any governmental agency or any judgment issued by a court or tribunal) the amount payable under the CBA Guarantee may be reduced. As at the date of this prospectus, the Company is not aware of any taxes or changes of law which would result in any reduction of the amount payable under the CBA Guarantee.

Investors may be exposed to the risk of changes in laws, legislation or regulation or taxation during the life of their investment.

**Conflicts of interest:** There is a risk that conflicts of interest, as described in Section 13, may arise for the Directors of the Company as they may also be directors of other companies sponsored by Man Investments Australia, and the Man Group entities providing services to the Company and Trading Subsidiary as they are entitled to receive various fees and commissions in relation to the Issue and other services provided to the Company and/or the Trading Subsidiary.

# CBA GUARANTEE

The CBA Guarantee provides Shareholders on the Maturity Date with the security of a Capital Guarantee and a Rising Guarantee from Commonwealth Bank of Australia<sup>+</sup>.

The Company has arranged for the CBA Guarantee<sup>+</sup> to be given in favour of Shareholders on the Maturity Date (29 April 2016). It provides the security of a Capital Guarantee and a Rising Guarantee from Commonwealth Bank of Australia.

The amount payable under the CBA Guarantee is subject to a number of terms and conditions which are outlined in this Section, and the CBA Guarantee is set out in full in Appendix A.

## The Capital Guarantee

The Capital Guarantee provides that Shareholders on the Maturity Date (as certified by the Registrar) will receive a minimum amount of A\$1.00 for each Share held by them on the Maturity Date. The guaranteed amount, if payable, will be paid on 13 June 2016. The Capital Guarantee will apply if the amount paid to Shareholders by the Company on redemption of each Share on the Maturity Date is less than A\$1.00 per Share. The amount of the Capital Guarantee at the Maturity Date is unlikely to have the same real value as A\$1.00 today, due to the likely effect of inflation and the time value of money.

In order to provide Shareholders with the Capital Guarantee, the Company will invest an amount in an Australian dollar denominated deposit with Commonwealth Bank of Australia (the 'Security Deposit'), which will have a value on the Maturity Date at least equal to the amount required to repay A\$1.00 per Share for each Share held on the Maturity Date.

## The Rising Guarantee

Shareholders on the Maturity Date will also have the benefit of provisions in the CBA Guarantee which will enable the amount guaranteed by Commonwealth Bank of Australia to increase.

The Company has agreed with Commonwealth Bank of Australia that the Rising Guarantee will be activated once the Investment Manager determines the target investment exposure of 150% of the net asset value of the Shares has been achieved. Once activated, the Company will lock-in a portion of any net new trading profits for the remainder of that financial year in the Security Deposit. The amount to be locked-in for the financial year in which the target investment exposure is achieved will (when paid into the Security Deposit) enable the amount guaranteed on the Maturity Date to increase by an amount equal to 50% of the Trading Subsidiary's net new trading profits from the date the target investment exposure is reached until the end of that financial year.

In subsequent financial years, the amount to be locked-in will (when paid into the Security Deposit) enable the amount guaranteed on the Maturity Date to increase by an amount equal to 50% of the Trading Subsidiary's net new trading profits for that financial year, after making good any prior years' losses.

This means that Shareholders on the Maturity Date will, subject to the terms of the CBA Guarantee, benefit from a safety net that will rise when net new trading profits generated in a financial year are locked away by the Company.

If there has been an addition to the Security Deposit in a financial year the Company will advise Shareholders by notice in writing within approximately 90 days of 31 December of that year of the new guaranteed amount under the CBA Guarantee. The new guaranteed amount under the CBA Guarantee will be calculated and confirmed by Commonwealth Bank of Australia having regard to the terms of the CBA Guarantee and additions to the Security Deposit.

The Company has agreed to pay this amount into the Security Deposit. Commonwealth Bank of Australia is under no obligation to ensure the Company makes these additional deposits.

## Conditions affecting the CBA Guarantee

The CBA Guarantee is a contractual obligation of Commonwealth Bank of Australia under deed poll for the benefit of Shareholders on the Maturity Date and is not secured by a mortgage or a charge over the assets of Commonwealth Bank of Australia.

The CBA Guarantee can be affected by tax or changes in law during the life of the investment. If there is any reduction in the value of the Security Deposit or certain bank accounts held by the Company as a result of any tax, or the imposition or proper payment of any taxes or any change in law (which includes any appropriation, confiscation, order or directive of any government agency or any judgment issued by a court or tribunal) the amount payable under the CBA Guarantee may be reduced.

As at the date of this prospectus, the Company is not aware of any taxes or change of law which would result in any reduction of the amount payable under the CBA Guarantee.

The CBA Guarantee and the amount payable by Commonwealth Bank of Australia under the terms of the CBA Guarantee will not be affected in the event of insolvency or liquidation of the Company or the Trading Subsidiary.

<sup>+</sup> Subject to the terms of the CBA Guarantee set out in Appendix A.

However, where a redemption payment which would otherwise be covered by the CBA Guarantee is made by the Company to a Shareholder, the CBA Guarantee is released to the extent of that payment. The CBA Guarantee will no longer apply even if the payment is subsequently set aside or there is a requirement to repay the amount to the Company.

The CBA Guarantee cannot be amended in a way which would diminish or negate the bank's potential liability under the CBA Guarantee to any Shareholder without the written consent of that Shareholder.

### Indemnity for CBA Guarantee

The Company has given an indemnity to Commonwealth Bank of Australia under which it agrees, among other things, to pay to the bank all amounts paid or required to be paid by Commonwealth Bank of Australia under the CBA Guarantee and to indemnify Commonwealth Bank of Australia for all losses and damages suffered by the bank and costs and expenses of the bank in connection with any claim made or purported to be made under the CBA Guarantee (Indemnity). The Company has given security over the Security Deposit to Commonwealth Bank of Australia in relation to its obligations under, amongst other things, the Indemnity.

If Commonwealth Bank of Australia actually pays or is liable to pay any amount under the CBA Guarantee, the bank will be entitled to be reimbursed for that amount from the Security Deposit to the extent that the Company does not meet its obligations to pay Commonwealth Bank of Australia the amount in accordance with the terms of the Indemnity.

### Example of how the Rising Guarantee works<sup>+</sup>

1. Shareholders will receive a CBA Guarantee notice after the Closing Date showing a guaranteed amount of A\$1.00 per Share.
2. If, during a financial year, the Company has achieved the 150% target investment exposure, the Rising Guarantee will be activated.
3. Once the Rising Guarantee has been activated, if net new trading profits of 16c per Share are recorded for the remainder of that financial year, the amount of the Capital Guarantee will increase by 8c from A\$1.00 to A\$1.08, representing 50% of the net new trading profit.
4. However, if a net trading loss result of 10c per Share is recorded in the following financial year, the guaranteed amount under the CBA Guarantee will remain locked in at A\$1.08 per Share.
5. If a net trading profit of 16c per Share is recorded at the end of the next financial year, the guaranteed amount under the CBA Guarantee will then increase from A\$1.08 to A\$1.11 because the prior year's trading loss of 10c is made up and the amount under the CBA Guarantee will increase by 50% of the balance of the net new trading profits, being 3c.

This process of raising the safety net is repeated at the end of each financial year in which a portion of any net new trading profits is locked away by the Company making additions to the Security Deposit to increase the guaranteed amount under the CBA Guarantee on the Maturity Date.

<sup>+</sup> Subject to the terms of the CBA Guarantee set out in Appendix A. The example is for illustrative purposes only and is not a forecast or prediction.

# INVESTMENT APPROACHES

The AHL Diversified Program trades around-the-clock in more than 100 international markets.

## The AHL Diversified Program

The AHL Diversified Program is a computer driven program used by Man Investments to manage funds for leading institutions and private investors. AHL, one of Man Investments' core investment managers, has US\$20.9 billion under management†.

The AHL Diversified Program trades around-the-clock using real-time price information from currently more than 100 international markets. It is positioned to profit from price movements, take advantage of strong market trends and exploit market inefficiencies.

The performance of the AHL Diversified Program is demonstrated by Man Investments' longest running AHL capital guaranteed fund which has recorded a compound annual return of 17.3% since December 1990 and a compound annual return of 12.3%, over the last 5 years<sup>^</sup>. Past performance is not a reliable indicator of future performance.

The AHL Diversified Program aims to maximise returns while reducing and controlling risk by:

**Strong research ethic** - ensuring that the range and versatility of investment techniques, strategies and markets are constantly extended with a view to continued performance.

**Sophisticated computerised processes** – 100% systematic and relying solely on computer driven trading, the program identifies trends and exploits inefficiencies in markets around the world.

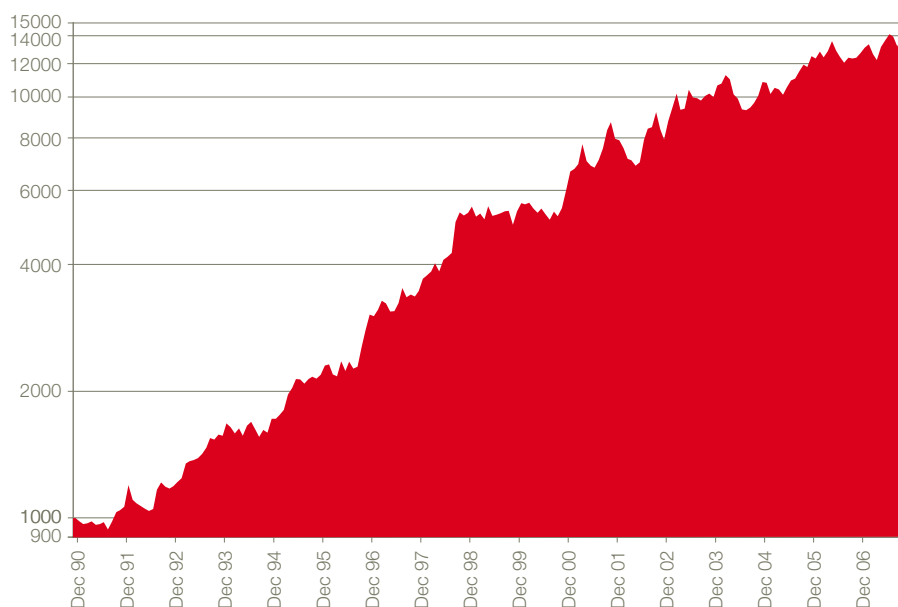
**Stable trading and implementation infrastructure** - operating around-the-clock with systems driven by powerful computerised processes.

**Risk control** - conducting rigorous risk control and ongoing research focusing on a disciplined investment approach, diversification and efficiency.

**Portfolio testing** - conducting daily stress-testing to determine the robustness of its portfolio.

AHL Diversified Program  
December 1990 to October 2007<sup>^</sup>

Period	Since inception	Last 10 yrs	Last 5 yrs	Last 4 yrs	Last 3 yrs	Last 2 yrs	Last 12 mths
Compound annual return	17.3% p.a	16.1% p.a	12.3% p.a	10.0% p.a	14.0% p.a	12.6% p.a	20.6% p.a



Source  
Man Investments

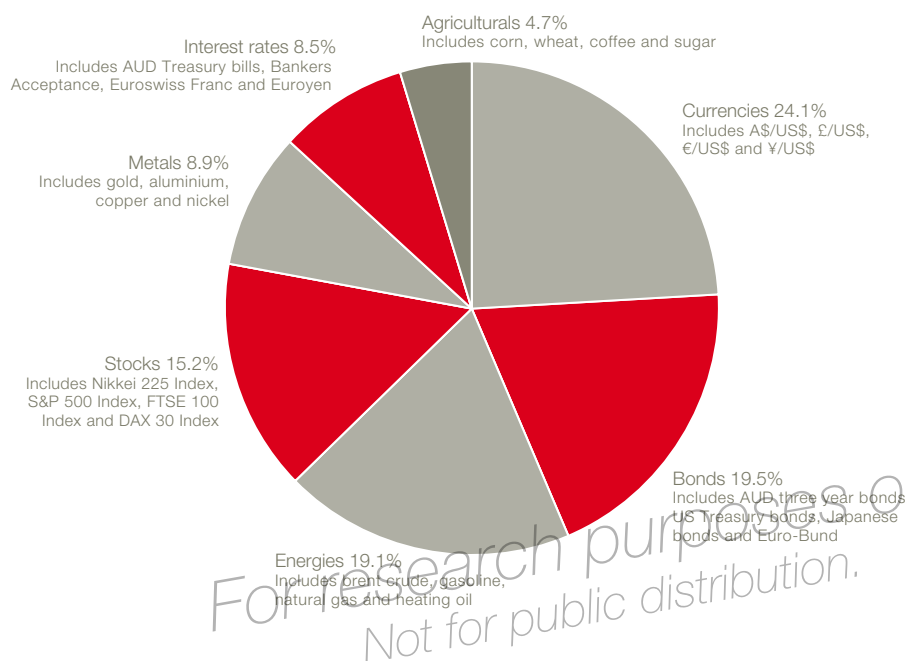
**Note**  
This chart is expressed in log scale to uniformly illustrate percentage changes each month. It shows an index of performance of the AHL Diversified Program and are the actual trading results for Athena Guaranteed Futures Limited, Man Investments' longest running AHL capital guaranteed fund, that have been adjusted to reflect the current fee structure from December 1990 to October 1997. It is not designed to predict the future performance of the AHL Diversified Program or Man OM-IP 3Eclipse.

† Funds under management as at 30 September 2007.

<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees as at 31 October 2007.



## AHL Diversified Program Market sectors



### Source

Man Investments

### Note

This is a schematic illustration which indicates broadly the sectors accessed by the AHL Diversified Program. It shows the estimated proportion of trading capital allocated to each market sector as at 31 October 2007. The sectors and markets accessed by the AHL Diversified Program are regularly reviewed and may change depending on market conditions and trading signals generated by the AHL Diversified Program and as a result of the Investment Manager's ongoing research.

The strengths of the AHL Diversified Program are that it is designed to be robust, stable and scalable. It achieves this through diversification by trading a wide range of market instruments and time frames. Investors can access a number of market sectors, currently including stocks, bonds, currencies, short-term interest rates, energy, metal and agricultural contracts.

The approach to portfolio construction and asset allocation focuses on diversification and the importance of deploying investment capital across a broad range of markets. The instruments traded in the AHL Diversified Program's portfolio may include futures, options, forward contracts, swaps and other derivative instruments.

The chart above indicates the diverse market sectors traded by the AHL Diversified Program as at 31 October 2007. Due to the dynamic and global nature of the AHL Diversified Program, it is not possible to show a geographic representation of the market sectors traded.

As part of its ongoing investment in research and technology, the number and diversity of markets, strategies and instruments traded by the AHL Diversified Program may change over the life of the investment.

The RMF Portfolio combines the performance of selected investment managers and strategies.

### The RMF Portfolio

The RMF Portfolio will access selected investment managers and strategies managed by RMF Investment Management, Nassau branch. RMF Investment Management is based in Switzerland and is a leading investment manager with more than US\$25 billion under management<sup>†</sup>. It became part of the Man Group in May 2002.

Founded in 1992, RMF Investment Management specialises in structuring innovative investment solutions by applying a disciplined ISO-certified<sup>∞</sup> due diligence and management system to allocate funds to leading international investment managers. The selection of managers involves a rigorous interview and reference process as well as a review of the managers' risk management systems and past performance. Allocated managers use both fundamental and technical analysis, to select investments from a number of sub-asset classes that have different return drivers.

RMF Investment Management applies a structured investment process which involves:

**Investment selection** A rigorous selection process by the due diligence team in Europe, America and Asia to identify leading managers.

**Asset allocation and portfolio management** In-depth analysis of the market environment to make tactical allocation adjustments within a disciplined framework.

