

# ASPRIT

Investment by ANZ



Investing for the future

**ANZ  
Sustainable  
Protected  
Responsible  
Investment over  
Term**

ASPRIT is an investment produced by Australia and New Zealand Banking Group Limited (ANZ) which provides wholesale investors with the opportunity to capture the performance of Australia's top sustainability leaders.



Proud Member of  
**RESPONSIBLE INVESTMENT  
ASSOCIATION AUSTRALASIA**



This investment has a 6 year term and the returns are linked to the performance of the SAM Sustainability Leaders Australia Fund (SLAF), otherwise known as the SAM Australia Fund. ASPRIT is 100% principal protected by ANZ at maturity.

These are some of the corporate responsibility initiatives in which ANZ participates. Information on specific awards and recognition ANZ has received is available at [www.anz.com](http://www.anz.com)

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**Investor Benefits**

**ASPRIT is a Sustainable Responsible Investment**

ASPRIT offers investors an opportunity to benefit from the performance of companies that lead their industry peers in terms of sustainable business practices (Sustainability Leaders). These Sustainability Leaders not only manage the standard economic factors affecting their business but also integrate environmental and social factors into their business strategies.

The fund seeks to closely match the performance of The Australian SAM Sustainability Index (AuSSI) before fees and taxes. The AuSSI incorporates approximately 70 companies from the largest 200 Australian listed companies by market capitalisation and from time to time select others that lead their industry sector peers in terms of economic, social and environmental criteria.

**100% Principal Protection at Maturity**

An investment in ASPRIT is principal protected by ANZ at maturity. ANZ is rated AA by Standard and Poors and is an APRA regulated authorised deposit-taking institution (ADI). Principal protection is effected by the trustee of ASPRIT entering

**Returns from ASPRIT**

Exposure to potential capital growth, income via contingent annual distributions, and potential access to franking credits.

**Liquidity**

Liquidity is available on a weekly basis at Net Asset Value (NAV), however early redemption fees will apply.

**Performance**

Diversified exposure through the SAM Australia Fund, which has historically exhibited a strong correlation with the S&P / ASX200 Index.



**Access to leading global Sustainable Responsible Investment Manager**

Sustainable Asset Management Group (SAM) is a global pioneer in Sustainable Responsible Investment (SRI) with over A\$3 billion in funds under management.

The underlying asset of ASPRIT is the SAM Sustainability Leaders Australia Fund, which is invested according to the Australian SAM Sustainability Index (AuSSI).

into an agreement with ANZ under which the trustee has the right to require ANZ to purchase units from the Fund for a stated price at maturity (subject to any market adjustments necessary). The trustee of ASPRIT has also entered into a Capital Protection Deed with ANZ, whereby ANZ will provide a dynamic management investment mechanism known as Constant Proportion Portfolio Insurance throughout the life of the investment.

Historically, the SAM Australia Fund has shown an average annual total return of 12.8% pa (excluding the value of franking credits) since inception on 14 November 2001, until 30 June 2006.

Please note that past performance, including variability of the return and the correlation with the S&P / ASX 200 Index, should not be taken as an indicator or predictor of future performance.



SAM Australia Fund has been certified by the Responsible Investment Association Australasia according to the strict disclosure practices required under the SRI Certification Program. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org) for details.

## What is the ASPRIT?

The ASPRIT investment is a 6\* year investment providing principal protection from ANZ at maturity.

This 6\* year investment seeks to provide investors with returns in the form of both income and capital, which is linked to the performance of the Australian equities asset class, with the safety net of 100% principal protection at maturity.

Furthermore, as the ASPRIT uses the SAM Australia Fund as the underlying fund for its returns, investors gain exposure to the performance of approximately 70 leading Australian companies based on sustainability criteria, as defined by the AuSSI.

ASPRIT employs a dynamic management investment mechanism known as Constant Proportion Portfolio Insurance (“CPPI”) to provide principal protection at maturity. Capital is invested in the SAM Australia Fund and cash instruments.

The allocation between these assets is actively managed depending on the performance of the SAM Australia Fund.

## What fees do I pay?

The ASPRIT Investment charges a Protection Fee of 1.25% of NAV per annum (note this fee will be reduced to 0.50% p.a. if a Strategy Deleverage Event occurs), and a Portfolio Management Fee of 0.70% p.a. (payable to the Responsible Entity, Vanguard Investment Australia Ltd.).

