



**ANZ Cash Plus Fund**  
ARSN 088 880 906

**Meeting Pack**

Including Notice of Extraordinary General Meeting, Explanatory  
Memorandum and draft Supplemental Deed

Meeting to be held at:

**1:30pm on Wednesday 4 February 2009**

at

**Sofitel Sydney Wentworth  
Level 3  
Brisbane Room  
61-101 Phillip Street  
Sydney NSW 2000**

## Important dates

Deadline for lodgement of proxies

1:30pm, Monday 2 February 2009

Meeting of Members

1:30pm, Wednesday 4 February 2009

## Important information

### **THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

You should read this document in its entirety and consult your professional adviser if you have any queries.

## Date

This document is dated 12 January 2009. It is issued by ING Funds Management Limited (INGFM) ABN 21 003 002 800.

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# 1 Chairman's letter

Dear Member,

I am writing to you with details of the Extraordinary General Meeting (the **Meeting**) of Members of the ANZ Cash Plus Fund (the **Fund**) to be held at **1:30pm on Wednesday 4 February 2009**.

INGFM has been considering various options for the continuing management of the Fund which will provide flexibility to allow Members to redeem, whilst protecting the interests of Members who do not wish to redeem.

INGFM has now developed a number of proposals for all Members to consider and vote on, so that they can have their say on the continuing management of the Fund.

You will find in this Meeting Pack, a Notice of Extraordinary General Meeting, an Explanatory Memorandum which explains the proposed amendments to the Fund's Constitution and a draft Supplemental Deed containing those amendments. For your information, in addition to the Meeting Pack, an Investment Report for the Fund is included.

As you are aware, applications and redemptions in the Fund have been temporarily suspended. INGFM took this step in the interests of Members of the Fund in response to unprecedented conditions in financial markets. You need to note that there is uncertainty relating to the effectiveness of the temporary suspension which I refer to on the next page of this letter.

## Why change the Constitution?

INGFM believes the current Constitution does not provide enough flexibility to continue to manage the Fund in the best interests of Members, especially in a time of unprecedented market conditions, including low liquidity in the markets in which many Fund assets are traded.

If the Special Resolutions are passed by Members, the amended Constitution will give INGFM the ability to manage the Fund more effectively in varying market conditions. There are two Special Resolutions being put to Members:

- The first Special Resolution includes proposed amendments that will enable the introduction of periodic redemptions, up to a limited number of units on issue in the Fund, and it aims to reduce the impact of redemptions on Members who do not redeem their units. This Special Resolution will also enable the introduction of periodic applications for units.
- The second Special Resolution includes proposed amendments to specify when redemptions must be paid and to expand when and for how long INGFM may suspend (delay) the redemption of units.

INGFM expects that the proposed amendments above will only be utilised during periods of market uncertainty, including the current period, and we anticipate being able to return to operating under the existing provisions in the Constitution (which allow for daily unit pricing and redemptions) when markets stabilise and INGFM considers that it is in the best interests of Members to do so.

Each Special Resolution also includes proposed amendments that will enable the processing of in specie transfers during the periodic redemption and application periods, as well as during periods when redemptions are suspended.

### **Investment strategy, objectives & credit rating**

Importantly, you should note that the Fund continues to be managed according to its stated investment strategy and objectives, and recently had its credit rating re-affirmed. For your information, enclosed is an Investment Report for December 2008 which provides an update on the Fund's performance, asset allocation and market outlook.

### **What you need to do**

You should read the Meeting Pack in its entirety and consider each proposed amendment to the Constitution carefully. The proposed amendments substantively affect both INGFM's powers and rights as Responsible Entity of the Fund, and your rights as a Member, and you now have the opportunity to vote on the proposed amendments.

You can cast your vote at the Meeting on Wednesday 4 February 2009. Alternatively, you may vote by proxy, or appoint a representative to attend and vote on your behalf. Sections 2.9 and 3 include instructions on how to vote, a proxy form, and a form for the appointment of a body corporate representative.

For the Constitution to be amended as proposed, the Special Resolutions are required to be passed. This means that at least 75% of votes cast by the Members of the Fund who are entitled to vote must be in favour of each Special Resolution. A separate poll will be held for each of the two Special Resolutions proposed and section 2.6 provides information about what will happen if the proposed amendments are not passed.

### **Recommendation**

**The Directors of ING Funds Management Limited believe the proposed amendments are in the best interests of Members and recommend you vote in favour of both Special Resolutions.**

### **Uncertainty relating to temporary suspension**

In addition to urging you to consider this Meeting Pack in its entirety, I would like to bring to your attention that there is an issue as to whether the amendment to the Fund's Constitution on 27 November 2008 was effective. INGFM proposes to commence proceedings as soon as practicable in the Supreme Court of New South Wales seeking declarations as to the validity of that amendment and/or judicial advice in that regard. This affects redemption requests received between 27 November 2008 and 24 December 2008. A new amendment was lodged by INGFM on 24 December 2008. Please refer to section 2.3 of the Explanatory Memorandum for details.

### **Any questions?**

If you have any questions prior to the Meeting or would like to view a copy of the Fund's Constitution, please call Craig Francis on (02) 9234 8637.

Yours faithfully



Graham Meyer  
Chairman  
ING Funds Management Limited

## 2 Explanatory memorandum

### 2.1 Introduction

In response to unprecedented market conditions, INGFM as Responsible Entity of the Fund, amended the Constitution<sup>1</sup>. The effect of those amendments was to:

- suspend redemptions and applications for units received during a specified suspension period; and
- require a Meeting of Members to be held by 11 February 2009, to consider Special Resolutions (within the meaning of the Corporations Act 2001) to modify the Constitution and to consider other resolutions as appropriate.

Accordingly, this Meeting Pack:

- convenes the Meeting;
- summarises the proposed amendments to the Constitution (section 2.2); and
- includes a draft Supplemental Deed setting out those proposed amendments.

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<sup>1</sup> An issue has arisen about the effectiveness of this amendment. Please refer to section 2.3 for details.

## 2.2 Summary of proposed amendments

Two Special Resolutions to amend the Constitution will be considered at the Meeting. An overview of the Special Resolutions appears in this section 2.2. Members should refer to the Fund's Constitution and the draft Supplemental Deed to understand the full effect of the proposals. Please also refer to the 'Questions and answers' at section 2.8 for further clarification.

### Special Resolution 1 Periodic Processing Periods

This Special Resolution seeks to:

- allow INGFM to introduce Periodic Processing Periods for applications and redemptions from time to time; and
- provide INGFM the discretion to allow redemption requests to be satisfied by an in specie transfer of assets during Periodic Processing Periods or where redemptions are otherwise suspended (INGFM may already do this at other times).

**Note:** This regime will not replace the existing provisions of the Constitution relating to processing and pricing applications and redemptions. Rather, these provisions create an alternative regime that INGFM can draw on when in the best interests of Members. For example, the provisions can allow INGFM to process redemptions and/or applications on a monthly basis at times (including times of market uncertainty such as the current market conditions), and allow INGFM to return to daily processing and pricing at the end of such a period when it is in the best interests of Members to do so.

#### Periodic redemptions

Under this proposal, INGFM will have discretion to determine that a Periodic Processing Period is to apply for a certain time. During such a time, INGFM may implement individual Lodgement Periods of any duration (for example, monthly). For Lodgement Periods, all redemption requests received before a specified cut-off time will be processed together and will receive the redemption price generally calculated as at the end of the following Lodgement Period. This is generally after the cut-off time of the following Lodgement Period (for example, a redemption request received before 4:00pm on 20 April would generally receive the next price calculated as at close of business on 20 May)<sup>2</sup>.

#### Price of periodic redemptions

The price at which units are redeemed for cash (rather than by in specie transfer) during a Periodic Processing Period will be an adjusted redemption price. It will be calculated in a way that is different to the way in which redemption prices are calculated under the existing provisions of the Constitution. The differences include:

- the net trust value will be adjusted to include the difference in INGFM's last value of the assets realised to pay redemptions (including any cash withdrawals from the Fund's bank accounts), and the realisation proceeds in respect of the assets that are realised (**Adjustment Amount**);
- it will be calculated as at a later point in time than would otherwise be the case; and
- it will be adjusted by multiplying the adjusted net trust value by 100% minus a factor (referred to as an '**Adjustment Factor**') for the applicable Lodgement Period.

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<sup>2</sup> This example assumes that:

- the Lodgement Period during which the redemption request is received ends on 20 April;
- the subsequent Lodgement Period is also a period of one month;
- the cut-off time of each Lodgement Period is 4.00pm on the last day of that Lodgement Period;
- redemption requests for the Lodgement Period do not exceed the Gate; and
- INGFM calculates the net trust value at close of business on 20 May.

The Adjustment Factor for a Lodgement Period will be a percentage determined by dividing:

- the Adjustment Amount for the Lodgement Period; by
- the aggregate of INGFM's last value of the assets realised to pay redemption requests for the Lodgement Period (including any cash withdrawals from the Fund's bank accounts).

### **Gate on periodic redemptions**

A limit on the number of units that can be redeemed for any given Lodgement Period will apply. This is referred to as a 'Gate' and is proposed to be inserted to enable INGFM to more effectively manage any asset sales to pay redemptions. The size of the Gate may be determined and altered by INGFM up to the time as at which the redemption price is calculated for a Lodgement Period.

### **Cancellation of redemption requests**

Under the proposed amendments, if INGFM estimates that the Adjustment Factor for the Lodgement Period is likely to be substantially different to a factor or a range of factors previously estimated by INGFM, INGFM will have the right to cancel (and so void) all redemption requests for the Lodgement Period.

In general, a redemption request received after the commencement of a Periodic Processing Period will also be void if it is:

- received prior to the determination of the first Lodgement Period for that Periodic Processing Period; or
- not satisfied before the termination of the Fund.

### **Periodic applications**

The Periodic Processing Periods work in much the same way for applications, although no limit applies to the number of units that may be issued. Any applications accepted by INGFM before the cut off time during a Lodgement Period may be 'batched' and processed together. The issue price applying to a Lodgement Period will generally be determined after the end of the following Lodgement Period. Like redemption prices, the issue price will be based on a net trust value adjusted to include an Applications Adjustment Amount. The issue price can be adjusted by multiplying the adjusted net trust value by 100% minus an Applications Adjustment Factor calculated by INGFM for the applicable Lodgement Period. The Applications Adjustment Factor applied in calculating the issue price may be in the range of 0% - 100% of the Adjustment Factor applied in calculating the redemption price for the same Lodgement Period.