**Risk management systems** Designed to reinforce the robustness of the portfolio through an ongoing process of due diligence, asset allocation reviews, stress testing and risk analysis.

Ongoing manager monitoring is conducted through a regular reporting process which includes the provision of performance information and manager visits.

The RMF Portfolio intends to access the RMF Asian Opportunities Portfolio and the RMF Commodity Strategies Portfolio.

### RMF Commodity Strategies Portfolio

The RMF Commodity Strategies Portfolio invests using a portfolio of carefully selected managers specialising in a diverse range of commodity related investment strategies. The aim of the investment strategies is to generate consistent performance in different market conditions.

By accessing the different investment styles used by the managers, the RMF Commodity Strategies Portfolio has the potential to profit in a wide range of market conditions. It is designed to perform independently of other asset classes, giving the RMF Commodity Strategies Portfolio performance potential in rising, falling and unstable markets.

Investments within the RMF Commodity Strategies Portfolio are divided among five sub-asset classes that each have different return drivers.

**Precious metals** The price of precious metals is primarily driven by the attractiveness of the metal against the US dollar.

**Base metals** Primarily driven by supply and demand of the markets with exposure gained in futures markets and base metal stocks, including supporting industries.

**Agriculture and livestock** With exposure normally gained through futures and options markets, prices in this sector can be influenced by supply/demand mismatches, political developments and weather conditions.

**Energy and transportation** The diversity of this sector allows exposure to be gained using a wide range of instruments and markets including futures, options and stock markets. Prices are generally driven by supply and demand and can react strongly to supply shortages and weather conditions.

**Power and emissions** Trading in US and European electricity markets and on global emissions trading markets, exposure is normally gained through futures, options and swap strategies. The ability to exploit changes in the regulatory framework and developments in weather conditions are the primary return drivers.

As at 31 October 2007, the geographic spread of the commodity sectors invested in by the RMF Commodity Strategies Portfolio was 71.47% global, 24.06% North America and 4.47% Western Europe.

Portfolio	RMF Asian Opportunities	RMF Commodity Strategies
<b>Allocation of funds</b>	Selected investment managers focused on markets in the Asia Pacific region.	Managers specialising in a diverse range of commodity related investment strategies.
<b>Aim</b>	Generate positive performance in a variety of market conditions.	
<b>Commenced trading</b>	January 2004	October 2003
<b>Number of managers</b>	14	30
<b>Compound Annual Return (since inception)<sup>^</sup></b>	13.1% p.a	15.8% p.a
<b>Volatility (since inception)<sup>~</sup></b>	7.6% p.a	7.9% p.a

<sup>†</sup> Funds under management as at 30 September 2007.

<sup>∞</sup>RMF Investment Management is ISO 9001:2000 certified for meeting the requirements for a soundly structured quality management system.

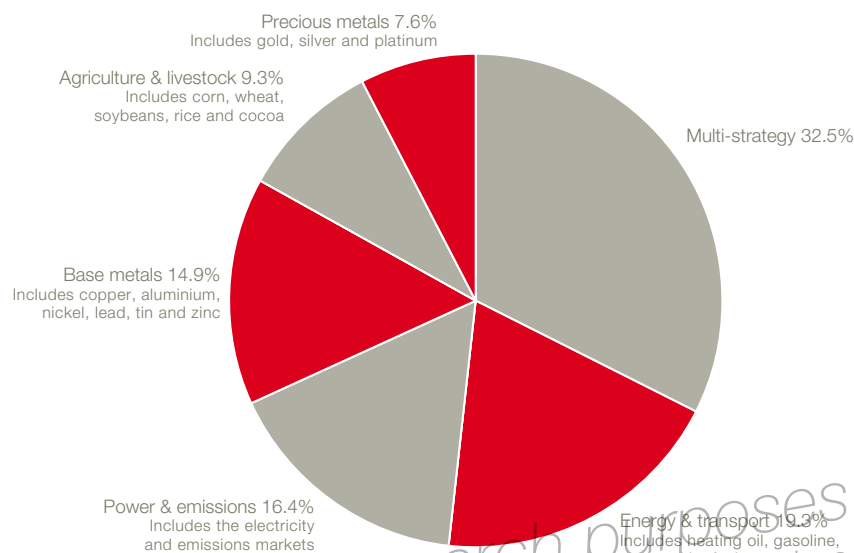
<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees as at 31 October 2007.

<sup>~</sup> Volatility measures the degree of fluctuation around the average performance of the relevant portfolio since inception. The higher the volatility, the higher the degree of fluctuation in returns.

Accessing specialised managers with expertise in a range of different commodity markets.

## RMF Commodity Strategies Portfolio

Sector allocations



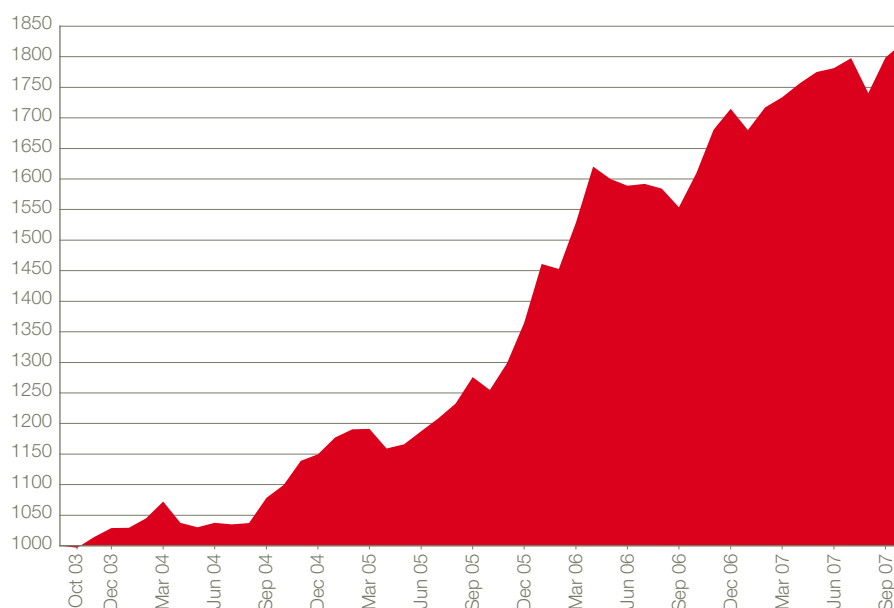
**Source**  
RMF Investment Management

**Note**  
This is a schematic illustration which indicates broadly the commodity sectors in which the RMF Commodity Strategies Portfolio invests in as at 31 October 2007. The allocations are regularly reviewed and may change depending on market conditions and as a result of RMF Investment Management's ongoing research.

## RMF Commodity Strategies Portfolio

October 2003 to October 2007<sup>^</sup>

Period	Since inception	Last 4 yrs	Last 3 yrs	Last 2 yrs	Last 12 mths
Compound annual return	15.8% p.a	16.3% p.a	18.4% p.a	20.5% p.a	13.2% p.a



**Source**  
Man Investments

**Note**  
This chart shows an index of the performance (net of all institutional fees) of share class SOE1 of RMF Special Opportunities SPC which invests using the RMF Commodity Strategies Portfolio. It is not designed to predict the future performance of Man OM-IP 3Eclipse or the RMF Portfolio. The fees that will apply to Man OM-IP 3Eclipse will be in accordance with those set out in Section 8 and are different from the fees payable by share class SOE1 of RMF Special Opportunities SPC.

<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees as at 31 October 2007.

## Accessing the economies and stockmarkets of the Asia Pacific Region.

### RMF Asian Opportunities Portfolio

The RMF Asian Opportunities Portfolio provides investors with an efficient way to gain exposure to the economies of the Asia Pacific region by allocating funds to a specialised portfolio of carefully selected Asian focused investment managers.

The Asia Pacific region, with its lack of economic integration and scarce research coverage, offers investment opportunities for specialist managers who can exploit market inefficiencies.

The RMF Asian Opportunities Portfolio seeks to diversify across a range of sectors, countries and trading strategies. The geographical allocations of the RMF Asian Opportunities Portfolio are illustrated in the chart below.

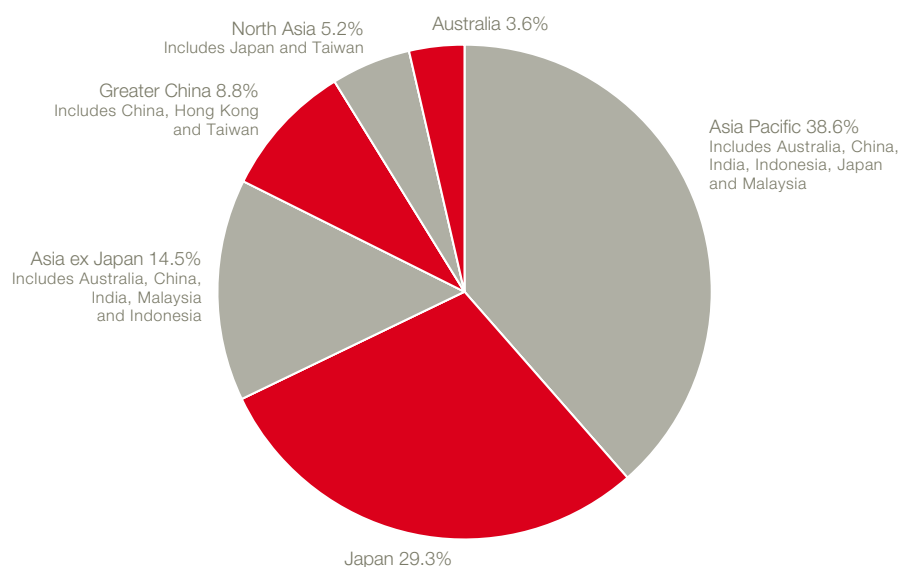
The RMF Asian Opportunities Portfolio currently uses the expertise of 14 international investment managers who predominantly focus on the equity hedged investment strategy. This means that these managers use strategies that have the ability to profit from both upward and downward movements in the markets in which they invest. These investment strategies may include:

**Long/short equity** Building portfolios of stocks designed to capture upward movements in markets but with the ability to take short positions on stocks deemed to be overvalued.

**Short selling** Generating gains by selling stocks perceived to be overvalued and buying them back at a lower price.

For research purposes only.  
Not for public distribution.

RMF Asian Opportunities Portfolio  
Geographic allocations



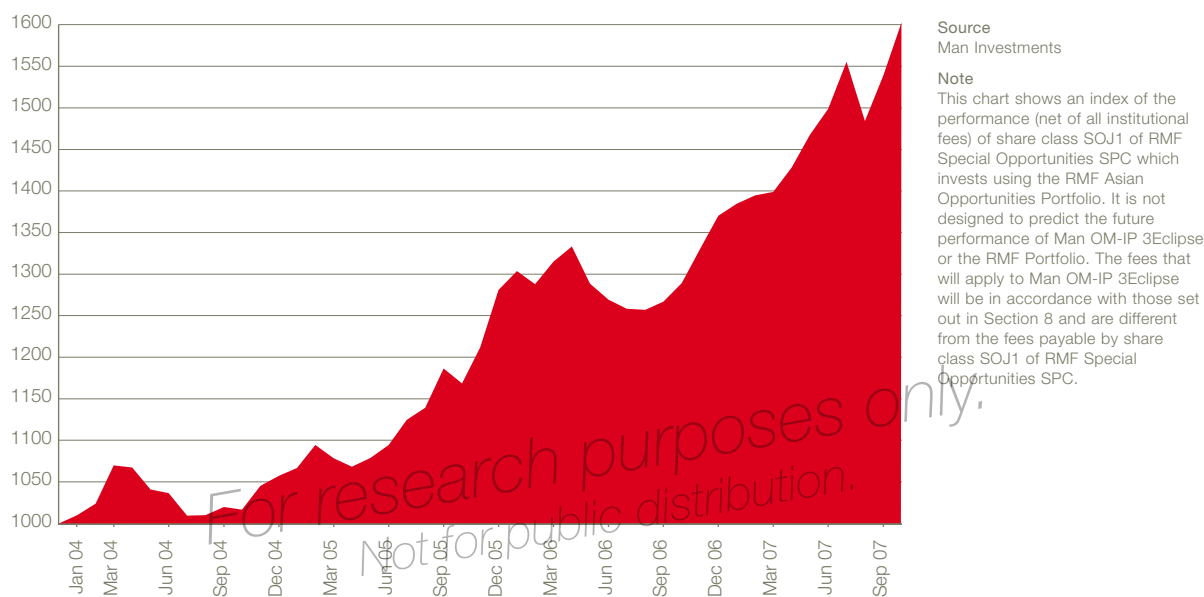
Source  
RMF Investment Management

**Note**  
This is a schematic illustration which indicates broadly the geographic allocations in which the RMF Asian Opportunities Portfolio invests in as at 31 October 2007. The allocations are regularly reviewed and may change depending on market conditions and as a result of RMF Investment Management's ongoing research.

## RMF Asian Opportunities Portfolio

January 2004 to October 2007<sup>^</sup>

Period	Since inception	Last 3 yrs	Last 2 yrs	Last 12 mths
Compound annual return	13.1% p.a	16.4% p.a	17.1% p.a	24.3% p.a



<sup>^</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees as at 31 October 2007.

### RMF Portfolio allocations

In order to achieve Man OM-IP 3Eclipse's aim to generate medium term capital growth\*, it is intended that the RMF Portfolio will access the RMF Asian Opportunities Portfolio and the RMF Commodity Strategies Portfolio. Allocations may be made to investment managers and strategies that do not fall within the RMF Asian Opportunities Portfolio and the RMF Commodity Strategies Portfolio. Such investment strategies may include, but are not limited to:

**Equity hedged** Taking long and short positions in respectively undervalued and overvalued equities.

**Relative value** Exploiting perceived mispricings and changing price relationships between similar or related securities.

**Event driven** Capitalising on opportunities created by significant corporate events that affect the value of a company's securities.

**Global macro** Analysing shifts in macroeconomic trends to identify opportunities across markets, asset classes and financial investments.

**Managed futures** Trading futures and derivatives in financial assets and physical commodities worldwide.

\* The aim to generate medium term capital growth is based on the past performance of the AHL Diversified Program (see Section 6).  
Past performance is not a reliable indicator of future performance.

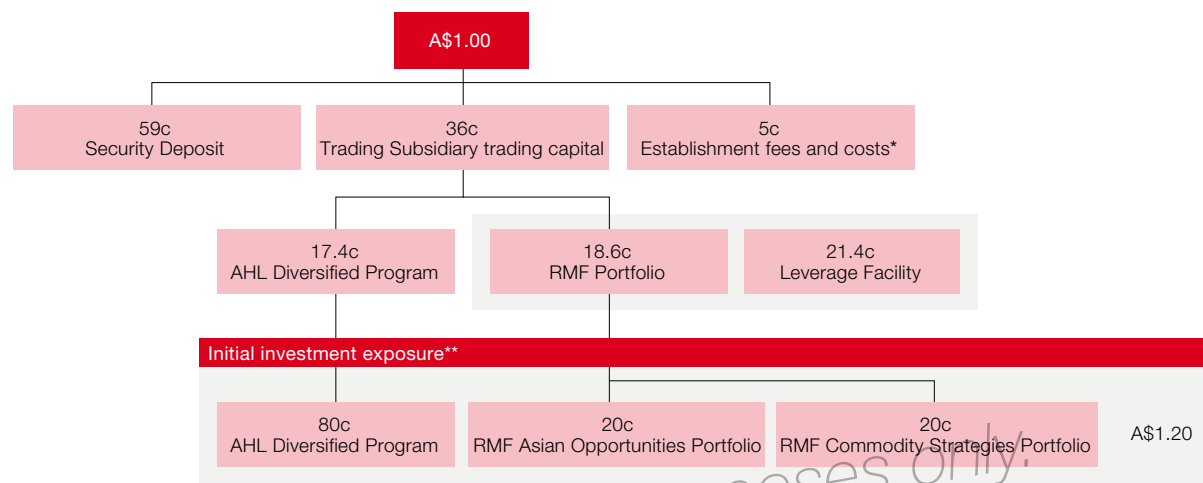


# HOW THE COMPANY INVESTS

The Company will provide investors with access to the AHL Diversified Program and the RMF Portfolio.