## What is the SAM Australia Fund?

The SAM Sustainability Leaders Australia Fund, otherwise known as the SAM Australia Fund, seeks to capture the performance of the AuSSI after fees and taxes. SAM believes that the Fund will moderately outperform the broader Australian share market over the long term by adopting the following process

- The 200 largest Australian listed companies by market capitalisation and select others are assessed annually using SAM Group’s industry sector specific sustainability questionnaires. Companies are assessed according to general and industry specific environmental, social and economic performance criteria.
- Portfolio construction rules are applied to derive a listing of approximately 70 industry sector leaders to be incorporated in the AuSSI index and hence in the SAM Australia Fund that tracks the AuSSI index.
- Allocations to the sector leaders are determined using an optimisation approach that reduces industry and market capitalisation biases.



- These results are used by SAM Group to generate an initial sustainability score.
  - Further media and stakeholder analysis is conducted by the SAM Group. Initial scores are adjusted accordingly and in some cases companies are determined as unsuitable for inclusion in the listing of sustainability leaders.
  - Securities held are continuously monitored. They can be removed from the AuSSI and the SAM Australia Fund between the annual questionnaire assessments based on either corporate actions or sustainability concerns.
- Vanguard, as the responsible entity, is solely responsible for the management of the SAM Australia Fund.

\* Standard term. Can be altered for individual series mandate.

## Who is SAM?

Sustainable Asset Management (SAM) is an independent Swiss-based asset management firm with international operations, specialising in the implementation of sustainability-driven investment strategies for private and institutional investors. SAM bases its work on its proprietary research, as well as on the knowledge and expertise of a worldwide network of sustainability advisors.

SAM's customers include major banks, global insurance companies, large pension funds and private clients. Founded in 1995, SAM currently employs 60 people located in Switzerland, USA, Germany, Sweden, Italy and Australia.

This proprietary system also serves as the basis for the world's first sustainability stock index family, the Dow Jones Sustainability Indexes (DJSI), developed by SAM in cooperation with the leading index provider, Dow Jones & Company.

## Milestones

- Founded in 1995
- Launched first investment fund, Sustainable Performance Group, in 1997
- Launched Dow Jones Sustainability World Index in 1999
- Launched SAM Sustainable Leaders Fund in 1999
- Launched first sustainability



SAM Research AG specialises in analysis based on the SAM Corporate Sustainability Assessment.

In order to be able to offer Australian investors a managed investment scheme focussing on domestic sustainability leaders, the SAM Corporate Sustainability Assessment has been extended to the largest two hundred Australian companies listed on the Australian Stock Exchange (ASX).

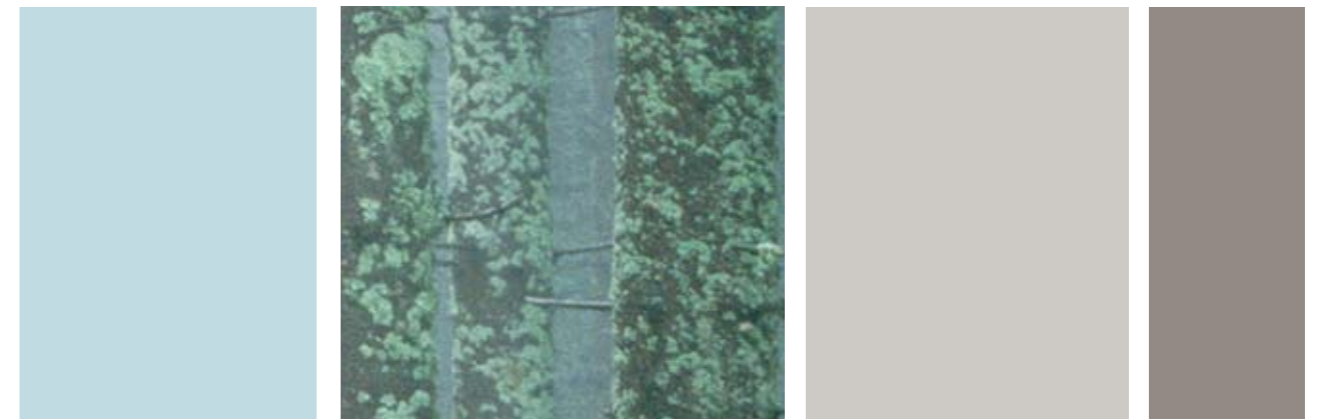
theme fund, SAM Sustainable Water Fund in 2001

- Launched SAM Sustainability Leaders Australia Fund in 2001
- Robeco Group, wholly owned by Rabobank, purchase majority stake in SAM Group in December 2006

## ASPRIT – Investment Performance

This investment will pay contingent annual distributions of one half of positive NAV performance on the investment throughout the life of the investment and, at maturity, the NAV or the issue price (whichever is the greater). Contingent annual distributions are capped at 10% per annum, with any positive NAV performance in excess of 10% per annum retained in the investment.