There will be no reinvestments of distributions during any Periodic Processing Period.

### **Satisfaction of redemptions by an in specie transfer of assets**

This proposed amendment provides INGFM a discretion to allow satisfaction of redemption requests by an in specie transfer of assets while redemptions are suspended or during a Periodic Processing Period, provided certain criteria are satisfied.

### **Some more information on Special Resolution 1**

The following table sets out more information about the amendments to the Constitution proposed to be made by Special Resolution 1. The full text of the proposed amendments is set out in clause 2 of the draft Supplemental Deed included in the Meeting Pack.

Feature	Clause(s)* amended	Proposed Amendment
Periodic Processing Period	<ul style="list-style-type: none"> <li>• 9A - 9D (new)</li> <li>• 10A</li> <li>• 10AA - 10AG (new)</li> <li>• 31</li> <li>• relevant definitions in 47</li> </ul>	<p>The main features of the proposed Periodic Processing Periods are as follows:</p> <ul style="list-style-type: none"> <li>• INGFM may determine from time to time that a Periodic Processing Period is to apply [(clause 10AE)]<sup>3</sup> in which case: <ul style="list-style-type: none"> <li>• periodic redemption provisions apply in place of the existing provisions in the second sentence of clause 10A (which deals with the pricing of redemptions)[(clause 10AA)]; and</li> <li>• periodic application provisions apply in place of clause 9 (which deal with the calculation of the issue price). If INGFM does not receive the application money for Units the application is taken to be rejected. [(clause 9A)].</li> </ul> </li> <li>• during a Periodic Processing Period, INGFM may determine one or more Lodgement Periods (which may be any duration, for example one month)[(definition of Lodgement Period)];</li> </ul> <p><b>Redemption and Application Prices</b></p> <ul style="list-style-type: none"> <li>• valid redemption requests and applications received (and in the case of applications, accepted) in a Lodgement Period before a cut-off time (4:00pm on the last business day of the Lodgement Period unless INGFM determines otherwise) will generally receive the price calculated as at the next Valuation Time after the cut-off time of the following Lodgement Period or, if there is no subsequent Lodgement Period, the next Valuation Time after 4:00pm on the last business day of the period that is one month after the Lodgement Period).[for redemptions clauses 10AC and 10AD; for applications clauses 9C and 9D)]. Redemptions may be subject to a Gate (see below);</li> <li>• the redemption price will be calculated as summarised above in 'Price of periodic redemptions' on page 6 [clause 10AB] and the issue price will be calculated as summarised above in 'Periodic applications' on page 7 [clause 9B];</li> <li>• the Applications Adjustment Factor may be in the range of 0% to 100% of the Adjustment Factor applied to calculate redemption prices for redemption requests received in the same Lodgement Period [(clause 9B)].</li> </ul> <p><b>Redemption Gate</b></p> <ul style="list-style-type: none"> <li>• redemptions by all Members for any given Lodgement Period (excluding in specie transfers) may be subject to a limit or Gate. The Gate will be 5% (or such other percentage determined by INGFM from time to time) of the</li> </ul>

<sup>3</sup> These clause references have been included to assist Members and their advisers.



Feature	Clause(s)* amended	Proposed Amendment
		<p>number of units on issue in the Fund as at the cut-off time on the last business day of the relevant Lodgement Period (or such other time determined by INGFM) and will be rounded down to the nearest whole number of units [(clause 10AG; definitions of Gate and Gate Percentage)];</p> <ul style="list-style-type: none"> <li>where the aggregate number of units that are the subject of all valid redemption requests received by INGFM for a Lodgement Period exceeds the Gate, a valid redemption request will be satisfied proportionately by multiplying the Gate by the fraction obtained by dividing the number of units requested to be redeemed under the redemption request by the total number of units requested to be redeemed under all of those valid redemption requests. The proportion will be rounded down to a whole number of units for each redemption request. The remaining proportion of each Member's redemption request is void and taken to have been withdrawn [(clause 10AG)], unless the redemption request was received before the Periodic Processing Period.</li> </ul> <p><b>Cancellations</b></p> <ul style="list-style-type: none"> <li>any redemption request received <u>before</u> a Periodic Processing Period that has not been satisfied may only be redeemed under the periodic processing provisions [clause 10AA]. However, it may be withdrawn before the commencement of the first Lodgement Period by the Member giving notice to INGFM [clause 10AF]. If it is not withdrawn and is partially satisfied by the Gate, the balance of the redemption request will be carried forward [(clause 10AG)];</li> <li>any redemption request received <u>during</u> a Periodic Processing Period: <ul style="list-style-type: none"> <li>a) before the determination of the first Lodgement Period for the Periodic Processing Period; or</li> <li>b) where, prior to the time as at which INGFM calculates the redemption price for the redemption request, INGFM has made a determination to cancel redemption requests in the circumstances described on page 7 under the heading "Cancellation of redemption requests"; or</li> <li>c) that has not been satisfied prior to the termination of the Fund under clause 23,</li> </ul> <p>will be void and deemed to be withdrawn. [(clause 10AF)].</p> <p><b>Time for Payment</b></p> <ul style="list-style-type: none"> <li>a valid redemption request received before a cut-off time in a Lodgement Period must, if Special Resolution 2 is passed, generally be paid within 30 days of lodgement of the redemption request (or if later, deemed lodgement) or</li> </ul> </li></ul>

Feature	Clause(s)* amended	Proposed Amendment
		<p>such longer period as allowed by clause 10A [(clause 10A)] (The exception is where a redemption request is to be satisfied by an in specie transfer of assets under new clause 10AH).</p> <p><b>Outside a Periodic Processing Period</b></p> <p>Outside a Periodic Processing Period, the current redemption provisions (as amended by Special Resolution 2, if passed) (clauses 10A and 10B) and the current application provisions (clause 9) will again apply (subject to INGFM exercising any suspension powers) [(clauses 9A and 10AA)].</p>
In specie transfers	10AH (new)	<p>Under proposed new clause 10AH, INGFM may during a Periodic Processing Period, or any period in which it suspends the redemption of units, permit a Member to redeem some or all of their units via an in specie transfer of assets of the Fund.</p> <p>The factors that INGFM must take into account are:</p> <ul style="list-style-type: none"> <li>a) whether the redemption request is in respect of the sufficient number of units that will allow the assets to be transferred to represent a representative sample of the assets;</li> <li>b) the value and quality of the assets likely to be remaining in the Fund immediately after satisfying that request and any other requests for redemption by way of transfer of assets at or around the same time; and</li> <li>c) the other consequences for Members who will continue to hold units after those requests are satisfied.</li> </ul>

\* References are to clauses as originally numbered in the Fund's current Constitution except for new clauses indicated by '(new)'.

### Key Advantages and Disadvantages of Special Resolution 1

INGFM considers that the key advantages and disadvantages of Special Resolution 1 include:

Feature	Key Advantages	Key Disadvantages
Periodic Processing Period	<ul style="list-style-type: none"> <li>Allows a more orderly sale of assets to fund redemption requests, rather than a forced sale.</li> <li>Provides fairer treatment of Members.</li> <li>The aim of the Adjustment Factor is to manage the impact of redeeming Members on Members who do not redeem.</li> <li>Provides Members with access to liquidity.</li> <li>Provides Members with more flexibility to redeem their units than either a termination of the Fund or a general suspension.</li> </ul>	<ul style="list-style-type: none"> <li>Members may be limited in the number of units they may redeem at any time.</li> <li>There may be times where no Lodgement Period operates, limiting Members' access to their investments.</li> <li>INGFM may cancel all redemptions during a Lodgement Period in certain circumstances, or adjust the level of the Gate before redemptions are processed.</li> <li>The actual Adjustment Factor applied is not known until Members are committed to the redemption.</li> </ul>

Feature	Key Advantages	Key Disadvantages
	<ul style="list-style-type: none"> <li>The ability to adjust the Gate or cancel the redemption requests may assist in protecting Members from excessive adjustment factors that are outside of the expected range.</li> <li>Redemption requests received before the Periodic Processing Period that have not been satisfied may be withdrawn. If they are not withdrawn, the redemption price will be subject to the Adjustment Factor and this manages the impact of redeeming Members on Members who do not redeem.</li> </ul>	<ul style="list-style-type: none"> <li>Redemption requests received before the Periodic Processing Period that have not been satisfied may receive a lower redemption price than they would had the Periodic Processing Period not commenced and their redemption will be further delayed.</li> </ul>
In specie transfers	<ul style="list-style-type: none"> <li>INGFM will have greater flexibility to meet redemption requests.</li> <li>Members will be able to request the redemption of some or all of their units via an in specie transfer in certain circumstances.</li> <li>Members with larger investments may exit the Fund in a way that does not require the sale of assets where there might be unstable market conditions.</li> <li>Members with smaller holdings may not be impacted to the extent they would be by Members with larger holdings who would otherwise redeem wholly in cash.</li> </ul>	<ul style="list-style-type: none"> <li>In general, INGFM anticipates that in specie redemption requests will only be permitted if a Member redeems a relatively large holding.</li> <li>Departing Members will take their proportion of the Fund's cash as part of the in specie transfer of assets.</li> <li>Large asset transfers will decrease the overall size of the Fund, which in some cases may be subsequently detrimental to remaining Members.</li> </ul>
Generally in relation to Special Resolution 1	<ul style="list-style-type: none"> <li>Special Resolution 1 will give INGFM the ability to manage the Fund more effectively in varying market conditions.</li> <li>INGFM's powers must be exercised in the best interests of Members.</li> </ul>	<ul style="list-style-type: none"> <li>There will be some uncertainty for Members regarding applications and redemptions during the Periodic Processing Period.</li> <li>The exercise of INGFM's powers may result in disadvantages for individual Members in certain circumstances.</li> </ul>

## Special Resolution 2: Increasing suspension powers

This Special Resolution seeks to:

- require INGFM to pay a redemption request within 30 days of lodgement subject to providing INGFM discretion to defer the payment (currently the Constitution doesn't specify a period);
- expand when and for how long INGFM may suspend (delay) the redemption of units and so suspend the time as at which redemption prices are calculated; and
- provide INGFM the discretion to allow redemption requests to be satisfied by an in specie transfer of assets during periods of suspension (INGFM may already do this at other times).