## The investment strategy

The key features of the Company's investment strategy and the initial investment exposure are shown in the diagram below.



\* Investors should refer to Section 8 for more information on fees and costs.

\*\* This is possible by trading in international futures, options, derivatives and currency markets, which require deposits of approximately 15-25% of the underlying contract value providing leverage to the investment of approximately 75-85%, and the use of the Leverage Facility.

## The Security Deposit

The amount invested in the Security Deposit will be held by Commonwealth Bank of Australia to secure the Capital Guarantee.

It is estimated that this amount will be approximately 59% of the proceeds of the Issue. However, the amount invested will depend on the prevailing interest rates after the Closing Date.

The Trading Subsidiary will also pay to the Company a portion of the net new trading profits generated in a financial year after the target investment exposure has been reached (after making good any prior years' losses). This will be added to the Security Deposit to secure the Rising Guarantee.

## The Company's investment using the Trading Subsidiary

The balance of the net proceeds of the Issue, after the investment in the Security Deposit and the payment of establishment fees and costs, will be invested by the Company subscribing for redeemable shares in the Trading Subsidiary. It is estimated that this investment will equal approximately 36% of the proceeds of the Issue.

The Trading Subsidiary will then, on the advice of the Investment Manager, use these funds and the Leverage Facility to invest using the AHL Diversified Program and the RMF Portfolio.

## AHL Diversified Program

The AHL Diversified Program will be used to trade in more than 100 international markets. As part of its ongoing investment in research and technology, the number and diversity of markets, strategies and instruments traded by the AHL Diversified Program may change.

It is intended that the Trading Subsidiary will access the AHL Diversified Program based on an initial investment exposure of A\$0.80 per Share. This is possible due to the leverage available from trading in international futures, options, derivatives and currency markets which require deposits of approximately 15-25% of the underlying contract value.

Trading will be conducted in the name of the Trading Subsidiary with the International Broker, or in such other manner as the Investment Manager approves.

The AHL Diversified Program has no assets, liabilities, profits or losses itself, as it is an investment program.

### RMF Portfolio

The Leverage Facility provided or arranged by a member of the Man Group will be extended to the Trading Subsidiary primarily to enable it to invest using the RMF Portfolio. It is intended that the Trading Subsidiary's initial investment exposure using the RMF Portfolio will be for an amount equal to 40% of the proceeds of the Issue, consisting of approximately 18.6c of the trading capital per Share and 21.4c per Share from the proceeds available under the Leverage Facility.

To access the RMF Portfolio, the Trading Subsidiary intends to purchase redeemable shares in RMF Investment Strategies SPC which will in turn allocate to the RMF Asian Opportunities Portfolio and the RMF Commodity Strategies Portfolio.

### Managing the Trading Subsidiary's investments

The Investment Manager will monitor the proportion of funds invested by the Trading Subsidiary using the AHL Diversified Program and the RMF Portfolio with a view to maintaining a balanced investment portfolio between the two investment approaches.

As part of this process, the Investment Manager may change the allocation between the two investment approaches and vary their investment exposures based on the available trading capital and the ongoing performance of each investment and the risk/reward of each investment.

The initial and target investment allocations are based upon current recommendations by the Investment Manager. The Investment Manager will, at its discretion, seek to achieve the initial investment exposure of 120% of each A\$1.00 invested as soon as possible following the end of the Issue. In the event that market conditions change, the Investment Manager may revise the target investment exposure of 150% of the Net Asset Value per Share in order to maintain a balanced investment portfolio.

The Investment Manager will continually monitor the trading capital available to ensure that it is sufficient to support the desired target investment exposure. The Investment Manager may, if the trading capital is significantly reduced from its initial levels, dynamically manage the investment exposure of the Shares with the aim of protecting the remaining trading capital.

The Investment Manager may arrange for the Trading Subsidiary to invest in other investments which provide a similar and more cost effective exposure to either of the two investment approaches.

Investments made using the AHL Diversified Program and the RMF Portfolio may not provide monthly liquidity. To enable the Company to rebalance the portfolio on a monthly basis and provide liquidity to Shareholders, the Trading Subsidiary may (on the advice of the Investment Manager) utilise uncommitted dealing facilities or enter into uncommitted liquidity facilities with a member of the Man Group and/or any other third party acting as counterparty, to facilitate monthly liquidity in respect of underlying investments.

### The Leverage Facility

The Leverage Facility will be arranged by the Investment Manager and will primarily be used by the Trading Subsidiary to invest using the RMF Portfolio. The Leverage Facility will be provided in whole or partly by independent third parties, and/or one or more entities in the Man Group following the close of the Issue.

It is intended that the Leverage Facility will be renewed annually and adjusted monthly for the allocation of investment capital between the AHL Diversified Program and the RMF Portfolio and payments to the Security Deposit to provide for the Rising Guarantee. The Investment Manager will have discretion to use the Leverage Facility in managing the Trading Subsidiary's investments.

If a credit facility is used it will be provided by a member of the Man Group or by a financial institution recommended by the Investment Manager and approved by the directors of the Trading Subsidiary. It is anticipated that the credit facility would be an interest only loan for one year's duration at an interest rate of US\$ LIBOR plus up to 2% p.a, with interest payable monthly in arrears.

The amount drawn down under the credit facility will be dependent on the Investment Manager's allocation of investment capital between the AHL Diversified Program and the RMF Portfolio as it maintains a balanced investment portfolio and as the Company makes payments to the Security Deposit to provide for the Rising Guarantee.

Alternatively, the Investment Manager may arrange the use of leveraged notes, other derivative instruments, investments in leveraged vehicles or other funding arrangements or investments ('Alternative Funding Arrangement(s)') to provide a similar but more cost effective investment exposure (which is likely to be at an interest rate of US\$ LIBOR plus up to 1.4% p.a) to the RMF Portfolio than a direct investment and credit facility.

# FEES

This table sets out the fees and costs of the Company and the Trading Subsidiary. These fees and costs will be reflected in the net asset value of the Shares. Further details are set out in the notes following this table and under the heading 'Conflicts of interest' in Section 13.

Investors should read all of the information about the fees and costs, as it is important to understand their

impact before deciding whether to invest in the Shares.

The fees and costs payable by the Company and/or the Trading Subsidiary may be subject to renegotiation over the life of the Company. The Directors may allocate all or any of these fees and costs to either the Company or the Trading Subsidiary and effect payment accordingly.

Type of fee or cost	Amount	When
<b>Establishment fees and costs<sup>1</sup></b>		
Sales fee: payable by the Company to Man Investments Australia for procuring subscriptions for Shares <sup>2</sup> .	4% of the subscription moneys received by the Company (for example A\$200 on a subscription for 5,000 Shares).	After allotment of Shares.
Service Provider establishment fee: payable by the Company to Commonwealth Bank of Australia for the services provided under a services agreement.	A\$30,000.	After allotment of Shares.
CBA Guarantee establishment fee: payable by the Company to Commonwealth Bank of Australia for providing the CBA Guarantee.	A\$100,000 and will increase by 0.1% of the amount by which the subscription moneys exceed A\$100,000,000.	After allotment of Shares.
Registrar establishment fee: payable by the Company to the Registrar for its appointment as registrar and transfer agent for the Company <sup>3</sup> .	US\$14,000.	After allotment of Shares.
Establishment costs: costs of preparing the prospectus and certain contracts to which the Company is party, professional costs, printing and mailing costs.	Estimated to be A\$850,000 and Man Investments Australia will meet these costs where they exceed 1.5% of the total subscription moneys received.	After allotment of Shares.
<b>Consultancy, management and incentive fees<sup>4</sup></b>		
Consultancy fee: payable by the Trading Subsidiary to Man Investments AG for advice and risk management services provided by Man Investments and Man Investments AG.	One twelfth of 0.5% of the investment exposure (which will initially target 120% of the aggregate net asset value of the Shares) before deducting consultancy, brokerage and incentive fees, if any.	Charged and paid monthly in arrears.
AHL Diversified Program: for managing the Trading Subsidiary's investment.		
Management fee: directly or indirectly payable by the Trading Subsidiary to Man Investments AG and/or Man Investments.	One twelfth of 2% of the investment exposure to the AHL Diversified Program (which will initially target 80% of the aggregate net asset value of the Shares) before deducting brokerage, incentive and an allocation of consultancy fees, but after deducting an allocation of service and administration expenses.	Paid monthly in arrears.
Incentive fee: directly or indirectly payable by the Trading Subsidiary to Man Investments AG and/or Man Investments.	20% of any net appreciation and increase in value attributable to the AHL Diversified Program after deduction of the management and brokerage fees and an allocation of service, administration and consultancy expenses but before deduction of the sales fee.	Paid monthly in arrears (calculated monthly).
RMF Portfolio: for managing the Trading Subsidiary's investment.		
Management fee: directly or indirectly payable by the Trading Subsidiary to RMF Investment Management, Nassau Branch.	One quarter of 1.5% of the value of the investment exposure to the RMF Portfolio (which will initially target 40% of the aggregate net asset value of the Shares).	Paid quarterly in arrears (calculated monthly).
Incentive fee: directly or indirectly payable by the Trading Subsidiary to RMF Investment Management, Nassau Branch.	10% of any net appreciation of the investment exposure to the RMF Portfolio.	Paid annually in arrears (calculated monthly).
<b>CBA Guarantee fee</b>		
CBA Guarantee fee: an ongoing fee payable by the Company to Commonwealth Bank of Australia for providing the CBA Guarantee <sup>5</sup> .	0.25% p.a. calculated daily on the guarantee liability.	Paid half yearly in arrears.

Type of fee or cost	Amount	When
<b>Additional fees and costs</b>		
Brokerage costs: directly or indirectly payable by the Trading Subsidiary to Man Investments AG for trading conducted using the AHL Diversified Program.	One twelfth of 3.1% of the investment exposure to the AHL Diversified Program (plus the cost, at institutional rates, for execution of any futures contract traded and hedging transactions) before deducting management, incentive and an allocation of consultancy fees, but after deducting an allocation of service and administration expenses.	Paid monthly in arrears.
Leverage Facility costs: payable by the Trading Subsidiary.	If an Alternative Funding Arrangement is used it is expected to be US\$ LIBOR plus up to 1.4% p.a on the amount of the Leverage Facility. If a credit facility is used it is expected to be US\$ LIBOR plus up to 2% p.a.	Subject to the terms of the Leverage Facility.
Valuation fee: payable by the Company to Man Valuation Services Limited for valuation services in respect of the Shares.	0.15% p.a of the net asset value of the Shares (together with any additional disbursements incurred by Man Valuation Services Limited) subject to a minimum fee of US\$25,000 p.a.	Paid monthly in arrears.
Registrar fee: an ongoing fee payable by the Company to the Registrar for providing registry, accounting and administration services <sup>3</sup> .	US\$45,000 p.a.	Paid quarterly in arrears.
Service Provider fee: an ongoing fee payable by the Company to the Service Provider for the services provided under a services agreement <sup>5</sup> .	A\$25,000 p.a.	Paid annually in arrears.
Directors' fees: payable by the Company to Mr Michael Collins and Mr John Walley. The remaining Directors are not paid a fee <sup>6</sup> .	US\$5,000 p.a for each Director.	Paid annually.
Dealing facility fee: payable by the Trading Subsidiary to Man Investments AG for arranging the facility.	0.05% p.a of the target investment exposure of the Trading Subsidiary to the AHL Diversified Program and the RMF Portfolio which will initially be 120% of the aggregate net asset value of the Shares.	Paid monthly in arrears.
Maturity Date fee: payable by the Company to Commonwealth Bank of Australia for administration services relating to redemptions on the Maturity Date.	Equal to interest earned on the Company's general account after the Maturity Date.	After the Maturity Date.
Incidental costs: incurred by the Company in the ordinary course of its business and may include audit expenses and printing and mailing costs.	As incurred.	When incurred.
Service Provider redemption fee: payable by the Company to the Service Provider.	A\$250 for each Dealing Day on which the Shares are redeemed.	Upon redemption of Shares.
<b>Fee if a Shareholder sells or redeems Shares (this fee is not reflected in the net asset value of the Shares)</b>		
Early sale or redemption fee: payable by the Company to Man Investments Australia.	2% of Net Asset Value per Share for Shares sold or redeemed prior to 30 April 2011. Nil thereafter.	Upon sale or redemption of Shares.

<sup>1</sup> These fees and costs will be capitalised and amortised uniformly over 36 months from the commencement of trading when determining the net asset value of the Shares.

<sup>2</sup> Man Investments Australia will pass on all or part of this sales fee to financial advisors who procure subscriptions for Shares. Man Investments Australia will retain any sales fee in respect of subscriptions it procures.

<sup>3</sup> The Registrar is also indemnified by the Company for

any costs, losses and liabilities incurred by it in the proper performance of its duties.

<sup>4</sup> In implementing the AHL Diversified Program and the RMF Portfolio, investments may be made into other funds. The Trading Subsidiary will participate indirectly in proportion to such investments in all fees and costs of those funds and will also indirectly bear a proportion of the operating costs of those funds.

<sup>5</sup> The annual service provider fee and the annual guarantee

fee may, in exceptional circumstances, be payable by the Company in advance in accordance with the terms of a services agreement.

<sup>6</sup> The Company may pay a proportion of a per diem fee of up to US\$2,500 for Directors required to travel to attend meetings of the Company and may reimburse the Directors for expenses properly incurred in attending general meetings of the Company, Directors' meetings and in connection with the business of the Company

or their duties as Directors. The Directors are indemnified against any loss or liability sustained or incurred in the proper execution of their office.

**Note** Man Investments AG will pay Man Investments Australia an annual fee for providing sales, reporting, administration and secretarial services to the Company, and an annual fee to be paid to financial advisors for procuring subscriptions for Shares. These fees are not additional fees payable by the Company.

# PEOPLE BEHIND THE INVESTMENT

## Man Investments Limited

The Investment Manager is Man Investments which is authorised and regulated by the Financial Services Authority in the conduct of its regulated activities in the United Kingdom. A member of the Man Group, Man Investments provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions designed to deliver long term investment performance. Man Investments has a track record of more than 20 years in this field, supported by strong product development and structuring skills as well as an extensive investor service and global distribution network.

## AHL

AHL, a part of Man Investments, is based in London and employs professionals in investment management, research, operations and trade execution. It benefits by being part of Man Investments' substantial business and corporate infrastructure and from its strong financial standing.

In addition to a well-grounded investment philosophy and a dedicated team of investment specialists, AHL owes much of its success to its robust and finely tuned trading and implementation infrastructure and has always been supported by a strong research ethic.

## RMF Investment Management

Founded in 1992, RMF Investment Management is an investment management company under Swiss law and a wholly owned subsidiary of Man Group plc. Based in Switzerland, it is a highly experienced alternative investment provider.

It has developed a disciplined investment process supported by a depth of resources. This process has achieved ISO Standard 9001:2000 certification for Quality Management Systems, a rigorous test of RMF's robust work flows and proprietary technology.

RMF Investment Management, Nassau branch, is the Bahamian branch of RMF Investment Management.

## MF Global UK Limited

The International Broker to the Trading Subsidiary as at the date of this prospectus is MF Global UK Limited. It is a London-based futures broker, listed on the New York Stock Exchange, and is authorised and regulated by the Financial Services Authority in the conduct of its regulated activities in the United Kingdom.