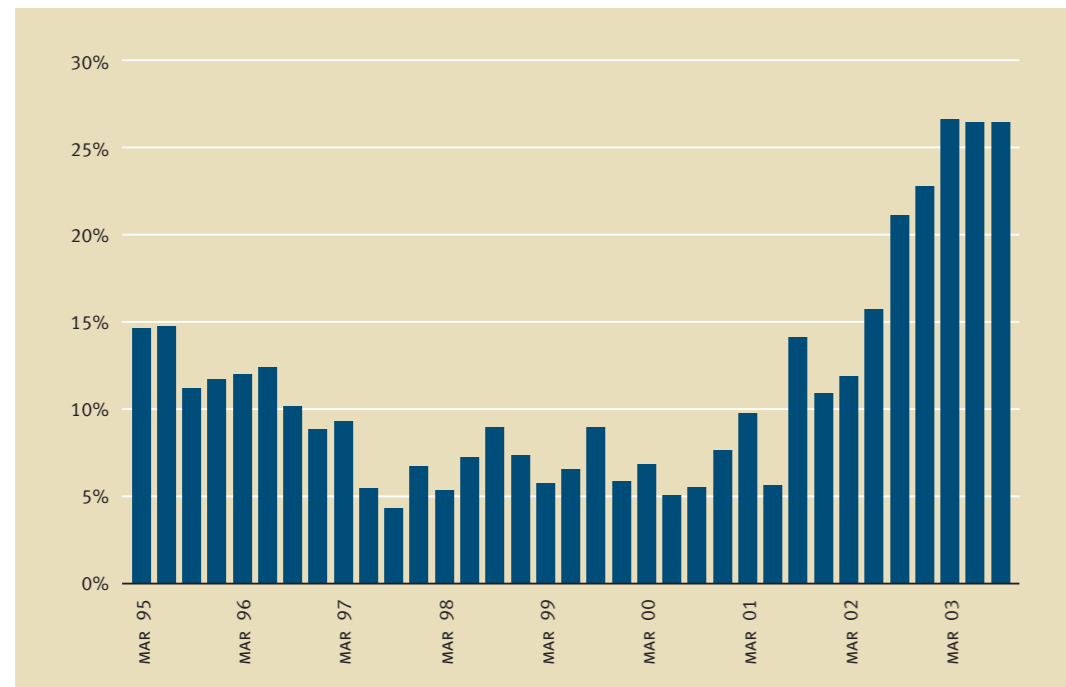
The SAM Australia Fund has closely tracked the performance of the benchmark S&P / ASX 200 Index before fees and taxes since its inception in November 2001. Please note that past performance should not be taken as an indicator or predictor of future performance.



Australian equities as an asset class, have provided average total returns of 14.9% pa over the period March 1995 to September 2006, with an annual standard deviation of 11% pa over the same time period. Naturally, investors should not look at average returns in isolation, but also in the context of the investment risk, and the individual investor's level of risk appetite.

## 10 Year Performance Modelling

The following chart demonstrates the “back-tested” annual total returns of ASPRIT to the investor, based on historical performance of the S&P / ASX 200 Index over the past 10 years. Returns shown are gross of franking credits and net of all fees.



### Important Notes:

The SAM Australia Fund has been operating since November 2001. To give a longer term view of the possible investment performance of ASPRIT, the investment has been “back-tested” using ten years of ASX 200 returns as a proxy for the SAM Australia Fund performance. These returns are not the actual returns of the ASPRIT investment but are the “modelled” returns which would have been achieved using the same investment management trading rules, market prices and assuming zero tracking error between ASX 200 and SAM Australia Fund.