## Some more information on Special Resolution 2

The following table sets out more information about the proposed amendments to the Constitution to be made according to Special Resolution 2. The full text of the proposed amendments is set out in clause 3 of the draft Supplemental Deed included in the Meeting Pack.

Feature	Clause(s) amended*	Proposed Amendment	Reason for Proposed Amendment
Specifying the time for paying redemption requests	10A	INGFM must pay the redemption price for a redemption request within 30 days of lodgement. INGFM may defer payment of a redemption price in respect of a redemption request if it considers that in the circumstances it is not in the best interests of Members for it to make the payment. The period allowed for payment of the redemption price may be extended by the number of days determined by INGFM to be in the best interests of Members.	The existing redemption power does not specify a time for payment of redemption requests.
Deferral of time as at which redemption prices are calculated	11	Under the proposed amendment, INGFM may: <ul style="list-style-type: none"> <li>at any time, suspend the redemption of units in the Fund if it considers it is in the best interests of Members;</li> <li>defer the time as at which a redemption price is calculated; and</li> <li>suspend the redemption of units in respect of any redemption request that under any other provision of the Constitution is deemed to be lodged at a time after it was actually received.</li> </ul>	The existing suspension power under the Constitution (clause 11) is limited in its flexibility in that: <ul style="list-style-type: none"> <li>it only applies where it is impracticable for INGFM to calculate the net trust value, because of closure of, or trading restrictions on, stock or securities exchanges, an emergency or other state of affairs; or on declaration of a moratorium in a country where the Fund invests or under the Corporations Act 2001; and</li> <li>it only provides a maximum extension to the usual payment period of up to a further 30 days.</li> </ul>
In specie transfers	11A (new)	Under proposed new clause 11A, INGFM may at its discretion, at any time where clause 11 applies, permit a Member to redeem some or all of their units via an in specie transfer of assets of the Fund.  This proposed clause is similar to the proposed new clause 10AH	This amendment will allow Members to request the redemption of some or all of their units via an in specie transfer in certain circumstances. This will allow INGFM to meet redemption requests during periods of suspension. Existing clause 10A allows for in specie transfers, but

Feature	Clause(s) amended*	Proposed Amendment	Reason for Proposed Amendment
		described in the explanatory table for Special Resolution 1 on page 10.	<p>not in these circumstances and not in this manner.</p> <p>INGFM anticipates that in specie redemption requests will generally be permitted only if a Member redeems a relatively large holding. Please also refer to the 'Questions and answers' in section 2.8 for further clarification.</p>

\* References are to clauses as originally numbered in the Fund's current Constitution except for proposed new clauses indicated by '(new)'.

## Key Advantages and Disadvantages of Special Resolution 2

INGFM considers that the key advantages and disadvantages of Special Resolution 2 include:

Feature	Key Advantages	Key Disadvantages
Specifying the time for paying redemption requests	<ul style="list-style-type: none"> <li>INGFM must pay a redemption within 30 days of lodgement unless it considers it not in the best interests of Members to do so.</li> </ul>	<ul style="list-style-type: none"> <li>Payment of redemptions may take longer than under normal conditions.</li> </ul>
Deferral of time as at which redemption prices are calculated	<ul style="list-style-type: none"> <li>INGFM may suspend the redemptions of units if it is determined that this is in the best interests of Members.</li> </ul>	<ul style="list-style-type: none"> <li>Members may not have certainty about when they will receive their redemption proceeds.</li> <li>Payment of redemptions may take longer than under normal conditions.</li> </ul>
In specie transfers	<ul style="list-style-type: none"> <li>INGFM will have greater flexibility to meet redemption requests.</li> <li>Members will be able to request the redemption of some or all of their units via an in specie transfer in certain circumstances.</li> <li>Members with larger investments may exit the Fund in a way that does not require the sale of assets where there might be unstable market conditions.</li> <li>Members with smaller holdings may not be impacted to the extent they would be by Members with larger holdings who would otherwise redeem wholly in cash.</li> </ul>	<ul style="list-style-type: none"> <li>In general, INGFM anticipates that in specie redemption requests will only be permitted if a Member has a relatively large holding.</li> <li>Departing Members will take their proportion of the Fund's cash as part of the in specie transfer of assets.</li> <li>Large asset transfers will decrease the overall size of the Fund, which in some cases may be subsequently detrimental to remaining Members.</li> </ul>
Generally in relation to Special Resolution 2	<ul style="list-style-type: none"> <li>Special Resolution 2 will give INGFM the ability to manage the Fund more effectively in varying market conditions.</li> </ul>	<ul style="list-style-type: none"> <li>There will be uncertainty for Members regarding the time as at which redemption prices are calculated and redemptions are paid.</li> </ul>

Feature	Key Advantages	Key Disadvantages
	<ul style="list-style-type: none"> <li>INGFM's powers must be exercised in the best interests of Members.</li> </ul>	<ul style="list-style-type: none"> <li>The exercise of these powers may result in disadvantages for individual Members in certain circumstances.</li> </ul>

## 2.3 Uncertainty relating to the temporary suspension period

There is an issue that affects when the existing temporary suspension period for the Fund commenced. This is relevant to any redemption requests received by INGFM between 1:42pm on 27 November 2008 and 3.20pm on 24 December 2008.

At 1:42pm on 27 November 2008 INGFM lodged with the Australian Securities & Investments Commission (**ASIC**) a supplemental deed that recorded amendments to the Constitution to introduce the temporary suspension period (**First Amendment**). That supplemental deed was signed for INGFM by the general counsel and company secretary.

On 19 December 2008, INGFM received a letter from solicitors acting for an investor in the Fund contending that the First Amendment was not effective by reason of the manner in which it was executed, and that there were other grounds on which that amendment might not be effective, which were not otherwise identified in that letter.

At 3:20pm on 24 December 2008, INGFM lodged with ASIC a second supplemental deed signed by a director and company secretary (**Second Amendment**). The Second Amendment inserted another clause into the Constitution with the effect that the end date of the suspension period from 24 December 2008 coincides with the end of the 50 business days after the date of the First Amendment.

On 6 January 2009, the Board of INGFM ratified the First Amendment and its execution and INGFM has also executed a deed of ratification to that effect. INGFM contends that the First Amendment has been duly executed and was, and is, effective in accordance with its terms, although the position in that regard will be uncertain until it is authoritatively determined by a Court.

INGFM intends to commence proceedings as soon as practicable in the Supreme Court of New South Wales seeking declarations as to the validity of the First Amendment, and will seek to join a representative Member or Members as party to the proceedings so that appropriate arguments are put to the Court and all Members are bound by the outcome of the proceedings. INGFM will seek expedition of these proceedings and hopes that they could be heard in February 2009 or March 2009, although this depends on a number of factors outside INGFM's control, including the Court's other commitments, the range of issues raised in the proceedings, whether judgment is reserved by the Court and whether an appeal is brought by any party to the proceedings.

If the First Amendment was not effective, INGFM will be obliged to redeem the units the subject of all valid redemption requests received between 1:42pm on 27 November 2008 and 3:20pm on 24 December 2008 (**December Requests**) without regard to the suspension purportedly effected by the First Amendment. The December Requests total approximately 22% of the total number of units in the Fund.

## 2.4 How will the meeting votes be counted?

### Generally

Since Special Resolutions are required to make these amendments to the Fund's Constitution, at least 75% of votes cast by the Members of the Fund who are entitled to vote must be in favour of that Resolution in order for it to pass. A separate poll will be held for each of the two Special Resolutions proposed.

The rules on voting are governed by the Corporations Act 2001, general law and the Fund's Constitution. On a poll each Member has one vote for each dollar of the value of the total interests they have in the Fund.

### **In light of the December Requests**

If the First Amendment is effective, Members who made the December Requests will still have an interest in the Fund in respect of the relevant units the subject of the December Requests, and their vote in respect of those units must be counted in a poll at the Meeting. If the First Amendment is not effective, any votes in respect of the units that are the subject of the December Requests cannot be counted.

In order to ensure clarity and transparency of voting, INGFM will engage a third party returning officer to count the votes. INGFM will request that votes be counted in two ways:

1. assuming the First Amendment is effective; and
2. assuming the First Amendment is ineffective.

If a Special Resolution is passed under both scenarios above, then the Constitution will be amended accordingly. If neither Special Resolution is passed under both scenarios, then INGFM will consider the options outlined below in section 2.6, or other options available at law.

Accordingly, all Members (including those who made the December Requests) are strongly encouraged to vote for both Special Resolutions.

## **2.5 What will happen if the Special Resolutions are passed?**

### **If Special Resolution 1 is passed, or if both Special Resolutions are passed**

If Special Resolution 1 is passed (and whether or not Special Resolution 2 is passed), INGFM intends to determine a Periodic Processing Period (i.e. a period in which the periodic processing regime applies) to commence as soon as practicable after the time the Constitution is amended to include the new provisions. INGFM intends to determine that the first Periodic Processing Period will commence before the end of the existing temporary suspension period.

However, INGFM does not intend to determine any Lodgement Periods (which are a separate determination that would allow processing of applications and redemption requests to commence) until the position of the December Requests has been resolved. This is because any issue price or redemption price stuck prior to obtaining certainty on the position of the December Requests may be incorrect when the position of the December Requests is known.

INGFM's current intention is to declare successive monthly Lodgement Periods from the time that INGFM is satisfied that the position of the December Requests has been resolved. The cut-off time is intended to be 4:00pm on the 20<sup>th</sup> of each month. In that case, if the 20<sup>th</sup> is not a business day, the cut-off time will (unless INGFM determines otherwise) be 4:00pm on the last business day immediately before the 20<sup>th</sup> of the month.

INGFM may change the frequency or duration of Lodgement Periods or not declare Lodgement Periods in the future, including by having regard to a number of factors including market conditions, the liquidity and marketability of assets in the Fund and the level of ongoing redemption requests expected to be received.