## Man Investments AG

Man Investments AG will be appointed as the Introducing Broker by the Trading Subsidiary and as the marketing advisor to the Company and the Trading Subsidiary.

The marketing advisor has principal responsibility for advising the Company and the Trading Subsidiary in relation to product structuring and other product related issues. Man Investments AG is a member of the Man Group.

## Man Investments Australia Limited

Man Investments Australia has been appointed to offer and arrange the Issue of Shares by the Company in accordance with this prospectus. Man Investments Australia has sponsored funds which have more than A\$6 billion under management as at 31 October 2007.

It is a member of the Man Group and an Australian and New Zealand leader in structuring, marketing and administering strategic investments that diversify traditional investments in stock, property and bond markets.

## Commonwealth Bank of Australia

The Commonwealth Bank of Australia was founded in 1911. It employs more than 35,000 people and is one of Australia's leading financial institutions with businesses in New Zealand, Asia and the United Kingdom. Commonwealth Bank of Australia has a market capitalisation of around A\$80 billion\*\*\*. It is the provider of the CBA Guarantee+ and has also been appointed as Service Provider to the Company under a services agreement.

As Service Provider it will, on behalf of the Company, receive and disburse subscription moneys received from investors subscribing for Shares. It will also, on the instructions of the Company, receive and disburse funds payable to Shareholders on the redemption of their Shares.

## Man Valuation Services Limited

Man Valuation Services has been appointed by the Company and the Trading Subsidiary to provide certain valuation and accounting services in relation to the Shares. Man Valuation Services is a member of the Man Group.

## HSBC Trustee (Cook Islands) Limited

HSBC Trustee (Cook Islands) has been appointed by the Company as the Registrar and to provide administrative services. HSBC Trustee (Cook Islands) Limited is a member of the HSBC Group.

## Ernst & Young

Ernst & Young in Auckland, New Zealand has been appointed as the auditor of the Company and the Trading Subsidiary.

\*\*\* Market capitalisation as at 31 October 2007.

+ Subject to the terms of the CBA Guarantee set out in Appendix A.



# THE COMPANY

## Incorporation

The Company was incorporated in the Cook Islands as an international company on 17 October 2007 under the International Companies Act, 1981–82 of the Cook Islands. It was registered in Australia as a foreign company under the Corporations Act 2001 (Cth) of Australia on 29 November 2007.

At the date of this prospectus only five ordinary shares in the Company have been issued at A\$1.00 each (fully paid) which are beneficially owned by Master Multi-Product Holdings Limited.

Master Multi-Product Holdings Limited is a Bermuda exempted company and is owned by Codan Trust Company Limited in its capacity as trustee of the Master Multi-Product Purpose Trust. This special purpose trust was formed under the laws of Bermuda pursuant to a Deed of Trust made by Codan Trust Company Limited dated 14 December 2005.

Ordinary shares are not redeemable and, subject to there being profits in the Company, are entitled to a preferential dividend of up to US\$5,000 p.a for all of the ordinary shares on issue in the Company. The ordinary shares carry no right to participate in surplus assets or profits of the Company or otherwise. On redemption at the Maturity Date no amount shall be paid to holders of ordinary shares by way of repayment of capital until all amounts due to Shareholders have been paid.

Holders of ordinary shares are only entitled to repayment of the A\$1.00 paid up on the ordinary shares upon winding up provided all amounts due to Shareholders have been paid.

As at the date of this prospectus, the authorised share capital of the Company is five ordinary shares of A\$1.00 each and 499,999,995 Shares of A\$1.00 each.

## Assets and liabilities of the Company and the Trading Subsidiary

The Company and the Trading Subsidiary have not traded and therefore do not have any profits, losses or past performance. Neither the Company nor the Trading Subsidiary has established, or intends to establish, a place of business in Australia.

As at the date of this prospectus, the assets of the Company comprise 5 ordinary shares of A\$1.00 each in the Trading Subsidiary which have been purchased using the A\$5.00 received in subscription moneys for the five issued ordinary shares in the Company.

If subscriptions are received for 100,000,000 Shares, the Company will have net tangible assets per Share of approximately A\$0.95 after the payment of establishment fees and costs and the sales fee. The Company is entitled to accept, with the consent of Commonwealth Bank of Australia, subscriptions above 100,000,000 Shares.

The assets of the Trading Subsidiary comprise the A\$5.00 received as subscription moneys for the five ordinary shares issued.

At the date of this prospectus, neither the Company nor the Trading Subsidiary has any bank indebtedness or any hire purchase commitments, guarantees or other material contingent liabilities other than liabilities set out in this section.

## Annual financial statements

It is the present intention of the Directors that the accounts of the Company and the Trading Subsidiary will be prepared and audited for the period to 31 December 2008 and annually thereafter.

The annual financial statements will include a reconciliation between the Net Asset Value per Share in which establishment fees and costs and the sales fee have been capitalised and amortised over a 36 month period and the net asset value per Share as per the audited accounts (in which the establishment fees and costs have been expensed and the sales fee has been offset against the equity raised).

## Shareholder meetings

The annual general meeting of the Company will be held at Rarotonga in the Cook Islands or at such other place as the Directors may determine, with at least 14 days notice being given in writing to Shareholders of the date, time and proposed venue.

General meetings may also be convened upon the requisition of any Director or, if at any time there is no Director within the Cook Islands, by any five members. General meetings must be convened by the Directors on the requisition of members holding at the relevant date not less than 10% of the paid-up capital of the Company carrying the right to vote at meetings of the Company.

Shareholders and holders of ordinary shares are entitled to receive notice of and attend and vote or to appoint a proxy to attend and vote at all general meetings of the Company. If by accident or error a member is not given or does not receive a notice or proxy, the meeting is not invalidated.

The quorum for general meetings is two members, one of whom must be an ordinary shareholder of the Company. If a quorum is not present within half an hour from the time appointed for the meeting, the meeting, if requisitioned by members, shall be dissolved.

The holders of the ordinary shares, in voting on a show of hands, will have one vote each. Until the Shares are issued, the holders of the ordinary shares will have, in voting on a poll, one vote for each share held. When the Shares are issued, the holders of the ordinary shares in voting on a poll will have the right to cast that number of votes that is equal to 20% of the total number of votes that may be cast by all holders of shares.

Shareholders in voting on a show of hands have one vote each and in voting on a poll, subject to the rights of ordinary shareholders, have one vote for each Share held.

The Articles may be amended only by special resolution of the Company in a general meeting. Holders of ordinary shares and Shareholders will be entitled to vote on such a resolution. If any amendment is proposed to the Articles which would vary the rights attaching to the Shares, the amendment must also be approved by the Shareholders, either by the consent in writing of those holding 50% of the Shares or by an ordinary resolution passed at a separate general meeting of Shareholders. The rights conferred upon all Shareholders are deemed by the Articles to be varied by the modification of any rights conferred on the holders of ordinary shares.

### Directors

**Philip Bodman** graduated from the University of Reading in 1979 with an honours degree in Agricultural Economics. He then obtained a Master of Science degree from Oxford University, also in Agricultural Economics, in 1980. Mr Bodman subsequently worked in development economics in Peru, Honduras and Papua New Guinea until 1990. On returning to Guernsey in 1990, Mr Bodman entered the finance industry and he is also qualified as a Chartered Certified Accountant. From 1990 Mr Bodman has worked in fund administration in a number of capacities. He joined the Man Group in 2001 and is the General Manager of Man Fund Management (Guernsey) Limited, responsible for all aspects of fund administration. He is a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Securities Institute by Diploma. Mr Bodman is an employee and officer of other companies in the Man Group.

**Brent York** graduated from the University of Waikato, New Zealand with a Bachelor of Management Studies degree majoring in Accounting and Systems. He has also completed a Graduate Diploma in Applied Finance and Investments. He is a member of the Institute of Chartered Accountants of New Zealand and the Financial Services Institute of Australia. Prior to joining HSBC Trustee (Cook Islands) as a Client Accountant and Systems Manager in 1994, he was employed

in the tourism industry as a Financial Accountant for a group of companies in the Cook Islands and with Utell International Limited in London, England. He was appointed as an Executive Director and the Financial Controller of HSBC Trustee (Cook Islands) Limited in December 1998 and as General Manager in December 2000. Mr York is a resident director of the Company.

**Henderson Limited** is incorporated under the International Companies Act 1981–82 of the Cook Islands. Under Section 103(4) of the International Companies Act of the Cook Islands, a company is permitted to act as a director of an international company incorporated under that Act. Henderson Limited is a wholly owned subsidiary of HSBC Trustee (Cook Islands) Limited, a trustee company registered under the Trustee Companies Act 1981–82 of the Cook Islands. HSBC Trustee (Cook Islands) Limited and Henderson Limited are ultimately owned by HSBC Holdings plc, and therefore form part of the HSBC Group. Henderson Limited is a resident director of the Company.

**Michael Collins** is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Canadian Institute of Chartered Accountants and a member of the Bermuda Institute of Chartered Accountants. He has, since 1970, been President and Chief Executive Officer of Argonaut Limited, a Bermudian corporation which specialises in fund administration and collective investment scheme share valuations and acts as registrar and transfer agent to many mutual funds. He has been a partner of Micol & Partners since 1978. Micol & Partners is a firm of Chartered Accountants and registered auditors approved and registered for investment business in the United Kingdom.

**John Walley** is a member of the Institute of Bankers in Ireland and the Institute of Auditors in Ireland. He joined Chase Manhattan Bank in Ireland in 1982 working in various senior management capacities and was head of global custody and service products. In 1990, Mr Walley founded and became Chief Executive of the Chemical Ireland companies which was sold to Chemical Bank in 1993. Mr Walley was Group Managing Director of Investors Trust Holdings (Ireland) Limited between 1996 and 1997. He is currently Managing Director of Olympia Capital Ireland Ltd, which was formed in 1997. Mr Walley is an officer of other companies in the Man Group.

The Directors are also directors of the Trading Subsidiary. As directors, they are not required to hold any shares in either the Company or the Trading Subsidiary.

The Directors may appoint alternates to act in their absence from time to time.

The Trading Subsidiary may invest in companies of which one or more of the Directors are directors.

A Director may vote and be counted in the quorum in respect of any contract or proposed contract with the Company in which he is in any way interested or on any matter arising out of such a contract. In the case of an equality of votes of Directors, the chairman of the meeting of Directors has a casting vote.

The Company secretary (which is a resident secretary) is Penrhyn Secretaries Limited. Penrhyn Secretaries Limited is a wholly owned subsidiary of HSBC Trustee (Cook Islands) Limited.

#### **Local agent**

The Company has appointed Man Investments Australia as its local agent in Australia and has authorised Man Investments Australia on behalf of the Company to accept service of process and any notices to be served on the Company.

#### **Copies of material contracts**

Copies of the material contracts of the Company and Trading Subsidiary (once executed) and the Articles may be inspected on request free of charge during normal business hours on any business day at the Company's registered office in Australia, or in New Zealand by telephoning Man Investments Australia on 0800 878 220 to arrange an appointment to inspect the documents.

# THE SHARES

The Shares are voting redeemable shares to be issued under the laws of the Cook Islands and the Company's Articles. The Shares will be registered in the Cook Islands and will be redeemed by the Company on the Maturity Date subject to the laws of the Cook Islands and the Articles. As Shareholders will be issued fully paid redeemable shares they will not be called upon at any time to provide additional funds.

Shareholders are entitled to receive any dividends declared by the Directors (subject to the rights of ordinary shareholders of the Company) and the redemption price (which is calculated based on the Net Asset Value per Share) on redemption of their Shares or a winding up of the Company.

## Dividend policy

It is the intention of the Directors at the date of this prospectus not to declare any dividends in respect of the Shares or to provide any income through the term of the investment to Shareholders, except for the declaration of a dividend immediately before the Maturity Date equal to the amount by which the Net Asset Value per Share exceeds A\$1.00. The Directors intend to pay that dividend as part of the proceeds of redemption on the Maturity Date. Ordinary shares are entitled to a preferential dividend of up to US\$5,000 p.a for all of the ordinary shares.

However, should circumstances such as changes to Australian or New Zealand taxation laws render it appropriate, the Directors may change the Company's dividend policy.

## Application for Shares

Nothing in this prospectus should be construed as an offer of redeemable shares in the Company to any person.

An offer is made only by investors completing and sending one of the application forms attached to this prospectus to Man Investments Australia and enclosing a cheque or by sending an electronic funds transfer for the Shares applied for in accordance with the instructions set out in this prospectus and on the application form.

An offer is made only by New Zealand investors completing and sending the application form attached to the Investment Statement to Man Investments Australia and enclosing a cheque or by sending an electronic funds transfer for the Shares applied for in accordance with the instructions set out in this prospectus and on the application form. New Zealand investors must receive a copy of the Investment Statement before applying for any Shares.

**The Company will not accept payment from any party other than the applicant in relation to an application for Shares.**

You can also invest in Shares through an investor directed portfolio service ('IDPS') or an IDPS-like scheme (commonly a master trust or wrap account) or a nominee or custody service approved by Man Investments Australia and the Company. To invest in Shares through an IDPS or IDPS-like scheme, you will need to complete an application form for that service. You should not complete the application form that accompanies this prospectus. If you invest in Shares through an IDPS or IDPS-like scheme, you can only sell or redeem your Shares through the operator of that service.

The offers by investors will be accepted if and when Shares are allotted to the applicant. Communication of this acceptance will be deemed to take place when the Company allots the Shares in the Cook Islands and the allotment is entered onto the share register. Any contract relating to the Issue will be made in the Cook Islands.

Duly completed applications and payments received by Man Investments Australia are irrevocable. The Company reserves the right to reject any application in whole or in part or to seek documentation to verify the identity of the applicant. If the number of Shares allotted is fewer than the number applied for, the excess application moneys will be returned to the applicant by cheque in Australian dollars less any applicable bank charges.

Where no allotment or issue is made, the amount tendered on application will be returned to applicants in full in Australian dollars subject to the Company receiving the appropriate documentation to verify the identity of the applicant. If the Company has not received the documentation to verify the applicant's identity it reserves the right to deposit the application moneys into a trust account.

Persons who are prohibited from subscribing for Shares by the laws of the countries of their citizenship, residence or domicile or any other applicable laws or (in the case of corporations) by their constituent documents including, without limitation, US Persons, are not eligible to subscribe for Shares pursuant to this prospectus.

### Subscriptions

All subscription moneys received from all applicants will be held by the Service Provider on trust for the respective applicants and will be deposited into a separate account when the Shares are allotted.

The Company has decided that Man Investments Australia will be entitled to receive any interest paid in respect of the subscription funds deposited in the account with Commonwealth Bank of Australia.

### Allotment of Shares

The Shares will be allotted as soon as practicable after the Closing Date but in any event no later than six months after the date of this prospectus. Contract notes and cheques for any excess application moneys will be sent to Shareholders, at the risk of the Shareholder, as soon as practicable after allotment in accordance with the information provided in the application form. The share register of the Company will be kept at its registered office in the Cook Islands.

### Valuation of Shares

Shares will be valued each month by dividing the net asset value of the fund by the total number of Shares on issue, in accordance with the procedure described in the Articles. The net asset value of the fund is calculated as the value of the underlying assets of the Company attributable to the Shares, after deducting the liabilities of the fund and the estimated costs, duties and charges of realising all of the investments of the fund. The net asset value of the Shares will be audited annually.

If the Trading Subsidiary is unable to utilise a dealing or liquidity facility, the Directors may declare a suspension of the determination of the NAV.

The NAV is determined as at the Valuation Day in relation to the Dealing Day. Any determination of the NAV made pursuant to the Articles is binding on all Shareholders.