Please note that past performance, including the return variability and correlation with the S&P/ASX 200 Index, should not be taken as an indicator or predictor of future performance. The assumptions underlying the calculations for the above table are market interest rates (Australia Dollar swap curve), historical daily unit prices for the ASX 200, historical distributions and franking credits paid by the ASX 200, and net of the ASPRIT protection fee of 1.25% per annum.

The annualised returns are calculated over the full six year investment. The returns achieved may be significantly different if the investment was not held until maturity. Where the start date of the investment is less than six years from the final measurement date the return shown is an annualised return calculated for the partial investment term.

## Enhanced returns for tax exempt organisations

Despite the fact that Superannuation pension funds are tax-exempt, tax efficiency plays an important part in enhancing returns from investments. Superannuation pensions for owners over 60 are eligible to receive a cash rebate for the franking credits returned by many Australian shares. This can add up to 42% to the income available for distribution depending on the construction of the investment portfolio.

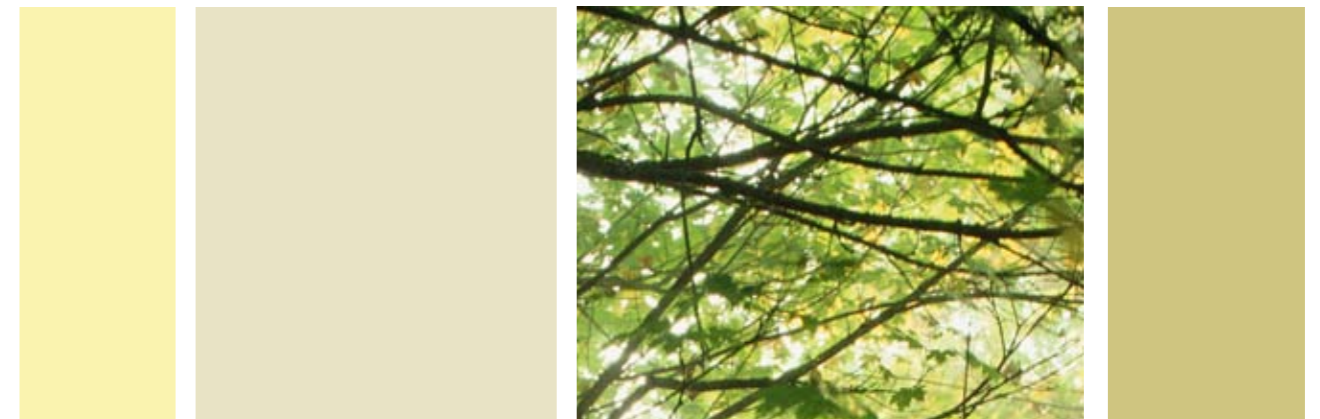
In many instances, a portfolio offering a cash yield of 4% - 5% will enjoy a franking credit of an additional 1% - 2% of income, tax free for a Superannuation pension fund - this compares very favourably with current fixed interest returns.

### Why should I invest in ASPRIT?

- Sustainable Responsible Investment
- Exposure to Australian equities returns, with the safety net of principal protection at maturity
- Liquidity (early redemption fees apply)
- Potential Income distributions of up to 10% per annum
- Potential benefit of franking credits (investor must be able to use franking credits)

### Who should look to invest?

- Local councils
- Health sector
- Aged care
- Insurance companies
- Credit unions
- Educational institution
- Water authorities
- Government organisations
- Not-for-profits
- Charitable organisations
- Associations
- Long service leave funds
- Industry funds
- High net worth individuals
- Corporates
- Self-managed super funds



Further, from time to time companies conduct off-market buybacks that are structured to include a large franked distribution. Access to the franking credits associated with these off-market buybacks by Superannuation pension funds can provide returns significantly in excess of those able to be achieved by taxpayers or zero taxpayers who do not have access to franking credits.

## Where do I get more information?

The offer is open to wholesale investors and the minimum investment amount is \$100,000. Your ANZ relationship manager will be happy to discuss this offer with you in more detail.