### **If only Special Resolution 2 is passed**

INGFM will consider further suspending redemptions, or terminating the Fund.

## **2.6 What will happen if the Special Resolutions are not passed?**

Prior to the end of the current temporary suspension period, INGFM intends to consider options that are available under its existing powers under the Fund's Constitution. Whilst the extraordinary financial market conditions which resulted in the current temporary suspension exist, those options may include suspending payment of redemptions or terminating the Fund (see below).

In assessing the options available, INGFM would consider a number of factors including that INGFM will need to sell Fund assets to satisfy redemption requests and, if there is no Adjustment Factor, this may reduce the value of the remaining units in the Fund.

### **Terminate the Fund**

INGFM may consider terminating the Fund by providing notice to Members with effect as the time specified in the notice. If it does so, INGFM:

- may not accept any applications or give effect to any redemption requests from the date of delivery of the notice;
- must realise all trust property but may postpone such realisation, and so termination may take several years; and
- must distribute the net proceeds among Members pro rata to the number of units held on the termination date.

## **2.7 Disclosure of Conflict of Interest**

Members should note that INGFM has an interest in the outcome of the Special Resolutions as it will continue to be entitled to be paid fees based on the net trust value of the Fund, and the exercise of any powers obtained by INGFM by the passing of the Special Resolutions may impact the amount of those fees.

INGFM holds a significant percentage of the units in the Fund (valued at approximately \$100 million as at 31 December 2008) in its capacity as responsible entity of another fund. INGFM is not entitled to vote its interest on either Special Resolution.

In addition, the investment manager for the Fund is ING Investment Management Limited (INGIM), a company that is related to INGFM. INGIM also receives fees determined in a similar way and also has a small holding in the Fund (valued at approximately \$2 million as at 31 December 2008), and so it has a similar interest in the outcome of the Special Resolutions. INGIM will also not vote its interest on either Special Resolution.



## **2.8 Questions and answers**

### **Questions about the Periodic Processing Period**

The following relates to how the Fund is intended to operate under the proposed Periodic Processing Periods.

#### **Q1. When will a Periodic Processing Period start and end?**

Generally, INGFM may commence or end a Periodic Processing Period when INGFM considers it is in the best interests of Members to do so.

If Special Resolution 1 is passed, INGFM intends to declare a Periodic Processing Period (i.e. a period in which the periodic processing regime applies) before the end of the existing temporary suspension period. Please refer to section 2.5 for more information.

The initial Periodic Processing Period will continue until INGFM considers it is in the best interests of Members to end the period.

#### **Q2. What happens to redemption requests lodged during a Periodic Processing Period but before the determination of the first Lodgement Period?**

The effect of the proposed amendments is all redemption requests received during a Periodic Processing Period but before the determination of the first Lodgement Period are void. In those circumstances, Members wishing to redeem will need to lodge new redemption requests after INGFM determines the first Lodgement Period.

#### **Q3. When can I redeem from the Fund during a Periodic Processing Period?**

INGFM intends to declare the first Lodgement Period after it is satisfied that the position of the December Requests has been resolved. INGFM's current intention is to declare successive monthly Lodgement Periods from that time.

The cut-off time is intended to be 4:00pm on the 20<sup>th</sup> of each month. In that case, if the 20<sup>th</sup> is not a business day, the cut-off time will be 4:00pm on the last business day immediately before the 20<sup>th</sup> of the month (unless INGFM determines otherwise). All valid redemption requests received before a cut-off time in a particular Lodgement Period will be processed together and subject to the Gate will generally receive the redemption price calculated as at the next Valuation Time after the cut-off time of the following Lodgement Period.

INGFM may change the frequency or duration of Lodgement Periods or not declare Lodgement Periods in the future. In making such a decision, INGFM will act in the best interests of Members and may have regard to a number of factors, including market conditions, the liquidity and marketability of assets in the Fund and the level of ongoing redemption requests expected to be received.

#### **Q4. Are there any limits on the amount that can be redeemed?**

Under the proposed amendments, a maximum amount may apply to the total number of units in the Fund that can be redeemed for each Lodgement Period. INGFM's current intention is to allow 5% of the total units on issue in the Fund to be redeemed for each Lodgement Period, however INGFM may vary this amount from time to time. This maximum number of units is referred to as the Gate (see below). INGFM will notify Members approximately one week prior to a cut-off date, of the maximum percentage of units on issue that may be redeemed for the relevant Lodgement Period but will have the right to subsequently change the percentage for the Lodgement Period at any time prior to the time as at which the redemption price is calculated for the relevant requests.

**Q5. What happens if the number of units the subject of redemption requests exceed the Gate?**

Where the aggregate number of units that are the subject of all valid redemption requests received by INGFM for a particular Lodgement Period exceeds the Gate, redemption requests will be pro-rated in the manner described on page 9 in the table outlining the amendments proposed under Special Resolution 1.

**Q6. Can I request that all my units are redeemed?**

Yes, you can submit a request to redeem your entire unit holding. However, the number of units that you may actually redeem for a particular Lodgement Period will depend on the total number of units in the Fund which are made available for redemption for that Lodgement Period (i.e. the Gate), any cancellation by INGFM due to differences in the estimated Adjustment Factor, and the aggregate number of units requested to be redeemed by all Members for that Lodgement Period.

**Q7. Can I withdraw a redemption request prior to the Lodgement Period cut-off time?**

You can only withdraw a redemption request that has not been satisfied before the commencement of a Periodic Processing Period. For all other redemption requests, once INGFM receives a request to redeem, that request cannot be withdrawn.

However, if INGFM estimates that the Adjustment Factor for the Lodgement Period is likely to be substantially different to a factor or a range of factors previously estimated by INGFM, INGFM may cancel all redemption requests for a Lodgement Period or change the Gate.

A redemption request received after the commencement of a Periodic Processing Period may also be void in other circumstances.

**Q8. What price will I receive if I redeem from the Fund?**

The price at which units are redeemed for cash (rather than by in specie transfer) while a Periodic Processing Period applies will be an adjusted redemption price. It will be calculated differently to the existing provisions of the Constitution. The key differences including the application of an Adjustment Factor, include:

- the net trust value will be adjusted to include the difference in INGFM's last value of the assets realised to pay redemptions (including any cash withdrawals from the Fund's bank accounts), and the realisation proceeds in respect of the assets that are realised (**Adjustment Amount**);
- it will be calculated as at a later point in time than would otherwise be the case; and
- it will be adjusted by multiplying the adjusted net trust value by 100% minus a factor (referred to as an '**Adjustment Factor**') for the applicable Lodgement Period.

**Q9. How will the Adjustment Factor be calculated?**

The Adjustment Factor for a Lodgement Period will be a percentage determined by dividing:

- the Adjustment Amount for the Lodgement Period; by
- the aggregate of INGFM's last value of the assets realised to pay redemption requests for the Lodgement Period (including any cash withdrawals from the Fund's bank accounts).

**Q10. Will I receive an estimate of the Adjustment Factor?**

To assist Members, approximately one week prior to each Lodgement Period cut-off, INGFM will aim to provide an estimated Adjustment Factor range. This estimate may be different to the actual Adjustment Factor applied in calculating application and redemption prices. See also question 7 above.

**Q11. Why is the net trust value adjusted?**

The Fund net trust value is adjusted to exclude the impact of any reduction (or increase) in the net trust value that results from assets realised to pay redemption requests (i.e. the Adjustment Amount). The Adjustment Amount is borne by the redeeming Members.

The net trust value is only adjusted for the purposes of calculating the redemption and application prices. It is not adjusted for other purposes under the Constitution, for example in the calculation of fees.

**Q12. When will I receive my redemption payment during a Periodic Processing Period?**

For redemptions to be satisfied by a cash payment, the proceeds of redemption will generally be paid within five business days of the date as at which the redemption price is calculated and, if Special Resolution 2 is passed, must be paid within 30 days of that date (subject to INGFM exercising any rights to suspend payment).

**Q13. Will I be impacted by Members who redeem during a Periodic Processing Period?**

The aim of the Adjustment Factor is to manage the impact of redeeming Members on Members who do not redeem.

**Q14. Will there be an Adjustment Factor for in specie transfers?**

The Adjustment Factor is not applicable for in specie transfers. However the costs of the transfer of the assets must be borne by the redeeming Member.

**Q15. Will applications to invest in the Fund be accepted?**

Applications to invest in the Fund may be accepted at INGFM's discretion.

**Q16. How will INGFM select the assets to be sold to pay redemptions?**

The asset sale selection process will take into consideration the Fund's existing risk profile and existing asset composition. INGFM's intention is to maintain the Fund's current 'AAf' rating from Standard and Poor's<sup>4</sup>. The sale of assets will also be based on the Fund being actively managed, and in an ongoing capacity. The mix of assets within the Fund both before and after the redemption process will be targeted to satisfy the Fund's performance objectives and risk profile.

## General questions

The following relates to both Special Resolutions.

**Q17. Will the Fund's investment objective and strategy change?**

It is intended that the Fund will continue to be managed according to its stated investment objectives and strategy, as well as maintaining its current 'AAf' rating from Standard & Poor's. The Investment Report for December 2008 provides an update on the Fund as well as the investment outlook.

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<sup>4</sup> Standard & Poor's has assigned an 'AAf' rating to the Fund which indicates that the Fund's assets exhibit very strong protection against losses from credit default. In order to maintain the 'AAf' rating the Fund must comply with certain Standard & Poor's ratings. A copy of these criteria is available on request. Standard and Poor's reaffirmed the Fund's AAf Fund Credit Rating on 23 December 2008.

Fund credit ratings issued by Ratings Services are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Fund credit ratings are subject to change. For the latest ratings information please visit [www.standardandpoors.com.au](http://www.standardandpoors.com.au).

**Q18. Will these amendments cause a re-settlement of the Fund?**

INGFM considers that the amendments should not constitute a re-settlement of the Fund.