The establishment fees and costs will be capitalised and then amortised at a uniform rate over a 36 month period from the commencement of trading when determining the net asset value of the Shares.

### Suspension of valuations

The Directors may declare a suspension of the determination of the NAV during any period in which, in the opinion of the Directors, it is not reasonably practicable to value any of the Company's assets and liabilities including the Security Deposit and the Trading Subsidiary's investments.

The Directors may declare such a suspension for any one or more of the following reasons or circumstances:

1. closure of any market on which any of the investments of the Trading Subsidiary are normally dealt in, or traded or exchanged, other than customary holidays and weekend closings;
2. restriction of trading on any market on which any of the investments of the Trading Subsidiary are normally dealt in, traded or exchanged;
3. the existence of an emergency as a result of which, in the opinion of the Directors, disposal by the Trading Subsidiary of the Trading Subsidiary's investments is not reasonably practicable or it is not reasonably practicable for the Trading Subsidiary fairly to determine the net asset value of the Trading Subsidiary's investments;
4. the occurrence of a break down in any of the means normally employed by the Directors in ascertaining the prices of the investments of the Trading Subsidiary or when for any reason the prices of such investments of the Trading Subsidiary cannot reasonably be ascertained;
5. the Company and/or the Trading Subsidiary are unable to liquidate investments or repatriate funds required for the purpose of making payments due on redemption of any Shares;
6. any transfer of funds involved in the realisation or acquisition of the Company's and/or the Trading Subsidiary's investments or payments due on redemptions of the Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
7. in the case of a decision to compulsorily redeem all the Shares, the first notice to Shareholders of the Company indicating such a decision is published;
8. when the Company's and/or the Trading Subsidiary's investments are affected by reason of voluntary or involuntary liquidation or bankruptcy or insolvency or any similar proceedings;
9. the Company's and/or Trading Subsidiary's investments are or are to be nationalised, expropriated, or otherwise required to be transferred to any government agency, authority or entity;
10. the Directors are of the opinion that a change or adoption of any law, rule or regulation by any governmental authority, central bank or comparable agency or any directive or request issued by any such body imposes restrictions on the sale or acquisition or transfer of the Company's and/or the Trading Subsidiary's investments; or



11. when the Directors, at their discretion, otherwise determine it to be in the interest of the Shareholders as a whole or the Company as a whole that a suspension be declared.

Any suspension declared by the Directors in connection with any one or more of the reasons stated above will take effect at such time as the Directors specify but no later than the close of business on the Business Day next following the declaration. After any such declaration, there will be no determination of the NAV until the Directors declare the suspension at an end. The suspension will terminate in any event on the first Business Day on which the condition giving rise to the suspension ceases to exist and no other condition under which a suspension may be declared exists.

Notice of any suspension declared by the Directors of the determination of the NAV will be notified to Shareholders as soon as practicable after such declaration by the publication of a notice in the Australian Financial Review and the National Business Review stating that such suspension has been declared. At the end of any period of suspension the Directors will cause a further notice to be published in the Australian Financial Review and the National Business Review stating that the period of suspension has ended.

The redemption or sale of Shares will not take place during any period when the determination of the NAV has been suspended. During a period of suspension, Shareholders have the right to withdraw their request to sell or redeem their Shares as long as they have notified Man Investments Australia in writing during the period of suspension. Shares will be redeemed or sold to Man Investments Australia or its nominee on the first Dealing Day immediately following termination of the suspension.

# DEALING WITH SHARES

Shares can be dealt with as set out in this section or as provided for in the Articles unless:

- (i) the calculation of the NAV is suspended (see Section 11); or
- (ii) the redemption or purchase of Shares is suspended (see below); or
- (iii) the Company, at the time of the request, would be prohibited from redeeming or purchasing the Shares under the laws of the Cook Islands or the Articles; or
- (iv) where such a redemption or sale would result in the Shareholder holding less than 5,000 Shares (unless all Shares held by the Shareholder are sold or redeemed).

## **Sale or redemption of Shares before the Maturity Date**

Subject to the above, Shares can be sold to Man Investments Australia or its nominee, or redeemed by the Company before the Maturity Date.

The Company has appointed Man Investments Australia to arrange the sale or redemption of Shares to the Company before the Maturity Date. Shareholders should advise Man Investments Australia in writing two weeks before a Dealing Day of their desire to sell Shares stating the number of Shares to be sold or redeemed.

Man Investments Australia or the Company reserves the right to refuse a request by a Shareholder to cancel their request to sell or redeem their Shares.

No sale or redemption of Shares may be made until all completed documentation has been received by Man Investments Australia or the Company. These include:

- (i) an original application for Shares;
- (ii) documentation to verify the Shareholder's identity;
- (iii) the original written request for the sale or redemption of Shares; and
- (iv) a completed original standard transfer form duly signed by the Shareholder.

If Man Investments Australia or the Company does not receive all completed documentation for the sale or redemption of Shares, no proceeds of any sale or redemption will be paid and the Shareholder's request will be held over to the next Dealing Day.

In addition, if Man Investments Australia or the Company has not received the completed documentation within a stipulated period after receipt of the original request, the Shareholder's sale or redemption request will be cancelled.

Subject to the above, Man Investments Australia will purchase or the Company will redeem Shares at 98% of the Net Asset Value per Share (or at 100% of the Net Asset Value per Share after 30 April 2011) calculated on the Valuation Day immediately preceding the relevant Dealing Day (see Section 11 for an explanation of the calculation of the NAV).

The Shareholder will be sent the sale or redemption proceeds in Australian dollars on or about 25 Business Days from the relevant Dealing Day. The sale or redemption proceeds will be paid to the Shareholder in Australian Dollars either by cheque in the name of the Shareholder, posted at the risk of the Shareholder, to the address of the Shareholder as shown on the Company's share register or if requested by the Shareholder, by electronic funds transfer to an account in the name of the Shareholder. Man Investments Australia or the Company will only pay the sale or redemption proceeds to the Shareholder registered on the Company's share register.

A confirmation for the balance (if any) of the holding will be posted to the Shareholder as soon as practicable after the relevant Dealing Day, but in any event within 90 days of the relevant Dealing Day.

If Man Investments Australia fails to purchase Shares upon a request made in accordance with this prospectus, the Shareholder may directly request the Company to redeem some or all of the Shareholder's Shares and the Shares will be redeemed by the Company on the same terms as if all those Shares were purchased by Man Investments Australia.

The undertaking by Man Investments Australia to purchase the Shares expires one month before the Maturity Date.

Man Investments Australia may, where permitted under the Corporations Act, sell Shares purchased by it and where it does so it may pay a fee of up to 2% of the NAV to the financial advisor who arranged the sale. Man Investments Australia is entitled to require the Company to redeem Shares bought by it at 100% of the NAV as at the Valuation Day immediately preceding the first Dealing Day following receipt of such redemption notice, provided the redemption request is in respect of a minimum of 100,000 Shares.

## **Suspension of sale or redemption of Shares or payment of proceeds**

On the advice of the Investment Manager, the Directors may approve the suspension of the redemption or purchase of Shares or the payment of the proceeds of redemptions or purchases and the postponement of any Dealing Day. In these circumstances, Man Investments Australia or the Company will not be obliged to purchase the Shares.

Notice of any suspension of the right to have Shares purchased or redeemed, or any suspension of the right to have redemption or sale proceeds paid, will be notified to Shareholders as soon as practicable after such declaration by the publication of a notice in the Australian Financial Review and the National Business Review stating that such suspension has been declared. At the end of any period of suspension the Directors will cause a further notice to be published in the Australian Financial Review and the National Business Review stating that the period of suspension has ended.

During the period of suspension of the redemption or purchase of Shares, Shareholders have the right to withdraw their request to sell or redeem their Shares as long as they have notified Man Investments Australia in writing during the period of suspension. Shares will be redeemed or sold to Man Investments Australia or its nominee on the first Dealing Day immediately following termination of the suspension.

#### **Redemption of Shares on the Maturity Date**

The Company will, subject to Cook Islands law and the Articles, redeem all of the Shares outstanding on the Maturity Date. The amount paid out by the Company on redemption will be the Net Asset Value per Share at that time.

Shareholders registered in the Company's share register at the Maturity Date will be sent the redemption proceeds (including any amount paid as dividend) in Australian dollars on or about 25 Business Days from the Maturity Date. The redemption proceeds will be sent by cheque posted, at the risk of the Shareholder, to the address of the Shareholder shown on the Company's share register or to any other address nominated by the Shareholder and advised to Man Investments Australia in writing before the Maturity Date, or with the consent of the Company, by electronic funds transfer to an account in the name of the Shareholder.

If the Shareholder cannot be contacted at the address shown on the Company's share register, the Company may (though it is not under any obligation to do so) deposit the redemption proceeds into an interest free trust account to be held for that Shareholder. The Company may, at its discretion, require Shareholders to verify their identification at the Maturity Date prior to the payment of the redemption proceeds.

The Company will only pay the redemption proceeds to the Shareholder as registered on the Company's share register.

#### **Compulsory redemption of Shares**

The Company may, subject to Cook Islands' law, (though it is not under any obligation to do so) at any time before the Maturity Date redeem any Shares at

100% of the then applicable NAV if in the opinion of the Directors such Shares were acquired or are held by US Persons or any person in breach of the laws or requirements of any country or governmental authority or in the case of a corporation, in breach of its constituent documents, or such compulsory redemption would eliminate or reduce the exposure of the Company or its Shareholders to adverse tax consequences or any other pecuniary or commercial disadvantage under the laws of any country or if the Shareholder is registered as the holder of fewer than 5,000 Shares.

In addition, the Company reserves the right to compulsorily redeem the Shares of a Shareholder who fails to provide the required documentation to verify their identity to Man Investments Australia within a stipulated time period. In those circumstances, the Company will not pay the proceeds of the compulsory redemption of the Shares to the Shareholder until it has received the required documentation to verify the Shareholder's identity.

#### **Transfer of Shares**

Subject to the restrictions mentioned below, Shares are transferable in minimum parcels of 1,000 Shares by an instrument in writing, a standard transfer form, signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and the transferee and registered in the Company's share register.

The Directors may decline to register any transfer which, in their opinion, may result in Shares being held by US Persons or any person in breach of the laws or requirements of any country or governmental authority or in the case of a corporation, in breach of its constituent documents, or may subject the Company or its Shareholders to adverse tax consequences or any other pecuniary or commercial disadvantage under the laws of any country, or which is not a multiple of 1,000 Shares or would result in either of the transferor or the transferee being registered as the holder of fewer than 5,000 Shares.

Shares which are transferred by arrangement between the transferor and the transferee will be subject to the terms and conditions agreed by each party and the Company will charge no fees or charges on such transfers.

Man Investments Australia and the Company reserves the right to collect documentation to verify the identity of the transferor and transferee.

In the case of death of any one of joint Shareholders, the survivors will be the only people recognised by the Company as having any interest in the Shares of the deceased joint Shareholder.

# ADDITIONAL INFORMATION

## Disclaimers, interests and consents

Investors should only rely on the information contained in and representations made in this prospectus. Any further information given or representations made by any dealer, advisor, salesperson or other person are unauthorised.

No member of the Commonwealth Bank of Australia group of companies, the Man Group nor the Directors guarantees the performance of the Company or the Trading Subsidiary. Commonwealth Bank of Australia does not guarantee any return on the Shares except as provided by the terms of the CBA Guarantee.

Except as set out in this prospectus, no:

- director; or
- promoter; or
- person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus; or

- financial services licensee named in this prospectus as a financial services licensee involved in the Issue,

has any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares, or in the offer of Shares.

The fees of Greenwood & Freehills Pty Limited in relation to the provision of its opinion and services provided in connection with the formation or promotion of the Company are estimated to be approximately A\$5,000.

Except as set out in this prospectus, no one has paid or agreed to pay, and no one has given or agreed to give a benefit:

- for services provided by a Director, or a promoter, or a person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus, or a financial services licensee named in this prospectus as a financial services licensee involved in the Issue, in connection with the formation or promotion of the Company or the offer of Shares; or
- to the Directors to induce them to become or qualify as a director of the Company or the Trading Subsidiary.

Greenwood & Freehills Pty Limited has been involved only in the preparation of the Australian Taxation information appearing in Section 14 of this prospectus. Greenwood & Freehills Pty Limited has given, and has not, before lodgement of this prospectus with

the Australian Securities & Investments Commission, withdrawn its consent to the inclusion of its taxation opinion in this prospectus in the form and context in which it is included.

Commonwealth Bank of Australia has given its consent (which has not been withdrawn as at the date of this prospectus) to the issue of this prospectus with the inclusions of:

- (a) the text of the deed poll guarantee in Appendix A; and
- (b) references to Commonwealth Bank of Australia, in the form and context in which they are included.

Commonwealth Bank of Australia has not been involved in the preparation of this prospectus, nor has it made or consented to the inclusion of any other statement in this prospectus, including references to the CBA Guarantee and descriptions of other documents to which Commonwealth Bank of Australia is a party. Commonwealth Bank of Australia has not caused or authorised the issue of this prospectus. To the maximum extent permitted by law, Commonwealth Bank of Australia disclaims and takes no responsibility for any part of this prospectus other than the inclusions detailed above, to which it has consented.

Man Investments has given its consent (which has not been withdrawn as at the date of this prospectus) to the inclusion of the graphics and diagrams in Sections 2, 3 and 6 of this prospectus and statements based on its statements, in the form and context in which they are included.

Man Investments Australia has given its consent (which has not been withdrawn as at the date of this prospectus) to the issue of this prospectus with the inclusion of references to Man Investments Australia and the inclusion of a graphic in this prospectus, in the form and context in which they are included. Man Investments Australia has not made or consented to any other statement in this prospectus, including descriptions of other documents to which Man Investments Australia is a party. The Man Group, Man Investments and Man Investments Australia have not caused or authorised the issue of this prospectus and to the maximum extent permitted by law, disclaim and take no responsibility for any part of this prospectus other than the inclusions detailed above, to which they have consented.

RMF Investment Management has given its consent (which has not been withdrawn as at the date of this prospectus) to the inclusion of the RMF Portfolio allocations in Section 6 of this prospectus and statements based on its statements in the form and context in which they are included.

Ernst & Young has given its consent (which has not been withdrawn as at the date of this prospectus) to be named in this prospectus as auditor of Man OM-IP 3Eclipse and its Trading Subsidiary. Whilst Ernst & Young is a professional advisor to Man OM-IP 3Eclipse and its Trading Subsidiary, neither Ernst & Young nor any officer or employee of Ernst & Young is intended to be a director, officer or employee of Man OM-IP 3Eclipse or its Trading Subsidiary.

Euromoney has given its consent (which has not been withdrawn as at the date of this prospectus) to the inclusion in Section 2 of this prospectus of the reference to the Euromoney 2005 Awards for Excellence and the 2006 Euromoney Private Banking Surveys in the form and context in which they are included.

Financial News has given its consent (which has not been withdrawn as at the date of this prospectus) to the inclusion in Section 2 of this prospectus of the reference to the European Asset Management Firm of the Decade 2006 award in the form and context in which it is included.

### **Conflicts of interest**

Man Group companies are entitled to receive various fees and commissions in relation to the Issue and for other services provided to the Company and/or the Trading Subsidiary. In particular, the Man Group has a financial interest in brokerage incurred using the AHL Diversified Program, and the fees paid by the Trading Subsidiary, directly or indirectly, for its exposure to the AHL Diversified Program and the RMF Portfolio. The Man Group acquired RMF Investment Management in May 2002 and therefore has a financial interest in the fees payable to RMF Investment Management, Nassau Branch for investments using the RMF Portfolio.