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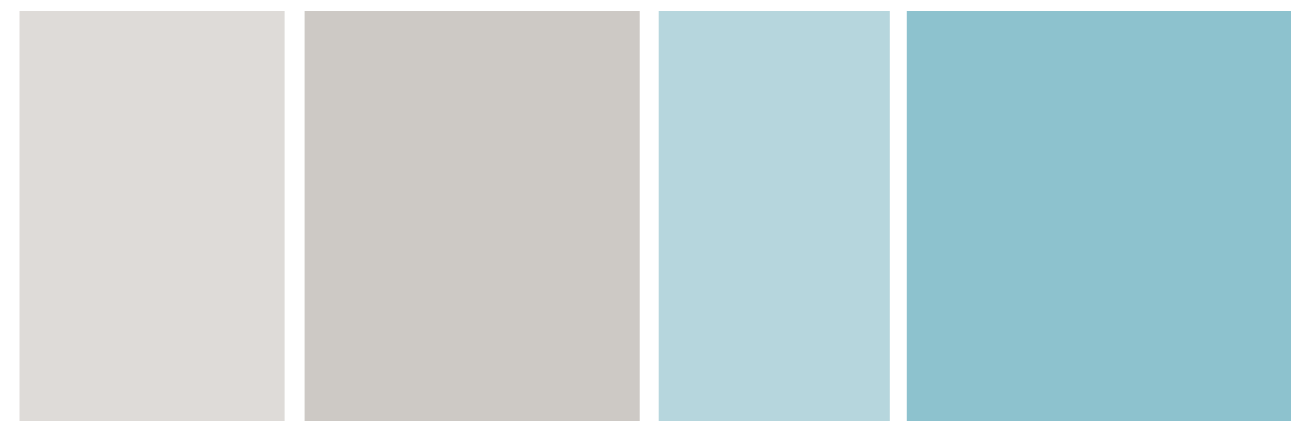
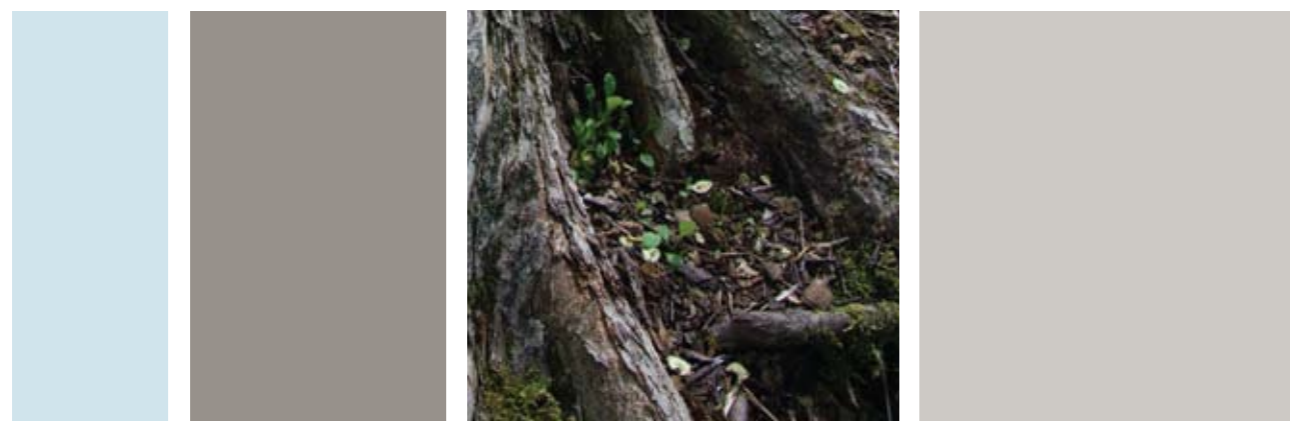
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ANZ may hold the ASPRIT Units if issued.

ANZ may also provide debt, treasury, and other services to the ANZ Sustainable Protected Responsible Investment Trust. These services are provided in various capacities as a third party. ANZ may act if necessary to protect its interests ahead of those of investors and other parties. In acting in its various capacities, ANZ will only have the duties and responsibilities expressly agreed by it in the relevant capacity and will not, by virtue of acting in any other capacity, be deemed to hold any differing standard of care.

### The SRI Symbol & Certification Program:

The SAM Sustainability Leaders Australia Fund, otherwise known as the SAM Australia Fund, has been certified by the Responsible Investment Association Australasia (RIAA) under the strict disclosure practices required under the SRI Certification Program. The SAM Australia Fund is now licensed to use the SRI Symbol which signifies that it is an investment product that takes environmental, social, ethical or governance considerations into account along with financial returns. Developed in response to investor requests for help in making more informed choices, the SRI Symbol and SRI Certification Program promotes consistent, standardised disclosure and education about Sustainable Responsible Investment and Ethical Investment. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org)



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