**Q19. Can I redeem my units by way of an in-specie transfer of assets?**

Members may make requests for redemption of units by way of a transfer of assets. INGFM will consider any in specie transfer requests on a case by case basis and will only agree to the transfer if certain conditions are satisfied. In particular, under the proposed amendments INGFM must take into account, among other things:

- a) whether the redemption request is in respect of a sufficient number of units that will allow the assets to be transferred to represent a representative sample of the assets;
- b) the value and quality of the assets likely to be remaining in the Fund immediately after satisfying that request and any other requests for redemption by way of transfer of assets made at or around the same time; and
- c) the other consequences for Members who will continue to hold units after those requests are satisfied.

INGFM anticipates that in specie redemption requests will generally be permitted only for Members who redeem relatively large holdings.

As at 31 December 2008, and having given due regard to the factors a), b) and c) above, INGFM has conducted a preliminary analysis which suggests that a single in specie transfer of approximately \$200 million or two tranches of \$100m may be possible. Thereafter, further in specie transfers may not be a representative sample of the Fund's assets or be in the interests of remaining Members. In any regard, in specie transfers will be considered on a case by case basis.

**Q20. What will happen to the redemption requests that INGFM received during the temporary suspension?**

If as INGFM currently intends, the first Periodic Processing Period commences prior to the end of the current temporary suspension period, redemption requests received during the temporary suspension period will be subject to the rules applicable during the Periodic Processing Period and so will be processed at the adjusted redemption prices. Unlike requests received after the commencement of the Periodic Processing Period, these redemption requests may be withdrawn before the start of the first Lodgement Period and if they aren't satisfied in relation to the first Lodgement Period because of the Gate, the balance of the redemption not satisfied will be carried forward.

If INGFM utilises the suspension powers in Special Resolution 2 prior to the end of the current temporary suspension period, these redemption requests will be subject to a further suspension period. That is, unless the Fund is terminated, they will receive the redemption price, and be processed as at, the end of any suspension period. However, if Special Resolution 1 is also passed, INGFM does not currently intend to use the suspension powers in Special Resolution 2 prior to the end of the current temporary suspension period.

The above assumes that the temporary suspension was effective. If you submitted a December Request, section 2.3 outlines more detail on how your request is affected if the temporary suspension was ineffective.

**Q21. Will I receive any further information prior to the Meeting?**

If we receive further questions of general interest to Members, a further list of questions and answers may be issued.

## 2.9 What should you do?

### Step 1 Read the entire document carefully

This is an important document. You should read it in its entirety and consult your professional adviser if you have any queries.

### Step 2 Vote on the Special Resolutions

You may vote in person or by proxy.

If you wish to **vote in person**, you should attend the Meeting at the place, date and time specified on the Notice of Extraordinary General Meeting (see section 3).

If you wish to **vote by proxy**, you must complete and return the attached Proxy Form and, if applicable, the authority appointing an attorney, so that it is received no later than 1:30pm, Monday 2 February 2009.

It is INGFM's preference that you lodge completed proxy forms with the third party returning officer in one of the following ways:

- **In person at:**  
  
**PricewaterhouseCoopers  
Attn: Ms Dianne Strojek  
Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000**
- **By mail to:**  
  
**PricewaterhouseCoopers  
Attn: Ms Dianne Strojek  
GPO Box 2650  
SYDNEY NSW 1171  
DX 77 Sydney**
- **By fax to (02) 8286 5862**

However, in accordance with the Corporations Act 2001, completed proxy forms may also be lodged in one of the following ways at the Registered Office of ING Funds Management Limited:

- **In person at:**  
  
**ING Funds Management Limited  
Attn: Margaret Mezrani  
Level 13, 347 Kent Street  
Sydney NSW 2000**

- **By mail to:**  
  
ING Funds Management Limited  
Attn: Margaret Mezrani  
Level 13, 347 Kent Street  
Sydney NSW 2000
- **By fax to (02) 9234 8692**

Refer to the enclosed Proxy Form for more information about how to complete the Proxy Form.

#### *Corporations*

In order to vote at the Meetings, a corporation that is a Member of the Fund may appoint a person to act as its representative. The appointment must comply with section 253B of the Corporations Act 2001. The representative should bring evidence of their appointment to the Meeting, including any authority under which it is signed.

### **Voting restrictions**

INGFM holds a significant percentage of the units in the Fund in its capacity as responsible entity of another fund. Under section 253E of the Corporations Act, ING Funds Management Limited and its associates (which includes a director of ING Funds Management Limited) are not entitled to vote their interests, if they have an interest in the resolution other than as a Member.

INGFM will continue to be entitled to be paid fees from the Fund based on the net trust value of the Fund and the exercise of the powers to be given to INGFM under the amendments in each resolution is likely to affect the amount of those fees. Accordingly INGFM is not entitled to vote its interest on either resolution.

### 3 Notice of Meeting

**ANZ Cash Plus Fund ARSN 088 880 906**  
(“the Fund”)

#### Notice of Extraordinary General Meeting

An Extraordinary General Meeting of the Fund will be held:

at: 1:30pm (Sydney time)

on: Wednesday 4 February 2009

at **Sofitel Sydney Wentworth**  
**Level 3**  
**Brisbane Room**  
**61-101 Phillip Street**  
**Sydney NSW 2000**

to consider and, if thought fit, to pass the following as Special Resolutions:

##### **Special Resolution 1 - Periodic Processing Periods**

**THAT** the Constitution of the Fund is modified as set out in clause 2 of the draft Supplemental Deed included in the Meeting Pack dated 12 January 2009 containing this Notice of Meeting, with effect from the time at which ING Funds Management Limited lodges the copy of the modification to the Constitution with the Australian Securities & Investments Commission.

##### **Special Resolution 2 - Increasing suspension powers**

**THAT** the Constitution of the Fund is modified as set out in clause 3 of the draft Supplemental Deed included in the Meeting Pack dated 12 January 2009 containing this Notice of Meeting, with effect from the time at which ING Funds Management Limited lodges the copy of the modification to the Constitution with the Australian Securities & Investments Commission.

For further information, please refer to the Explanatory Memorandum and draft Supplemental Deed included in the Meeting Pack dated 12 January 2009 containing this Notice of Meeting.

By order of the Board

.....  
Margaret Mezrani  
Company Secretary  
ING Funds Management Limited  
Level 13, 347 Kent Street  
Sydney NSW 2000

Date: .....

## **Voting exclusion statement**

ING Funds Management Limited and its associates (which includes a director of ING Funds Management Limited) are not entitled to vote their interests, if they have an interest in the resolution other than as a Member.

## **Proxies**

- 1 A Member entitled to attend and vote at a Meeting of Members may appoint:
  - a) a person ('person' means an individual); or
  - b) if the Member is entitled to cast two or more votes at the Meeting, two persons,  
  
as the Member's proxy or proxies to attend and vote for the Member at the Meeting. A proxy may be an individual or a body corporate and need not be a Member. If you return the proxy form but do not name a proxy, you will be deemed to have nominated the Chairperson of the Meeting as your proxy.
- 2 If the Member appoints two proxies, the Member may specify the proportion or number of votes each proxy is appointed to exercise. If the instrument does not specify the proportion or number of the Member's votes, each proxy may exercise half of the votes (and any fractions of votes will be disregarded).
- 3 INGFM must receive the following, at least 48 hours before the Meeting:
  - a) the proxy's appointment; and
  - b) if signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority.
- 4 It is INGFM's preference that you lodge the proxy's appointment and, if applicable, the authority appointing an attorney, with the third party returning officer in one of the following ways:
  - **In person at:**  
**PricewaterhouseCoopers**  
**Attn: Ms Dianne Strojek**  
**Darling Park Tower 2**  
**201 Sussex Street**  
**Sydney NSW 2000**
  - **By mail to:**  
**PricewaterhouseCoopers**  
**Attn: Ms Dianne Strojek**  
**GPO Box 2650**  
**SYDNEY NSW 1171**  
**DX 77 Sydney**
  - **By fax to (02) 8286 5862**



However, in accordance with the Corporations Act 2001, completed proxy forms may also be lodged in one of the following ways at the Registered Office of ING Funds Management Limited:

- **In person at :**

ING Funds Management Limited  
Attn: Margaret Mezrani  
Level 13, 347 Kent Street  
Sydney NSW 2000

- **By mail to:**

ING Funds Management Limited  
Attn: Margaret Mezrani  
Level 13, 347 Kent Street  
Sydney NSW 2000

- **By fax to:** (02) 9234 8692

**Eligibility to vote**

Given the uncertainty concerning the position of the December Requests referred to in the Explanatory Memorandum that accompanied this Notice of Meeting, ING Funds Management Limited has determined that in counting the votes cast at the Meeting it will take a record of the votes cast in respect of units that were subject to redemption requests received between the relevant times of lodgement of amendments with ASIC between 27 November 2008 and 24 December 2008. For further details refer to section 2.4 of the Explanatory Memorandum that forms part of the Notice of Meeting and the proxy form.

(in accordance with section 253B of the *Corporations Act 2001* (Cth))

(**'Member'**) appoints

or failing him or her,

to act as its representative to exercise all of the powers the Member may exercise at the Extraordinary General Meeting of the ANZ Cash Plus Fund ARSN 088 880 906 to be held on Wednesday 4 February 2009 and any other day to which that Meeting is adjourned or postponed.

in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by authority of its directors:

Signature of director/company  
secretary\*

\*delete whichever is not applicable

Name of director/company secretary\*  
(block letters)

\*delete whichever is not applicable

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# Proxy Form

I, .....  
*name of Member, as it appears in the register of Members*

of .....  
*address of Member, as it appears in the register of Members*

being a Member of the ANZ Cash Plus Fund (the Fund) and entitled to attend and vote hereby appoint:

☐ name .....  
(mark box) *name of proxy*

of .....  
*address of proxy*

☐ the Chairperson of the Meeting  
(mark box)

or failing the person named, or if no person is named, the Chairperson of the Meeting as my proxy, to attend and vote on my behalf at the Extraordinary General Meeting of Members of the Fund to be held on Wednesday 4 February 2009 and any other day to which that Meeting is adjourned or postponed.

My proxy is authorised to exercise all of my voting rights. Except to the extent, if any, directed below, my proxy may vote or abstain as the proxy thinks fit.

## Directions as to how the proxy votes

Please complete **either** Part A **or** Part B below if you want to direct how your proxy votes.