The initial and target investment allocations set out in this prospectus are based upon current recommendations by the Investment Manager. In the event that market conditions change, the Investment Manager may revise the investment exposure of the Net Asset Value per Share in order to maintain a balanced investment portfolio. A change in the investment exposure will affect those fees which are charged on the basis of a percentage of the investment exposure to the AHL Diversified Program and the RMF Portfolio.

In addition, members of the Man Group and their associates over the life of the investment are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company and the Trading Subsidiary. In particular, the Investment Manager may over the life of the investment provide advice, risk management services or other services in relation to a number of

funds or managed accounts which may have similar investment strategies to that of the Trading Subsidiary or funds in which, or managed accounts through which, the Trading Subsidiary invests.

Members of the Man Group may over the life of the investment have a financial interest in some of the managers through which the Trading Subsidiary invests.

The Investment Manager, Introducing Broker or the International Broker may receive a rebate or a portion of the commissions charged by brokers used by the International Broker on behalf of the Trading Subsidiary.

The Investment Manager, Introducing Broker and International Broker will have regard to their obligations under their agreements with the Company and the Trading Subsidiary to act in the best interests of the Company and the Trading Subsidiary, also having regard to their obligations to other clients, if a potential conflict of interest arises. If a conflict does arise, the Investment Manager will endeavour to ensure that such conflict is resolved fairly.

The Directors are also directors of other companies including companies sponsored by Man Investments Australia. Philip Bodman, Michael Collins and John Walley are also directors of Master Multi-Product Holdings Limited. Where a conflict does arise the Directors will act in accordance with their duties to the Company and/or the Trading Subsidiary.

The Trading Subsidiary may buy investments from or sell investments to the Investment Manager or its associates according to normal market practices and applicable law.

Members of the Man Group and their associates may deal with the Company or Trading Subsidiary as principal or as agent, provided that any such dealings are in the best interests of the Company or the Trading Subsidiary respectively and are carried out on an arm's length basis.

### **Cook Islands law**

Those provisions of Cook Islands law which would otherwise have application to the Company in connection with the issue of a prospectus do not apply to any invitation, prospectus or advertisement where the prospectus has been lodged in Australia. It is therefore sufficient in respect of this prospectus that within 28 days of lodging this prospectus in Australia, a copy of this prospectus be delivered to the registered office of the Company in the Cook Islands and a duplicate copy signed by at least two Directors of the Company be delivered to the Register of International and Foreign Companies in the Cook Islands.



There are thus no laws in the Cook Islands regulating the securities industry or the futures industry applicable to the activities of the Company or the Trading Subsidiary.

Under current Cook Islands law, both the Company and its Shareholders are statutorily exempt from all forms of Cook Islands taxation in respect of this offering and the business of the Company. There are no laws in the Cook Islands which apply to the Company, or any Shareholders, which operate to restrict, control, or tax in any way the movement of currency or foreign exchange.

Shareholders have the right to enforce the terms of the issue of the Shares in this prospectus in the High Court of the Cook Islands in accordance with its rules and procedures. The rights of a Shareholder against the Company to enforce the terms of the issue of the Shares (as contained and implied in this prospectus, the application form and the Articles) would be construed in accordance with the law of the Cook Islands unless otherwise provided for or agreed.

As this prospectus has been lodged in Australia, civil liability for mis-statement in this prospectus will be determined by Australian law and to the extent it may apply, New Zealand law and relevant Cook Islands provisions will have no application in these circumstances (although a Shareholder may have in some circumstances further rights under the common law as applied in the Cook Islands). It should be noted however that the liability of Cook Islands resident directors is limited under the Cook Islands International Companies Act 1981-82. The Act, in effect, relieves a resident director from liability in all circumstances, including where an overseas judgment against a director imposes a liability from which such a director is relieved in terms of that section, except where a liability arises out of the wilful misconduct, wilful default or wilful neglect of a resident director, or in the case of a breach of trust or other equitable obligation, the resident director had actual knowledge of and knowingly assisted in such breach.

#### **Anti-money laundering and exchange control**

Applications for the Shares are subject to the anti-money laundering requirements of the Man Group.

To ensure compliance with these requirements, application moneys must be tendered by either a cheque or electronic funds transfer from an account in the name of the applicant.

In all circumstances, Man Investments Australia or the Company will seek documentation to verify the identity of an applicant whether before or after allotment of Shares to that applicant. The Company also reserves the right to reject an application for Shares, decline to register a transfer of Shares or to compulsorily redeem the Shares failing satisfactory verification.

At the date of this prospectus there are no exchange control approvals required in Australia or the Cook Islands in respect of the payments and other transactions contemplated by this prospectus. Under Australian and Cook Islands law an investigation of a suspicious matter may give rise to restrictions on the movement of the moneys relating to that transaction.

#### **Information for New Zealand Shareholders**

It is intended that the Company will offer Shares to New Zealand investors pursuant to and in accordance with an exemption notice under which the Company is exempt from complying with the prospectus requirements of the Securities Act 1978 (New Zealand). Under the terms of the exemption notice the Company will make available or provide to its Shareholders in New Zealand:

- (a) every annual report of the Company containing audited annual financial statements and any quarterly reports provided to the Company's Shareholders in Australia; and
- (b) copies of every material contract entered into by the Company in each 12 month period; and
- (c) all the information required under Australian law to be disclosed in Australia to the Company's Shareholders; and
- (d) the annual CBA Rising Guarantee Notices, stating the current amount of the guarantee provided by Commonwealth Bank of Australia in respect of the offer of the Shares by the Company; and
- (e) a statement of the incorporation details of Commonwealth Bank of Australia; and
- (f) a statement of the registration details of Commonwealth Bank of Australia as a registered bank or overseas bank; and
- (g) all other documents required under Australian law to be lodged with the Australian Securities & Investments Commission and made available to Australian Shareholders by companies registered in Australia as overseas companies; and
- (h) monthly information regarding the NAV (the NAV will be available on the Man Investments Australia website, updated monthly); and
- (i) a facility enabling Shareholders in New Zealand to obtain information regarding the NAV and the funds investment strategy of the Company. For this purpose, the Company will provide Shareholders with the Strategic Investment Review newsletter; and
- (j) access to a copy of a register of Shareholders of the Company.

The documents referred to under subparagraphs (b) and (g) and the share register are available for inspection by telephoning Man Investments Australia on 0800 878 220 (toll free New Zealand) to arrange an appointment to inspect the register at Level 35, 23–29 Albert Street, Auckland, 1140 New Zealand during normal business hours.

It is a term of the offer of Shares in New Zealand that the Company will, within five working days of receiving a request from an offeree for a copy of this prospectus, send the offeree a copy of this prospectus and any documents that, under the laws of Australia, must accompany a copy of this prospectus when sent to any person to whom an offer of Shares is made in Australia.

### Privacy

By signing the application form, you acknowledge and agree that your personal information may be handled by the Company, Man Investments Australia and their service providers in the manner set out below.

Your completed application form will provide personal information about you to the Company through Man Investments Australia. The Company collects your personal information to process and administer your investment in the Company and to provide you with information about your investment in the Company. Some of this information is required by anti-money laundering laws and/or by Cook Islands law and may be required to be kept on a register in accordance with the Corporations Act 2001. If you do not complete the application form in full, the Company may not accept your application form.

The Company may disclose your personal information for purposes related to your investment including the provision of the quarterly publication Strategic Investment Review and the publication of the Company's annual reports, to the Company's agents and service providers including Man Investments Australia, Commonwealth Bank of Australia, the Service Provider and the Registrar. In order to use and disclose your personal information for the purposes stated above, Man Investments Australia or the Company may be required to transfer your personal information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. By signing the application form, you consent to your personal information being transferred overseas for these purposes.

Man Investments Australia would like to retain and use the personal information you provide in the application form and disclose it to its mail house (subject to a confidentiality agreement) and to keep you informed about future investment opportunities. By inserting a tick in a box on the application form, you can direct Man Investments Australia to retain and use your personal information to provide you with information about future investment opportunities.

You are able to access the information about you held by the Company and Man Investments Australia, subject to certain exemptions allowed by law, by contacting Man Investments Australia.

# TAXATION

## AUSTRALIAN TAXATION OPINION

### Greenwoods & Freehills

19 December 2007

The Directors  
Man OM-IP 3Eclipse Limited  
Bermuda House  
Tutakimoa Road  
Rarotonga  
COOK ISLANDS

Dear Sirs

Man OM-IP 3Eclipse Limited

We have reviewed the Australian Tax Summary included in the prospectus dated 19 December 2007 in light of the laws in force and administrative practices followed as at this date.

In our opinion, the Australian Tax Summary accurately summarises the material Australian income tax issues relevant to Australian resident investors who hold Shares in Man OM-IP 3Eclipse Limited.

Investors should not regard this letter and the Australian Tax Summary as legal or tax advice provided to them for their benefit and should not rely on either in managing their legal and tax affairs. All investors should obtain professional tax advice tailored to their particular circumstances and investment objectives.

Yours faithfully

GREENWOODS & FREEHILLS PTY LIMITED

*For research purposes only.  
Not for public distribution.*

A summary of the implications under Australian and New Zealand tax law of investing in Shares is set out in this section. However, investors should seek their own tax advice about owning, investing or dealing in Shares.

### Australian taxation

**Company:** The Company is considered to be a non-resident of Australia for the purposes of the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997. As a non-resident, the Company will only be liable to Australian tax on any income which is derived from Australian sources, or capital gains on certain Australian assets. The Company considers that none of the income or gains that the Company intends to derive or realise will meet either of these two requirements.

**Australian Shareholders:** The following is intended to be a general summary of the Australian taxation consequences for Australian resident taxpayers (other than temporary residents) who subscribe for Shares in the Company. Potential investors should seek their own taxation advice based on their own personal circumstances. The summary only considers the position of Australian Shareholders that will hold their Shares as capital assets and does not deal with Australian Shareholders who will hold their Shares as revenue assets, such as share traders and insurance companies.

Shareholders may be subject to tax on profits realised on the disposal of any Shares. The taxation consequences to a Shareholder of the disposal of Shares will depend upon the circumstances of the Shareholder.

In the event that more than one tax measure applies to a profit made by the Shareholder, the amount should only be taxed once in the hands of the Shareholder.

**Sale of Shares:** Subject to the Foreign Investment Funds rules ('FIF Rules') discussed below, Shareholders who sell their Shares at a price in excess of A\$1.00 will generally be subject to capital gains tax ('CGT'). If the Shares are held for 12 months or more, individuals and trusts should be entitled to a CGT discount of 50% of the prima facie capital gain and complying superannuation entities should be entitled to a CGT discount of 33.33% of the prima facie capital gain. Companies are not entitled to a CGT discount.

A capital loss should arise when the proceeds received for the sale of Shares are less than the reduced cost base of the Shares. Capital losses can only be offset against capital gains (before any available CGT discount) derived by a Shareholder in the same income year or subsequent income years.

### Redemption of Shares prior to the Maturity Date:

Where a Shareholder redeems Shares prior to the Maturity Date, any amount received per Share exceeding A\$1.00 should be an unfranked dividend. Subject to the operation of the FIF Rules (see below), this unfranked dividend should be included in the assessable income of the Shareholder. No capital gain or loss should arise on redemption of the Shares prior to the Maturity Date.

### Redemption of the Shares on the Maturity Date:

There are a number of scenarios which may arise upon redemption of the Shares at the Maturity Date:

#### 1. NAV equal to A\$1.00

If the Shares are redeemed on the Maturity Date for A\$1.00 each, a Shareholder should not be assessable on any part of the proceeds received. A capital gain would arise if any payment is made by Commonwealth Bank of Australia to a Shareholder under the CBA Guarantee.

#### 2. NAV less than A\$1.00

If the redemption proceeds paid by the Company are less than A\$1.00 per Share, a capital loss should arise. Again, a capital gain would arise if any payment is made under the CBA Guarantee. The capital loss on the Shares should be able to offset, in part, the capital gain arising from any payment made by Commonwealth Bank of Australia under the CBA Guarantee.

#### 3. NAV greater than A\$1.00

If the redemption proceeds exceed A\$1.00 per Share, a Shareholder should only be assessable on the part of the payment received from the Company that exceeds A\$1.00 per Share. Regardless of whether the Company declares a dividend prior to the Maturity Date, the excess should constitute an unfranked dividend. Subject to the operation of the FIF Rules (see below), this unfranked dividend should be included in the assessable income of the Shareholder for the year of income during which the dividend is paid. A capital gain would again arise if any payment is made by Commonwealth Bank of Australia to a Shareholder under the CBA Guarantee.

**FIF Rules:** The Company is not expected to be a Controlled Foreign Company for Australian tax purposes. On this basis, Shares held by Australian resident Shareholders should generally be subject to the FIF Rules. The FIF Rules should not apply where the aggregate value of interests (valued at the greater of cost or market value) in all FIFs held by a natural person Shareholder (otherwise than in the capacity of a trustee), together with any interests held by associates, is less than A\$50,000. There is also a general exemption from the FIF Rules for Australian complying superannuation entities. Other exemptions may also be available depending on the exact circumstances of the Shareholder.

Where the FIF Rules apply, attributable income (which must be included in the Shareholder's tax return) from holding Shares should ordinarily be calculated on an annual basis under the market value method. The market value method should be available to calculate the deemed income in respect of the Shares because the Company will publish details of the Net Asset Value per Share which will enable the determination of the buy-back or redemption price in respect of the Shares at year end. Shareholders using the market value method must generally include in their assessable income the increase in value of the Shares during the year of income. A deduction will be allowed in the amount of any decrease in market value during the year of income to the extent of amounts previously assessed and not distributed in respect of the Shares. Undeducted losses are carried forward to offset future assessable amounts attributed in respect of the Shares.

In October 2006, the Treasurer requested that the Board of Taxation review Australia's foreign source income anti tax-deferral regimes (which includes the FIF Rules). On 25 May 2007, the Board of Taxation released a discussion paper, outlining options and inviting submissions for the way forward. One of the options canvassed in the discussion paper is the convergence of the various anti-deferral regimes (including the FIF Rules), with the Board of Taxation appearing to favour their convergence into one single regime. Generally, it is proposed that the rules would continue to apply to the same kinds of interests and entities as at present, that is, shares in foreign companies and interests in foreign trusts. As such, there may be significant changes in the future to the manner in which FIF income is accrued by Australian taxpayers. The Board will consider submissions and other advice before presenting its recommendations to Government for consideration later this year. Shareholders should monitor the review for any changes which may affect their Shares.

**General anti-avoidance provisions:** Australian tax law contains general anti-avoidance provisions and should be considered by Shareholders in respect of all investments. In general terms, the application of the general anti-avoidance provisions will be attracted where a taxpayer obtains a 'tax benefit' as a consequence of entering into a scheme and the dominant purpose of one or more parties to the scheme (or a part of the scheme) was to secure a tax benefit. Shareholders should seek professional advice in relation to the application of the general anti-avoidance provisions to their particular circumstances.

**Taxation of financial arrangements:** On 20 September, the Government introduced a Bill into Parliament to enact the proposed remaining stages of the taxation of financial arrangements ('TOFA') reforms. The Bill has now lapsed due to the recent 2007 Federal election, but may well be reintroduced and passed in the first half of 2008.

The Bill proposes wide-sweeping changes to the manner in which defined 'financial arrangements', including most debt, derivative and some equity transactions, are treated under income tax law. The new measures generally apply to both issuers and holders of financial arrangements. The rules will not only change the tax timing of treatment of many transactions (including the availability of a number of optional timing methods), but in some cases the tax status/character (e.g. revenue vs capital vs exempt etc) of arrangements will also be altered.

Subject to the various exceptions, TOFA will apply to defined 'financial arrangements' entered during the 2009-2010 tax year of income and later years. Taxpayers may, in certain circumstances, also elect to bring financial arrangements entered into before then into the TOFA regime.