**Please note:** Part B should **only** be completed if all or part of your units are the subject of December Requests (see sections 2.3 and 2.4 of the Explanatory Memorandum included with the Notice of Extraordinary General Meeting). That is, **only if** INGFM received valid redemption request(s) from you between 1:42pm on 27 November 2008 and 3:20pm on 24 December 2008 (December Requests). If you are uncertain whether INGFM received a valid December Request from you, or have questions about how to complete this form, please contact:

Mr Scott Walsh at PricewaterhouseCoopers in the first instance on (02) 8266 5862.

## Part A – Members without December Requests wishing to direct their proxy

I direct that my proxy votes in the following manner:

### Special Resolution 1 - Periodic Processing Periods

**THAT** the Constitution of the Fund is modified in accordance with Special Resolution 1 as set out in the Notice of Extraordinary General Meeting.

**Instructions:** Please complete either, but not both, of the rows below

	For	Against	Abstain*	Total**
<b>Please only complete 1 of the following rows for Special Resolution 1***</b>				
Percentage (%) of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%
OR				
Number of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### Special Resolution 2 - Increasing suspension powers

**THAT** the Constitution of the Fund is modified in accordance with Special Resolution 2 as set out in the Notice of Extraordinary General Meeting.

**Instructions:** Please complete either, but not both, of the rows below

	For	Against	Abstain*	Total**
<b>Please only complete 1 of the following rows for Special Resolution 2***</b>				
Percentage (%) of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%
OR				
Number of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Notes:** \* If you select 'Abstain', you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

\*\* Please ensure that the number in the 'Total' column equals the correct percentage or number of units being directed in this proxy form.

\*\*\* Where both rows are completed, your proxy is taken not to be directed and may vote or abstain as the proxy thinks fit.

## Part B – Only for Members with units that are the subject of December Requests wishing to direct their proxy

I direct that my proxy votes in the following manner:

### Special Resolution 1 - Periodic Processing Periods

**THAT** the Constitution of the Fund is modified in accordance with Special Resolution 1 as set out in the Notice of Extraordinary General Meeting

**Instructions:** There are 2 sections for Special Resolution 1: one for units that are the subject of December Request(s), and the other for units not the subject of a December Request. Please complete only one row in each section.

Section 1 – December Requests	For	Against	Abstain*	Total**
Please only complete 1 row in this section***				
In respect of units that are the subject of December Requests	Percentage (%) of Units			100%
OR				
	Number of Units			

Section 2 – all other units	For	Against	Abstain	Total**
Please only complete 1 row in this section***				
In respect of units <u>not</u> the subject of the December Requests	Percentage (%) of Units			100%
OR				
	Number of Units			

**Notes:** \*If you select 'Abstain', you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

\*\* Please ensure that the number in the 'Total' column equals the correct percentage or number of units being directed in this proxy form.

\*\*\* Where both rows are completed, your proxy is taken not to be directed and may vote or abstain as the proxy thinks fit.

## Special Resolution 2 - Increasing suspension powers

**THAT** the Constitution of the Fund is modified in accordance with Special Resolution 2 as set out in the Notice of Extraordinary General Meeting.

**Instructions:** There are 2 sections for Special Resolution 2: one for units that are the subject of December Request(s), and the other for units not the subject of a December Request. Please complete only one row in each section.

Section 1 – December Requests	For	Against	Abstain*	Total**
-------------------------------	-----	---------	----------	---------

Please only complete 1 row in this section\*\*\*

In respect of units that are the subject of December Requests	Percentage (%) of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%
	OR				
	Number of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Section 2 – all other units	For	Against	Abstain*	Total**
-----------------------------	-----	---------	----------	---------

Please only complete 1 row in this section\*\*\*

In respect of units <u>not</u> the subject of the December Requests	Percentage (%) of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%
	OR				
	Number of Units	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Notes:** \* If you select 'Abstain', you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

\*\* Please ensure that the number in the 'Total' column equals the correct percentage or number of units being directed in this proxy form.

\*\*\* Where both rows are completed, your proxy is taken not to be directed and may vote or abstain as the proxy thinks fit.

## ALL MEMBERS - Appointing a second proxy - optional

☐

State the percentage of your voting rights or the number of units applicable to the proxy whose details appear above on this proxy form:

(mark box if you wish to appoint a second proxy)

.....% OR .....units

If you wish to appoint a second proxy, a second proxy form may be obtained from Ms Dianne Strojek (02) 8266 5832 or you may copy this form.

## ALL MEMBERS - Signing your Proxy Form

Executed by the Member (if joint Members, both must sign)

Signature(s):

.....

Name:

.....

Capacity (eg director, attorney, or joint holder):

.....

Date:

.....

To be effective, this proxy form, duly completed, and (where applicable) any power of attorney or a certified copy of the power of attorney must be lodged in one of the ways set out below not less than 48 hours before the time for commencement of the Meeting. Any proxy form received after that time will not be valid for the scheduled Meeting.

## ALL MEMBERS - Lodging your Proxy Form

It is INGFM's preference that you lodge completed proxy forms with the third party returning officer in one of the following ways:

- **In person** at:

**PricewaterhouseCoopers  
Attn: Ms Dianne Strojek  
Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000**

- **By mail** to:  
**PricewaterhouseCoopers**  
**Attn: Ms Dianne Strojek**  
**GPO Box 2650**  
**SYDNEY NSW 1171**  
**DX 77 Sydney**
- **By fax** to **(02) 8286 5862**

In accordance with the Corporations Act 2001, completed proxy forms may also be lodged in one of the following ways at the Registered Office of ING Funds Management Limited:

- **In person** at :  
  
ING Funds Management Limited  
Attn: Margaret Mezrani  
Level 13, 347 Kent Street  
Sydney NSW 2000
- **By mail** to:  
  
ING Funds Management Limited  
Attn: Margaret Mezrani  
Level 13, 347 Kent Street  
Sydney NSW 2000
- **By fax** to: **(02) 9234 8692**



# ANZ Cash Plus Fund

## Supplemental deed

Dated

2009

ING Funds Management Limited ABN 21 003 002 800 ("Responsible Entity")

Draft

**Mallesons Stephen Jaques**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia  
T +61 2 9296 2000  
F +61 2 9296 3999  
DX 113 Sydney  
[www.mallesons.com](http://www.mallesons.com)  
Ref: JTB.MH

# Supplemental deed

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D r a f t

# Supplemental deed

## Details

<b>Responsible Entity</b>	<b>Name</b>	<b>ING Funds Management Limited</b>
	<b>ABN</b>	ABN 21 003 002 800
	<b>Capacity</b>	Responsible Entity of the Scheme
	<b>Address</b>	347 Kent Street, Sydney NSW 2000
<b>Recitals</b>	<b>A</b>	The Scheme is governed by the Constitution. The Scheme is registered as a managed investment scheme under Chapter 5C of the Corporations Act.
	<b>B</b>	Section 601GC(1) of the Corporations Act provides that the constitution of a registered scheme may be modified, or repealed and replaced with a new constitution:  (a) by special resolution of the members of the scheme; or  (b) by the responsible entity if it reasonably considers the change will not adversely affect members' rights.
	<b>C</b>	Under Clause 45 of the Constitution, the Responsible Entity may, if the Corporations Act allows, modify the Constitution by supplemental deed.
	<b>D</b>	On [insert] 2009, a meeting of the members of the Scheme was convened at which the members approved, by special resolution, the modifications to the Constitution set out in this deed.
	<b>E</b>	The Responsible Entity wishes to give effect to the modifications to the Constitution by executing this deed.
<b>Governing law</b>	New South Wales	
<b>Date of deed</b>	See Signing page	

# Supplemental deed

## General terms

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### 1 Interpretation

#### 1.1 Definitions

In this deed, these words and phrases have the following meanings and any other words and phrases have the meaning given to them in the Constitution, unless the contrary intention appears:

**Constitution** means the deed dated 19 July 1999 to the extent it applies to the Scheme as amended from time to time.

**Effective Date** means the time that a copy of this deed is lodged with the Australian Securities and Investments Commission.

**Scheme** means the registered managed investment scheme currently named ANZ Cash Plus Fund (ARSN 088 880 906).

#### 1.2 Deed supplemental to Constitution

This deed is supplemental to the Constitution.

#### 1.3 Headings

Headings are inserted for convenience only and do not affect the interpretation of this deed.

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### 2 Periodic Processing Periods

The Constitution is modified from the Effective Date by:

- (a) in clause 9, deleting “The” and replacing it with “Subject to clause 9A, the,”;
- (b) inserting the following clauses after Clause 9 and before Clause 10:

**“9A. PERIODIC PROCESSING PERIODS:** During each Periodic Processing Period, Clauses 9A, 9B, 9C and 9D apply instead of Clause 9 for all Applications for Units. If before a time specified by the Responsible Entity in relation to a Lodgement Period, the Responsible Entity does not receive the Consideration that relates to the Application, the Application is deemed rejected.

**9B. ISSUE PRICE FOR A LODGEMENT PERIOD:** A Unit must only be sold or created and issued by the Responsible Entity at an Issue Price calculated for a Lodgement Period as:

Adjusted Net Trust Value x (100% - Applications Adjustment Factor

number of Units in issue

or the appropriate proportion of that amount in the case of Fractions of Units. For example, half of that amount for a 0.50 Fraction of a Unit.

**9C. DATE OF CALCULATION OF VARIABLES:** Each of the variables in Clause 9B must be determined as at the next Valuation Time after the Prescribed Time for the Realisation Period that applies to the Application.

**9D. TIME OF RECEIPT:** Unless the Responsible Entity determines otherwise, for the purposes of determining the Realisation Period that applies to an Application for the purposes of Clause 9C, where an Application is actually received:

- (a) before the Prescribed Time for a Lodgement Period, it is deemed to be received at the Prescribed Time for that Lodgement Period and the Realisation Period that applies to the Application will be the Realisation Period for that Lodgement Period; and
- (b) on or after the Prescribed Time for a Lodgement Period, it is deemed to be received at the Prescribed Time for the subsequent Lodgement Period for the Periodic Processing Period and the Realisation Period that applies to the Application will be the Realisation Period for the subsequent Lodgement Period. However if there is no subsequent Lodgement Period for the Periodic Processing Period, the Application is deemed to be withdrawn.”;

(c) amending Clause 10A by:

- (i) deleting “Units” in the first line and replacing it with “Subject to Clause 10AE, Units”; and
- (ii) in the second sentence of Clause 10A, substituting “Subject to Clause 10AA, the” for “The”;

(d) inserting the following clauses after Clause 10A and before Clause 10B:

**“10AA. PERIODIC PROCESSING PERIODS:** During each Periodic Processing Period, Clauses 10AB, 10AC and 10AD apply instead of the second sentence of Clause 10A for all Redemption Requests (including any Redemption Request that has not been satisfied and was received before the commencement of the Periodic Processing Period).

**10AB. REDEMPTION PRICE FOR A LODGEMENT PERIOD:** A Unit must only be redeemed at a Redemption Price calculated for a Lodgement Period as:

Adjusted Net Trust Value x (100% - Adjustment Factor)

number of Units in issue

or the appropriate proportion of that amount in the case of Fractions of Unit. For example, half of that amount for a 0.50 Fraction of a Unit.

**10AC. DATE OF CALCULATION OF VARIABLES:** Each of the variables in Clause 10AB must be determined as at the next Valuation Time after the Prescribed Time for the Realisation Period that applies to the Redemption Request. The Unit is deemed to be redeemed as at that Valuation Time.

**10AD. TIME OF RECEIPT:** Unless the Responsible Entity determines otherwise, for the purposes of determining the Realisation Period that applies to a Redemption Request for the purposes of Clauses 10AC and 10AF, where a Redemption Request is actually received:

- (a) before the Prescribed Time for a Lodgement Period, it is deemed to be received at the Prescribed Time for that Lodgement Period and the Realisation Period that applies to the Redemption Request will be the Realisation Period for that Lodgement Period; and
- (b) on or after the Prescribed Time for a Lodgement Period it is deemed to be received at the Prescribed Time for the subsequent Lodgement Period for the Periodic Processing Period and the Realisation Period that applies to the request will be the Realisation Period for the subsequent Lodgement Period. However if there is no subsequent Lodgement Period for the Periodic Processing Period, the Redemption Request is deemed to be withdrawn.

**10AE. PERIODIC PROCESSING PERIODS:** The Responsible Entity may from time to time determine that a periodic processing period commences and may at any time determine that such a period ends. During each period:

- (a) Redemption Requests will be processed according to Clauses 10AB, 10AC and 10AD and Clauses 10AF, 10AG and 10AH will apply; and
- (b) Applications for Units will be processed according to Clauses 9A, 9B, 9C and 9D.

Without limiting its power in the first sentence of this Clause, the Responsible Entity may determine that a Periodic Processing Period is to commence immediately prior to the expiry of a period in which redemptions are suspended under any provision of this Constitution.

The Responsible Entity may from time to time determine that there will be one or more Lodgement Periods during a Periodic Processing Period and may determine that successive Lodgement Periods of a stated duration will apply until the Responsible Entity determines otherwise.

**10AF. SATISFACTION OF REDEMPTION REQUESTS:** During a Periodic Processing Period, a Holder may only redeem Units in accordance with Clauses 10AB, 10AC and 10AD and Clauses 10AF, 10AG and 10AH. Any Redemption Request that has not been satisfied before the commencement of a Periodic Processing Period may be withdrawn by the Holder by giving notice to the Responsible Entity before the commencement of the first Lodgement Period. Any Redemption Request received during a Periodic Processing Period:

- (a) and before the determination of the first Lodgement Period for the Periodic Processing Period; or
- (b) where at any time prior to the time as at which the Redemption Price is calculated for the Redemption Request, the Responsible Entity:
  - (i) estimates that the Adjustment Factor for the relevant Lodgement Period is likely to be substantially different to a factor or range of factors that the Responsible Entity had previously estimated it to be; and
  - (ii) determines in its discretion that cancelling all Redemption Requests to which the Realisation Period for the Lodgement Period applies is in the interests of either the holders of the Units that will not otherwise be satisfied under Clause 10AG or the interests of holders of the Units that would otherwise be satisfied under Clause 10AG; or
- (c) that has not been satisfied prior to termination of the Trust under Clause 23,

will be void and deemed to be withdrawn.

**10AG. GATE PERCENTAGE:** The Responsible Entity may determine and change the Gate Percentage at any time and the Gate Percentage that will apply to a Redemption Request will be the Gate Percentage last determined by the Responsible Entity prior to the time as at which the Redemption Price is calculated for that Redemption Request. If the aggregate number of Units the subject of all valid Redemption Requests received by the Responsible Entity for a Lodgement Period exceeds the Gate:

- (a) subject to the other provisions of this Constitution, each valid Redemption Request of a Holder will be satisfied proportionately in accordance with the following formula (rounded down to the nearest whole number of Units):

$$\left( \text{Gate} \times \frac{\text{Number of Units the Holder requested to redeem}}{\text{Total number of Units all Holders requested to redeem}} \right)$$

and

- (b) the remaining proportion of the Holder's Redemption Request is void and deemed to be withdrawn. However:
  - (i) if the Holder did not elect under Clause 10AF to withdraw the Redemption Request that had not been satisfied before the commencement of the Periodic Processing Period; and
  - (ii) to the extent that the remaining proportion of the Holder's Redemption Request would otherwise be void and deemed to be withdrawn under this Clause 10AG(b),

then, the Holder's Redemption Request is not void and not deemed to be withdrawn under this Clause 10AG(b) but will, in respect of the remaining proportion of the Units, be:

- (iii) deemed to be lodged in respect of the next Lodgement Period; or
- (iv) if there is no subsequent Lodgement Period for the Periodic Processing Period, deemed to be lodged at the end of the Periodic Processing Period.

**10AH. IN SPECIE REDEMPTION:** The Responsible Entity may at any time during a Periodic Processing Period or where the redemptions of Units is suspended under any provision of this Constitution permit a Holder to redeem some or all of their Units under this Clause 10AH. A redemption of Units under this Clause must be satisfied by the transfer of Trust Property and those Trust Property must:

- (a) be considered by the Responsible Entity to be generally a representative sample of the Trust Property; and
- (b) as at the last Valuation Time before the date of the proposed transfer, be of equal value to the total amount that would have been payable under Clause 10A based on the last Valuation Time before that date.

A Redemption Request under this Clause must be made in any manner approved by the Responsible Entity. In determining whether or not to accept all or part of a Redemption Request under this Clause the Responsible Entity must take into account, among other things:

- (a) whether the Redemption Request is in respect of the sufficient number of Units that will allow the Trust Property to be transferred to represent a representative sample of the Trust Property;
- (b) the value and quality of the Trust Property that are likely to be in the Trust immediately after satisfying that request and any other requests made under this Clause at or around the same



time; and

- (c) the other consequences for Holders who will continue to hold Units after those requests are satisfied.

The Expenses associated with the transfer of the Trust Property must be paid by the Holder or deducted from the value of the Trust Property due to be transferred to the Holder.

Without limiting Clause 13, the Responsible Entity may take and rely on advice from any person who is believed by it in good faith to have the appropriate expertise to provide an opinion, review, assurance or such other assistance in respect of the determination and processing of in specie transfers and subject to the Law will not be liable for anything done or omitted by it in good faith in reliance of that advice.

For the purpose of Clauses 10C and 30A, the Redemption Price of each Unit redeemed under this Clause 10AH will be taken to be the total amount calculated under the first Clause 10AH(b) divided by the number of Units redeemed.”;

- (e) in Clause 31, inserting a new sentence at the end of the clause as follows:

“However, the Responsible Entity may not permit or require reinvestment, and reinvestment will not apply, during any Periodic Processing Period.”; and

- (f) in Clause 47 inserting the following definitions after the words “ending at midnight.” and before the word “Legislation”:

**“Adjusted Net Trust Value** means in respect of a Lodgement Period, the sum of the Net Trust Value plus the Adjustment Amount for the relevant Lodgement Period as at the time the Net Trust Value is calculated.

**Adjustment Amount** means for a Lodgement Period, the sum of each amount (which may be negative or positive) calculated in respect of each Realised Asset Realised prior to the time of calculation, as follows:

- (a) the last value of the Realised Asset determined under Clause 7 prior to it being Realised; less
- (b) the realisation proceeds in respect of the Realised Asset.

**Adjustment Factor** means for a Lodgement Period, 100% multiplied by an amount determined by dividing:

- (a) the Adjustment Amount; by
- (b) the aggregate of the values referred to in paragraph (a) of the definition of the Adjustment Amount.

**Applications Adjustment Factor** means the proportion, expressed as a percentage, of the Adjustment Factor that the Responsible Entity determines

should be applied to Applications for Units during a Lodgement Period. The Responsible Entity may determine standing principles for calculating the proportion and may change the principles from time to time. If there are no standing principles which are applicable to a Lodgement Period, the proportion is 0% for that Lodgement Period.

**Gate** means for a Lodgement Period, the product of the Gate Percentage and the number of Units on issue as at the Prescribed Time for that Lodgement Period. The Gate will be rounded down to the nearest whole number of Units.

**Gate Percentage** means 5% or such other percentage determined by the Responsible Entity from time to time.

**Lodgement Period** means a lodgement period determined by the Responsible Entity in respect of a Periodic Processing Period.

**Periodic Processing Period** means a periodic processing period determined by the Responsible Entity under Clause 10AE.

**Prescribed Time** means 4.00pm on the last day of a Lodgement Period or Realisation Period (as the case requires) (but if such day is not a Business Day, the Business Day immediately preceding it) or such other time and/or day as the Responsible Entity determines.

**Realisation Period** means for a Lodgement Period, a period commencing from the day after the end of the Lodgement Period and ending on:

- (a) if prior to the Prescribed Time for the Lodgement Period the Responsible Entity has determined a subsequent Lodgement Period, the last Business Day of the subsequent Lodgement Period; or
- (b) in any other case, the last Business Day of a period that is one month after the end of the Lodgement Period (or such other day that the Responsible Entity determines before or after the end of the Lodgement Period).

**Realised** means in respect of a Trust Property or part of a Trust Property, includes a withdrawal from a Trust Property that is a bank account.

**Realised Asset** means for a Lodgement Period, a Trust Property or part of a Trust Property that the Responsible Entity identifies as having been Realised to satisfy Redemption Requests for the corresponding Lodgement Period. For the avoidance of doubt, a Trust Property may include a right or interest in a bank account.”