Accordingly, as the Shares are to be issued prior to the proposed commencement of TOFA, the new rules should be of no application to the Shares. However, Shareholders should pay careful attention to the measures as they progress through the legislative process.

### **New Zealand Taxation of Shareholders**

The following comments are intended to be only a general summary of the New Zealand taxation consequences for New Zealand resident taxpayers who subscribe for Shares in the Company. Potential investors should obtain their own taxation and financial advice based on their own personal circumstances.



This advice is based on current law and interpretations thereof on the date of this prospectus. No assurance can be given that applicable tax law and interpretations thereof will not be changed in the future.

**New Zealand international tax system:** New Zealand has a complex international tax system that is designed to tax on an attributed basis income derived by New Zealand tax residents from offshore equity investments. Broadly speaking, this is achieved through the attribution of the income of controlled foreign companies ('CFCs') and foreign investment funds ('FIFs') to New Zealand tax residents holding interests in those entities.

It is unlikely that the Company will be a CFC for New Zealand tax purposes. Accordingly, the New Zealand tax treatment of interests in CFCs is not addressed in this summary.

**Tax treatment of New Zealand investors not subject to FIF regime:** Certain New Zealand investors will not be subject to New Zealand's FIF regime. These include 'natural persons' whose total FIF interests (excluding, amongst other things, shares in Australian resident companies listed on certain approved ASX indices) cost NZ\$50,000 or less to acquire. The New Zealand tax treatment of investors who are not subject to the FIF regime is set out below.

Dividends (including any dividend paid immediately prior to the Maturity Date) derived by non-corporate New Zealand resident investors not subject to the FIF regime will be subject to New Zealand income tax.

Where a New Zealand investor not subject to the FIF regime sells their Shares prior to the Maturity Date (including a sale to Man Investments Australia), the tax treatment of any gain or loss on sale will depend on the particular circumstances of the investor.

Generally speaking a loss incurred by a Shareholder not subject to the FIF regime will only be deductible if that Shareholder would have been assessable on any gains.

Where Shares are redeemed by the Company on the Maturity Date, the amount returned by way of redemption to New Zealand investors who are not subject to the FIF regime should not be taxed in New Zealand to the extent that the amount does not exceed the amount subscribed for the Shares and the Company has sufficient available subscribed capital.

Where Shares are redeemed by the Company prior to the Maturity Date, then any redemption proceeds will be a dividend unless, in addition to the requirements discussed in the paragraph above, certain tax thresholds are met in relation to the redemption.

It may be more tax efficient for New Zealand investors to sell their Shares or have them repurchased by Man Investments Australia rather than redeem them, depending on the circumstances.

**Tax treatment of New Zealand investors subject to FIF regime:** Shares in the Company held by New Zealand investors (whether natural persons, trusts or companies) will, subject to certain exceptions (including that discussed above), constitute income interests in a FIF for New Zealand tax purposes.

The New Zealand Government has recently enacted changes to the FIF taxation regime. The changes took effect from 1 April 2007 (or from 1 October 2007 for a portfolio investment entity which elected the later date). The changes may benefit New Zealand investors in the Company who are subject to the FIF regime and will not affect New Zealand investors who are not subject to that regime. The changes adversely affect New Zealand residents in respect of investment in grey list jurisdictions (i.e. Australia, Norway, USA, Great Britain, Germany, Japan, Spain and Canada). However investors in the Company are potentially subject to the FIF regime, not the tax regime applying to investments in the grey list jurisdictions.

**Tax treatment of New Zealand investors subject to the new FIF regime:** The new FIF regime will apply to the Shares in the Company unless the investor:

- owns more than 10% of the Company except where the investor is a portfolio investment entity, a superannuation scheme, a unit trust, a life insurer or a group investment fund (such Shareholders will effectively be taxed under the comparative value method discussed below); or
- is a natural person (but not a trustee, other than for certain very limited purposes) and the total cost of all interests owned by the investor which would otherwise be subject to the FIF regime (which excludes, amongst other things, shares in Australian resident companies listed on certain approved ASX indices) is NZ\$50,000 or less. For this purpose, the investor can elect to treat all interests which it held on 1 January 2000 as having a cost equal to half the market value of those interests on 1 April 2007.

Where the new FIF regime applies investors should, subject to the comments below, be deemed to derive assessable income in an income year equal to 5% of the market value of the Shares held by them at the beginning of the income year; plus an amount referred to as the 'quick sale adjustment' if the Shareholder has bought and sold Shares during the year.

To calculate any 'quick sale adjustment' the Shareholder first needs to calculate their 'peak holding adjustment'. To calculate its peak holding adjustment with respect to their Shares, the Shareholder must calculate the difference between the greatest number of Shares held at any point during the income year and the greater of:

- the number of Shares held at the beginning of the income year; and
- the number of Shares held at the end of the income year.

The Shareholder must then multiply that difference by the average cost of the Shares acquired during the year. The peak holding adjustment is 5% of this amount.

The 'quick sale adjustment' amount which then must be returned by the Shareholder is the lesser of:

- the peak holding adjustment; and
- the profit (if any) made on the sale of Shares acquired during the year, plus any distributions received on those Shares.

For this purpose, the last Share acquired is deemed to be the first sold.

Investors will be subject to tax on this assessable income at their marginal rates.

Any dividends received by an investor and any redemptions or repurchases are ignored under the above 5% method (except when the redemption or repurchase occurs in the same year Shares are acquired and a 'quick sale adjustment' must be made). A slightly more complex version of this method is used by managed funds.

If the investor is a natural person or a family trust and can show that the sum of:

- the total increase in the market value of all the investor's interests which are subject to the FIF regime (including the Shares, but excluding certain debt-like FIF interests); plus
- any realised gains and distributions received from this pool of interests,

is less than the investor's total income on the pool under the 5% method, the investor can elect to only be subject to tax on this lesser amount. The investor cannot claim a deduction for any loss however.

If an investor is not subject to the new FIF regime because they own more than 10% of the Company (as discussed above), the investor will be taxed under the comparative value method. Generally speaking, this method measures the fluctuation in value of New Zealand investors' interests in the Company over the relevant income year, including dividend receipts. Any increase in value attributed to investors using this method will be subject to income tax in New Zealand in that year. Any decrease in value attributed to investors under this method should be deductible. Effectively, this method will result in any surplus (including dividends) above the amount originally subscribed for a Share being subject to tax, with a deduction available for any deficit.

**Guarantee payments:** Any payment received by a New Zealand investor from Commonwealth Bank of Australia under the CBA Guarantee (including the Rising Guarantee) will be assessable to the recipient.

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# DEFINITIONS AND DIRECTORY

**AHL Diversified Program** and **AHL Diversified** means the investment program managed by Man Investments and more particularly described in Section 6.

**Alternative Funding Arrangement** means an arrangement, instrument or investment as described in Section 7.

**Articles** means the Company's Articles of Association.

**Business Day** means a day on which banks generally are open for business in Sydney and the Cook Islands excluding a Saturday, Sunday or public holiday.

**Capital Guarantee** means that part of the CBA Guarantee which relates to Commonwealth Bank of Australia guaranteeing a return to Shareholders on the Maturity Date of A\$1.00 per Share.

**CBA Guarantee** means the guarantee by Commonwealth Bank of Australia to Shareholders on the Maturity Date, the full text of which is set out in Appendix A.

**CBA Rising Guarantee Notice** means the rising guarantee notice to be provided by the Company to Shareholders as described in Section 5.

**Closing Date** means 11 April 2008.

**Commonwealth Bank of Australia** or **the Bank** means Commonwealth Bank of Australia ABN 48 123 123 124.

**Company** and **Man OM-IP 3Eclipse** means Man OM-IP 3Eclipse Limited ARBN 128 688 764.

**Dealing Day** means the first Business Day in each calendar month or such other day as the Directors may from time to time determine (and includes the Maturity Date).

**Directors** means the directors from time to time of the Company.

**document(s)** includes any information in paper or electronic form.

**International Broker** means MF Global UK Limited or such other broker or brokers introduced by the Introducing Broker and appointed by the Trading Subsidiary.

**Investment Manager** means Man Investments.

**Investment Statement** means a document in relation to the Company which provides information relevant to New Zealand investors.

**Issue** means the issue of Shares pursuant to this prospectus.

**Leverage Facility** means the credit facility, leveraged note or other derivative instrument, investments in leveraged vehicles or other funding arrangements or investments arranged by the Investment Manager and described in Section 7.

**LIBOR** means the rate per annum at which prime banks may borrow USD on the London Interbank market as published from time to time by recognised information providers.

**Man Group** means Man Group plc and all or any of its subsidiaries, as the context requires.

**Man Investments** means Man Investments Limited, a wholly owned subsidiary of Man Group plc.

**Man Investments AG** and **Introducing Broker** means Man Investments AG, a wholly owned subsidiary of Man Group plc.

**Man Investments Australia** and **MIA** means Man Investments Australia Limited ABN 47 002 747 480, a

wholly owned subsidiary of Man Group plc.

**Maturity Date** means 29 April 2016 or, if such a date is not a Business Day, the next business day.

**NAV** and **Net Asset Value per Share** means the amount calculated as the net asset value of the Shares in accordance with the Articles divided by the number of Shares on issue at the relevant time.

**Registrar** means HSBC Trustee (Cook Islands) Limited.

**Rising Guarantee** means that part of the CBA Guarantee which relates to Commonwealth Bank of Australia guaranteeing to pay Shareholders on the Maturity Date the profit lock-ins described in Section 5.

**RMF Asian Opportunities Portfolio** means the investment portfolio of that name more particularly described in Section 6.

**RMF Commodity Strategies Portfolio** means the investment portfolio of that name more particularly described in Section 6.

**RMF Portfolio** means the portfolio of investment strategies and managers selected by RMF Investment Management, Nassau branch and more particularly described in Section 6.

**Security Deposit** means the Australian dollar denominated cash deposit agreed to and held by Commonwealth Bank of Australia to secure the CBA Guarantee.

**Service Provider** means the person, appointed from time to time, to perform the obligations of the Service Provider under a services agreement with the Company, which is currently Commonwealth Bank of Australia.

**Shareholder(s)** means a holder(s) of redeemable shares in the Company.

**Shares** means redeemable shares in the Company issued pursuant to this prospectus at A\$1.00 each.

**Trading Subsidiary** means Man OM-IP 3Eclipse Trading Limited (incorporated in the Cook Islands), a wholly owned subsidiary of the Company.

**US Person(s)** means a US person, as defined in Regulation S under the Securities Act of 1933 or the Investment Company Act of 1940 or the Internal Revenue Code (each as amended from time to time) and more particularly, any natural person that resides in the US or is a US citizen, any entity organised or incorporated under the laws of the US, any entity organised or incorporated outside the US the beneficial owners of which include US Persons, any estate of which any executor or administrator is a US Person, any trust of which any trustee is a US Person or any agency or branch of a foreign entity located in the US, or entities subject to the US Employee Retirement Income Securities Act of 1974, as amended, or other tax-exempt investors or entities in which substantially all of the ownership is held by US tax-exempt investors or entities in which substantially all of the ownership is held by US tax-exempt investors and any person acting on their behalf. It does not include any discretionary or non-discretionary account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised or incorporated in the US.

**Valuation Day** means in relation to a Dealing Day the last day of the preceding calendar month before that Dealing Day or such other day as the Directors of the Company shall from time to time determine, including the Maturity Date.

**Registered office in Cook Islands**

Man OM-IP 3Eclipse Limited  
Bermuda House  
Tutakimoa Road  
Rarotonga Cook Islands  
Telephone (682) 22680  
Fax (682) 20566 or (682) 20722

**Sponsor, local agent and registered office in Australia**

Man Investments Australia Limited  
Level 21 Grosvenor Place  
225 George Street  
Sydney NSW 2000 Australia

**Registrar and transfer agent**

HSBC Trustee (Cook Islands) Limited  
Bermuda House  
Tutakimoa Road  
Rarotonga Cook Islands

**Auditor**

Ernst & Young  
41 Shortland Street  
Auckland 1010 New Zealand

**Investment Manager**

Man Investments Limited  
Sugar Quay  
Lower Thames Street  
London EC3R 6DU United Kingdom

**Service Provider**

Commonwealth Bank of Australia  
48 Martin Place  
Sydney NSW 2000 Australia

**CBA Guarantee**

Commonwealth Bank of Australia  
48 Martin Place  
Sydney NSW 2000 Australia

**Directors**

Mr Philip Bodman  
Man Fund Management (Guernsey) Ltd  
First Floor Albert House  
South Esplanade  
St Peter Port  
Guernsey GY1 1AJ Channel Islands

Mr Brent York\*  
HSBC Trustee (Cook Islands) Limited  
Bermuda House  
Tutakimoa Road  
Rarotonga Cook Islands

Henderson Limited\*  
Bermuda House  
Tutakimoa Road  
Rarotonga Cook Islands

Mr Michael Collins  
Argonaut House  
5 Park Road  
PO Box HM2001  
Hamilton HMHX Bermuda

Mr John Walley  
12 Swift Hall  
Carrickmines Wood  
Brennanstown Road  
Foxrock  
Dublin 18 Ireland

**Secretary**

Penrhyn Secretaries Limited  
Bermuda House  
Tutakimoa Road  
Rarotonga Cook Islands

**Enquiries**

Any enquiries relating to this prospectus should be referred to Man Investments Australia at:

Level 21 Grosvenor Place  
225 George Street  
Sydney NSW 2000 Australia

(61-2) 8259 9999 or  
Toll Free Australia 1800 222 355 or  
Toll Free New Zealand on 0800 878 220 or  
Fax (61-2) 9252 4453 or  
Toll Free New Zealand 0800 787 220

[www.maninvestments.com.au](http://www.maninvestments.com.au)  
[info@maninvestments.com.au](mailto:info@maninvestments.com.au)

\* Cook Islands resident directors

This prospectus is dated 19 December 2007.

This prospectus is signed for and on behalf of the  
Company by:

A handwritten signature in black ink, appearing to read 'P7B', with a horizontal line drawn underneath it.

Philip Bodman  
Director

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# FULL TEXT OF THE CBA GUARANTEE

## 1 GUARANTEE

By this Deed Poll and subject to the conditions hereof **Commonwealth Bank of Australia** ABN 48 123 123 124 (**Guarantor**) of 48 Martin Place, Sydney, New South Wales, 2000 unconditionally and irrevocably guarantees to pay to each Shareholder on 13 June 2016, an amount in Australian dollars in respect of each Share (certified by the Registrar to be registered in the name of that Shareholder as at the Maturity Date) which is equal to the difference between the Guaranteed Amount and the amount (if any) paid by or on behalf of the Company to or at the direction of the Shareholder or on trust for the Shareholder as and by way of or in connection with redemption of that Share (whether as a dividend immediately before redemption or as a return of capital), if that amount paid by or on behalf of the Company is less than the Guaranteed Amount.

## 2 DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

In this Deed Poll the following terms have the following meanings:

**Accounts** means any bank account, deposit or other account opened by, or bank or other deposit made by, the Guarantor or the Service Provider or a nominee of either pursuant to the Services Agreement in the name of or for the account of the Company and all certificates or other documents issued in respect thereof but does not include the Expense Account or the Subscription Moneys Account.

**Change of Law** means any appropriation, expropriation, confiscation, restraint, restriction, prohibition, law, decree, order, directive of any Governmental Agency and any judgment issued by a court or tribunal occurring after the date hereof including, but without limiting the generality of the foregoing, the imposition or increase of any Tax or change in the basis of any Tax.

**Company** means Man OM-IP 3Eclipse Limited (ARBN 128 688 764) a Cook Islands corporation.

**Diminution** means reduction to any extent including a reduction to nil.

**Expense Account** has the meaning ascribed to that term in the Services Agreement.

**Governmental Agency** means any state, country or government or any governmental, semi-governmental or judicial entity or authority or any authorised officer thereof.

**Guaranteed Addition** means, in respect of each Share, an amount specified as such in a Guarantee Notice.

**Guaranteed Amount** means, in respect of each Share, the sum of:

- (a) one Australian dollar (A\$1.00); and
- (b) the Guaranteed Profit in respect of that Share.

**Guaranteed Profit** means, in respect of each Share, an amount in Australian dollars equal to the aggregate of the Guaranteed Additions in respect of that Share.

**Guarantee Notice** means a notice confirmed by the Guarantor in writing and sent, from time to time, by the Company to holders of Shares advising of the amount of the Guaranteed Amount and any Guaranteed Addition.

**Guarantor Security Fund** means:

- (a) the Accounts; and
- (b) the Security Deposits.

**Indemnity** means the indemnity dated on or about the date of this Deed Poll between the Company and the Guarantor as varied, novated, ratified or replaced from time to time.

**Maturity Date** means 29 April 2016.

**Mortgage** means any one or more of:

- (a) the Australian Security Deed dated on or about the date of this Deed Poll as varied, novated, ratified or replaced from time to time granted by the Company to the Guarantor to secure, amongst other things, the Indemnity;
- (b) the English Security Deed governed by English Law entered into between the Company and the Guarantor on or about the date of this Deed Poll as varied, novated, ratified or replaced from time to time; and
- (c) any other security (including any security replacing a document referred to in paragraph (a) or (b)) provided by the Company to the Guarantor and agreed by the Guarantor.

**Payment Amount** means, in respect of each Share, the amount paid out of the Guarantor Security Fund by or on behalf of the Company to or at the direction of the Shareholder or on trust for the Shareholder as and by way of or in connection with redemption of that Share (whether as a dividend immediately before redemption or as a return of capital).

**Prospectus** means the prospectus to be issued by the Company lodged with the Australian Securities & Investments Commission inviting aggregate subscriptions for 100,000,000 Shares with the ability to accept over-subscriptions with the consent of the Guarantor containing a copy of this Deed Poll.

**Reduced Value of the Guarantor Security Fund** means the total amount payable or received or which would be payable or received as at the Maturity Date by or for the benefit of the Company in respect of the investments and cash comprising the Guarantor Security Fund following the occurrence of one or more events contemplated by paragraphs (a), (b) and (c) under clause 3.

**Registrar** means the registrar from time to time under the Registrar Agreement.

**Registrar Agreement** means the agreement entitled Registrar, Transfer Agency and Administration Agreement dated on or about the date of this Deed Poll between the Company, HSBC Trustee (Cook Islands) Limited and the Guarantor and includes any agreement that, with the consent of the Guarantor, from time to time may amend, novate, supplement, vary or replace it.

**Security Deposit** means:

- (a) any Australian dollar cash deposit made by the Company, the Service Provider or a nominee of either in the name of or by or for the account of the Company after the date hereof with the London branch of the Guarantor (or such other branch of the Guarantor as the Guarantor and the Company may agree in writing from time to time) (excluding the balances from time to time of the Expense Account and the Subscription Moneys Account);
  - (b) all of the Company's right, title and interest to:
    - (i) the repayment of all such deposits; and
    - (ii) any interest on all such deposits (whether or not the interest has been added or credited as the case may be); and
  - (c) any cash into which the amounts referred to in paragraphs (a) and (b) above are converted,
- and a reference to Security Deposit includes any part of it.

**Security Deposits** means all and any Security Deposits made from time to time and a reference to Security Deposits includes any Security Deposit, any part of any Security Deposit and any part of the Security Deposits.

**Service Provider** means the person, appointed from time to time, to perform the obligations of the Service Provider under the Services Agreement which is currently the Guarantor.

**Services Agreement** means the agreement so titled dated on or about the date of this deed between the Company, the Service Provider, the Guarantor and Man Investments Australia Limited as varied, novated, ratified or replaced from time to time or any replacement services agreement executed by the Company, a replacement service provider, the Guarantor and Man Investments Australia Limited.

**Share** means a redeemable share in the Company issued at an issue price of one Australian dollar (A\$1.00) pursuant to and as defined in the Prospectus.

**Shareholder** means any person whom the Registrar certifies to the Guarantor to be a registered holder of a Share as at the Maturity Date.

**Shareholder's Quota** means, for the purposes of determining any limitation on the liability of the Guarantor under this Deed Poll to pay the Guaranteed Amount, the following fraction:

1

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Total number of Shares held by all Shareholders at the Maturity Date

**Shares on Issue** means the number of Shares that remain unredeemed (and for this purpose redeemed Shares include Shares for which the Company has received applications for redemption and for which the Share register of the Company has been altered to show such Shares as redeemed but in respect of which the redemption moneys have not yet been paid to the entity or person seeking such redemption).

**Subscription Moneys Account** has the meaning ascribed to that term in the Services Agreement.

**Tax** includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Governmental Agency, including (without limitation) any withholding, income, stamp or transaction tax, duty or charge together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing.

**Value of the Guarantor Security Fund** means the total amount payable or received or which would have been payable or received (but for the occurrence of one or more events contemplated by paragraphs (a), (b) and (c) under clause 3) as at the

Maturity Date by or for the benefit of the Company in respect of the investments and cash comprising the Guarantor Security Fund.

## 2.2 Interpretation

In this Deed Poll:

- (a) words denoting the singular number shall include the plural and vice versa; and
- (b) reference to any deed or agreement (including this Deed Poll) is to that deed or agreement as varied, novated, ratified or replaced from time to time.

## 3 LIMITATION OF LIABILITY AND CONDITIONS

Each payment of any amount by or on behalf of the Company to or at the direction of a Shareholder or on trust for a Shareholder as and by way of or in connection with redemption of a Share held by that Shareholder (whether as a dividend immediately before redemption or as a return of capital) must be taken into account in determining the liability of the Guarantor to that Shareholder under this Deed Poll notwithstanding any subsequent setting aside of that payment by the Company to that Shareholder or requirement that that Shareholder repay any redemption moneys to the Company in each case for any reason whatsoever.

The liability of the Guarantor under the guarantee contained in this Deed Poll shall, in respect of each Share, be reduced by the Shareholder's Quota of the amount equal to the aggregate of:

- (a) any Diminution of the Value of the Guarantor Security Fund arising as a result of any Tax or the imposition or proper payment of any such Tax; and
- (b) to the extent that it is not included by reason of paragraph (a), any Diminution of the Value of the Guarantor Security Fund arising as a result of any Change of Law (and including without limitation any such Change of Law which has the consequence that the enforcement of the Indemnity or the Mortgage or both will be unlawful or impracticable which such action shall be deemed for the purposes of this paragraph (b) to have caused a Diminution of the Value of the Guarantor Security Fund to nil); and
- (c) to the extent that it is not included by reason of paragraph (b), the difference between the amount which the Guarantor would have been able to recover in enforcing the Indemnity and the Mortgage but for a Change of Law and the amount which the Guarantor in fact would be

able to recover in enforcing those instruments if it were to pay moneys pursuant to this Deed Poll,

but only to the extent that:

- (d) the Shareholder's Quota of the Reduced Value of the Guarantor Security Fund is less than the amount by which the Guaranteed Amount exceeds the Payment Amount as a result of the occurrences of the events contemplated by paragraphs (a), (b) and (c) above; and
- (e) the Diminution referred to in paragraphs (a) or (b) above or the difference referred to in paragraph (c) above is permanent in nature.

If any Diminution or difference of a kind and due to a cause referred to in paragraphs (a), (b) or (c) above occurs which is temporary in nature the Guarantor's obligations under this Deed Poll in respect of each Share are suspended to the extent specified in paragraph (d) above for so long as the Diminution or difference is in effect.

Any certificate setting out the names and addresses of Shareholders or the number of Shares registered in the name of a Shareholder given by a director or authorised signatory of the Registrar to the Guarantor in accordance with the Registrar Agreement is conclusive of those matters and the Guarantor is entitled to rely on the certificate without any further enquiry on its part.

## 4 PAYMENTS

The Guarantor may make payment under the guarantee contained in this Deed Poll by:

- (a) cheque payable to the Shareholder posted to the address of the Shareholder certified by the Registrar at the Maturity Date; or
- (b) paying into an interest free account in Australia with the Guarantor to be held on trust for the Shareholder and by notifying the Company accordingly,

and such posting to such address or payment into such account shall discharge absolutely the obligation of the Guarantor under this Deed Poll to that Shareholder.

If the Guarantor upon any Change of Law is required to deduct any amount on account of Tax from a payment made by it under this Deed Poll, the Guarantor will:

- (c) deduct that amount, and promptly remit it to the relevant Governmental Agency; and

- (d) notify the Shareholder that such payment has been made and the amount payable by the Guarantor to the relevant Shareholder under this Deed Poll will be reduced accordingly.

Under no circumstances will the Guarantor be liable to make any payment whatever under this Deed Poll before 30 days after the Maturity Date.

## 5 GENERAL

This Deed Poll may be amended by the Guarantor with the consent in writing of the Company provided that no amendment may diminish or abrogate the potential liability of the Guarantor with respect to a particular Share without the written consent of the registered holder of that Share at the time.

This Deed Poll is governed by the laws of New South Wales.

**Executed** by the Guarantor in the Cook Islands as a deed poll and delivered on 13 December 2007.

**Signed Sealed and Delivered** for and on behalf of Commonwealth Bank of Australia by its attorney (who states that he or she has no notice of the revocation of the power of attorney under which he or she so executes this deed) in the presence of:

\_\_\_\_\_  
Witness (block letters)

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Name (block letters)

\_\_\_\_\_  
Name (block letters)

\_\_\_\_\_  
Title (block letters)

# INSTRUCTIONS TO APPLICANTS

New Zealand Applicants: Please complete the application form attached to the Investment Statement.

## Instructions to applicants

The application form should be read in conjunction with the Prospectus and the accompanying 'Identification Requirements' document.

**How to apply for Shares:** Complete the application form attached to the Prospectus.

**Minimum investment:** Five thousand (5,000) Shares and thereafter in multiples of one thousand (1,000) Shares. For example if an investor wishes to apply for twenty thousand (20,000) Shares they will need to pay twenty thousand (20,000) Australian dollars.

**Method of payment:** Either:

Option 1: Cheque in Australian dollars payable to 'Man OM-IP 3Eclipse Limited' and crossed Not Negotiable.

Please attach the cheque to the bottom of page 3 of the application form; or

Option 2: Electronic funds transfer (as detailed on the back of page 2 of the application form) into the Man OM-IP 3Eclipse Limited Subscription Moneys Account with Commonwealth Bank of Australia. Please quote the AUX number located on the top right hand side of every page of the application form when transferring the funds.

Please attach a copy of the electronic funds transfer confirmation to the application form.

The Company will not accept payment from any party other than the applicant in relation to an application for Shares.

**Offer period:** Opens 11 February 2008 and closes on 11 April 2008.

**Anti-money laundering/counter-terrorism financing requirements:** Applicants should note that unless all relevant sections of the application form are completed and the client identification documents are provided and are in order, your application for Shares may be deemed incomplete.

Therefore, no allotment of Shares may take place and you may not become a Shareholder in the Company. Further, Man Investments Australia will retain your application moneys (in an Australian dollar non-interest bearing bank account) until such time as all necessary client identification documents have been received and approved.

**Reports to Shareholders:** Shareholders can elect to receive the contract note, annual report, notices of meetings and other information, such as the quarterly Strategic Investment Review, electronically. Shareholders who wish to receive information electronically should insert their email address in Part 3 of the application form and tick the boxes in Part 4.

Shareholders who elect to receive information electronically will be notified by email when the information is available on the Man Investments Australia website.

**Tax File Number:** As Man OM-IP 3Eclipse is a registered foreign company in Australia, Australian investors are not required to provide a Tax File Number.

## Sending your application form

Your completed and signed original application form and your client identification documents along with the payment for the purchase of the Shares must be sent to either:

**Man Investments Australia Limited**  
**Level 21 Grosvenor Place**  
**225 George Street**  
**Sydney NSW 2000**  
**Australia**

or

**Man Investments Australia Limited**  
**PO Box N672**  
**Grosvenor Place NSW 1220**  
**Australia**

Delays in submitting your completed original application form and your identification documents may lead to rejection of your application.

**If you have any questions or require assistance in completing the application form, please contact Man Investments Australia Client Services in Sydney on (61-2) 8259 9999 (Australia toll free 1800 222 355) or email [info@maninvestments.com.au](mailto:info@maninvestments.com.au)**



# WHAT TYPE OF APPLICANT ARE YOU?

Type of Applicant	Correct form of registration		Incorrect form of registration		Who signs (Part 6)
<b>Individual</b> Use given name(s) in full, not initials	John Alfred Citizen Complete in Part 1	✓	J.A. Citizen	✗	Individual to sign and print name
<b>Joint</b> Use given name(s) in full, not initials	John Alfred Citizen & Janet Marie Citizen Complete in Part 1	✓	John Alfred & Janet Marie Citizen	✗	Each applicant to sign and print name
<b>Superannuation Funds (all trustees to be included)</b> Use the name of the trustee(s) of the fund and insert the name of the fund	John Citizen ATF Complete in Part 1 and insert name of Superannuation Fund	✓	John Citizen Pty Ltd Superannuation Fund	✗	Each individual trustee to sign and print name and to note in writing by his/her signature that he/she signs as trustee on behalf of (insert name of Superannuation Fund)
<b>Company</b> Use company name in full with no abbreviations	ABC Pty Ltd Complete in Part 2	✓	ABC P/L or ABC Co	✗	Two directors or a director and company secretary to sign and print name unless a sole director or sole company secretary. Each must state their capacity and print their name next to their signature in Part 6.  For small private companies (eg. ABC Pty Ltd), please confirm that the signatories are the only authorised signatories for and on behalf of the company in Part 2. Otherwise, please ensure that you include an original or duly certified copy of your authorised signatory list.
<b>Trusts (all trustees to be included)</b> Use trustee(s) personal name(s) and insert the name of the trust	Penny Citizen ATF Complete in Part 1 and insert name of Trust	✓	Penny Citizen Family Trust	✗	Each individual trustee to sign and print name and to note in writing by his/her signature that he/she signs as trustee on behalf of (insert name of trust)
<b>Company Trustee</b> Use trustee(s) company name(s) and insert the name of the trust or Superannuation Fund	ABC Pty Ltd ATF Complete in Part 2 and insert name of Trust or Superannuation Fund corporation	✓	Penny Citizen	✗	Two directors or a director and company secretary to sign and print name unless a sole director or sole company secretary. Each must state their capacity and print their name next to their signature in Part 6.  For small private companies (eg. ABC Pty Ltd), please confirm that the signatories are the only authorised signatories for and on behalf of the company in Part 2. Otherwise, please ensure that you include an original or duly certified copy of your authorised signatory list.
<b>Minor (under the age of 18)</b> Use the name of the adult who signs on behalf of the minor	John Alfred Citizen ATF Complete in Part 1 and insert name of minor	✓	Peter Citizen	✗	The person who signs on behalf of the minor to sign and print their name and to note by his/her signature that he/she signs on behalf of (insert name of minor)
<b>Partnerships</b> Use partners' personal name(s)	John Citizen & Michael Citizen Complete in Part 1 and insert name of partnership	✓	John Citizen & Son	✗	Partners to sign and print name(s)
<b>Estates</b>	John Citizen ATF The Estate of the late <insert name of Estate> Complete Part 1 for individual executor(s) or Part 2 for corporate executor	✓	Estate of <insert name of Estate>	✗	The executor(s) of the Estate as appointed

PERFORMANCE	SECURITY	DIVERSIFICATION
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