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### 3 Increasing suspension powers

The Constitution is modified from the Effective Date by:

- (a) in Clause 10, deleting the words “Clause 10A applies” and replacing them with the words “Clauses 10A to 10AI apply”;
- (b) in Clause 10A, inserting the following words at the end of the clause:

“The Responsible Entity must pay the Redemption Price in respect of a Redemption Request within 30 days of lodgement (or, if later, deemed lodgement). However, the Responsible Entity may defer payment if it considers that in the circumstances it is not in the best interests of Holders for it to make the payment and the period allowed for payment of the Redemption Price may be extended by the number of days determined by the Responsible Entity to be in the best interests of Holders.”;

(c) deleting Clause 11 and replacing it with the following clause:

“11. **SUSPENSION:** The Responsible Entity may suspend the redemption of Units in the Fund where the Responsible Entity considers that in the circumstances it is in the best interests of Holders. A Holder’s Redemption Request lodged during any period of suspension is deemed lodged immediately after the end of the suspension. Without limiting its power in the first sentence of this Clause to suspend the redemption of Units, the Responsible Entity may suspend the redemption of Units in respect of any Redemption Request that under any other provision of this Constitution, is deemed to be lodged at a time after it was actually received.”; and

(d) inserting the new Clause 11A after Clause 11 and before Clause 12:

“11A. The Responsible Entity may at any time where Clause 11 applies, permit a Holder to redeem some or all of their Units under this Clause 11A. A redemption of Units under this Clause must be satisfied by the transfer of Trust Property and those Trust Property must:

- (a) be considered by the Responsible Entity to be generally a representative sample of the Trust Property; and
- (b) as at the last Valuation Time before the date of the proposed transfer<sup>1</sup>, be of equal value to the total amount that would have been payable under Clause 10A based on the last Valuation Time before that date.

A Redemption Request under this Clause must be made in any manner approved by the Responsible Entity. In determining whether or not to accept all or part of a Redemption Request under this Clause the Responsible Entity must take into account, among other things:

- (a) whether the Redemption Request is in respect of the sufficient number of Units that will allow the Trust

<sup>1</sup> The time that the price is struck under this new clause differs to when the scheme is usually open. Under clause 8 there might be a delay between the time as at which the redemption price is calculated and the time of transfer.

Property to be transferred to represent a representative sample of the Trust Property;

- (b) the value and quality of the Trust Property that are likely to be in the Trust immediately after satisfying that request and any other requests made under this Clause at or around the same time; and
- (c) the other consequences for Holders who will continue to hold Units after those requests are satisfied.

The Expenses associated with the transfer of the Trust Property must be paid by the Holder or deducted from the value of the Trust Property due to be transferred to the Holder.

Without limiting Clause 13, the Responsible Entity may take and rely on advice from any person who is believed by it in good faith to have the appropriate expertise to provide an opinion, review, assurance or such other assistance in respect of the determination and processing of in specie transfers and subject to the Law will not be liable for anything done or omitted by it in good faith in reliance of that advice.

For the purpose of Clauses 10C and 30A, the Redemption Price of each Unit redeemed under this Clause 11A will be taken to be the total amount calculated under the first Clause 11A(b) divided by the number of Units redeemed.”

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#### **4 No redeclaration etc**

The Responsible Entity declares that it is not, by this deed:

- (a) redeclaring the Trust; or
- (b) causing the transfer, vesting or accruing of property in any person.

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#### **5 Governing law**

This deed is governed by the laws in force in the place specified in the Details. Each person affected by it must submit to the non-exclusive jurisdiction of the courts of that place and the courts of appeal from them.

**EXECUTED** as a deed

# Supplemental deed

## Signing page

**DATED:**\_\_\_\_\_ 2009

**EXECUTED** by **ING FUNDS** )  
**MANAGEMENT LIMITED** in )  
accordance with section 127(1) of the )  
Corporations Act 2001 (Cwlth) by )  
authority of its directors: )

..... )  
Signature of director )

..... )  
Name of director (block letters) )

..... )  
Signature of director/company )  
secretary\* )

\*delete whichever is not applicable

..... )  
Name of director/company secretary\* )  
(block letters) )

\*delete whichever is not applicable

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ING INVESTMENT MANAGEMENT

# ANZ Cash Plus Fund



31 December 2008

## Investment Report

### Product Profile

#### Investment Objective

The Fund aims to achieve returns (before fees and taxes) that exceed the Benchmark over periods of one year or more.

#### Benchmark

UBS Bank Bill Index

#### Inception Date

September 1996

#### Size

\$608.52 million

#### Duration

20.03 days

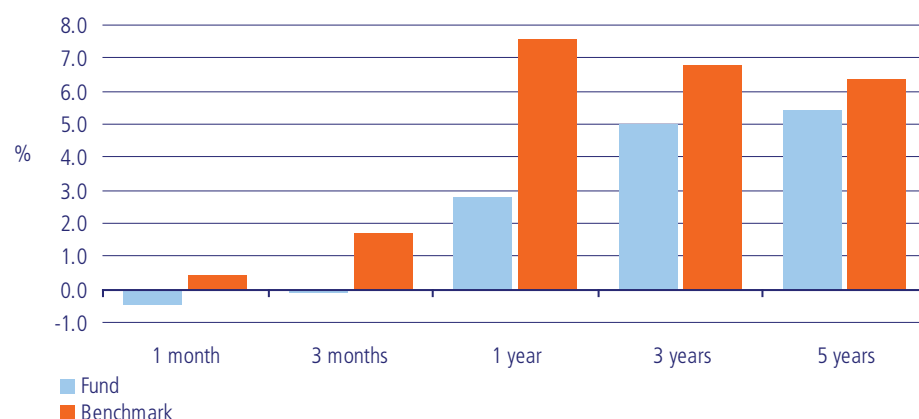
#### Running Yield

5.29%

### Performance

As 31 Dec 2008

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.
Fund	-0.43	-0.06	2.80	4.97	5.45
Benchmark	0.43	1.69	7.60	6.78	6.34
Value-add	-0.86	-1.75	-4.80	-1.81	-0.89

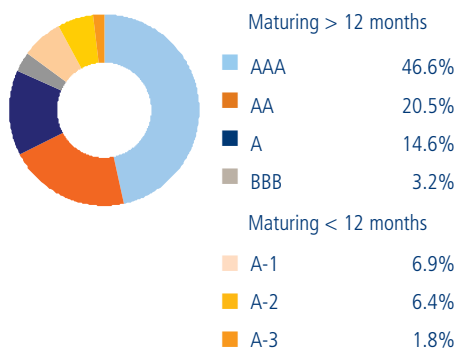


All returns are calculated before fees, charges and taxes.

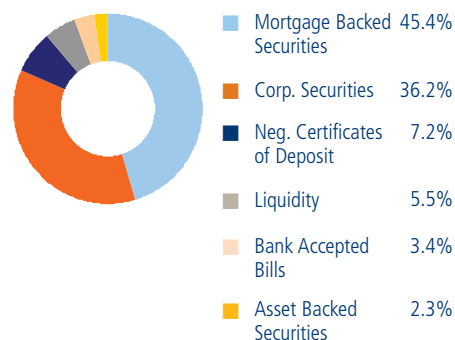
### Investment Environment

- The global economy continues to slow, reflecting the ongoing impact of the credit crisis.
- Governments and central bankers have responded with a range of stimulatory measures.
- The "moderation" in domestic economic activity may prompt the RBA to again cut interest rates.
- Corporate earnings estimates for 2009 are becoming increasingly vulnerable to further downgrades.

### Credit Rating



### Sector Allocation



Applications and redemptions for the ANZ Cash Plus Fund are temporarily suspended.

## Performance & Portfolio Highlights

- The portfolio declined by 0.43% over the month, underperforming the UBS Bank Bill Index, which rose by 0.43%.
- The main contributor to the portfolio's underperformance in December was the widening of credit spreads on bank subordinated debt. This was result of Deutsche Bank deciding not to call a EUR denominated lower tier-2 subordinated debt tranche, as well as a further deterioration in market liquidity levels leading into the year-end period.
- Spreads on residential mortgage backed securities (RMBS) and commercial mortgage backed securities (CMBS) also widened, as a result of declining liquidity levels and significant bid lists coming to the market from offshore investors.
- The running yield on the portfolio is presently 5.29%. The portfolio trade margin over BBSW is 3.15%.
- Fundamentally, the portfolio continues to perform well, albeit with an increased risk of extension for those securities that are callable.
- In the absence of defaults, investors should recoup their mark to market losses over time, as individual securities reach maturity.

## Market Review

Continuing its program of aggressive monetary easing, the Reserve Bank of Australia (RBA) lowered the official cash rate by a further 100 basis points (bp) to 4.25% on 2 December, noting that the "moderation in demand and activity" in the Australian economy warranted a "further significant reduction in the cash rate". This latest easing in monetary policy set the tone for a continued decline in money market yields, with 90-day bank bills falling from an opening level of 4.72% to 4.15% on 31 December.

The fall in short-dated yields, and the inherent assumption of yet further monetary easing, was reflective of the expectation that domestic economic activity will continue to moderate over the coming months. In this regard, economic data releases over the course of December were highlighted by building approvals data for October, which served to underline the weakening economic trend. The number of building approvals fell by 5.4%, to be 26.0% lower over the year, while the value of approvals fell by 19.4%, to be 38.8% lower than a year ago. The weakening trend in the housing sector was reflective of the deterioration in the outlook for employment. In this regard, the Australian labour market continued to shed jobs in November, with the loss of 15,600 positions. Elsewhere, motor vehicle sales data for the month of November further underlined the diminishing propensity of consumers to spend. Overall sales declined by 5.2% over the month, to be 16.3% lower than a year ago.

Moreover, the motor industry appears to be facing a challenging environment in 2009, with declining levels of household wealth and uncertainty in the labour market seemingly outweighing the positive impact of lower interest rates and petrol prices.

From a credit perspective, the markets were significantly impacted by the decision on the part of Deutsche Bank on 19 December not to call an EUR tranche of subordinated debt. Instead they rolled the tranche for a further five years. The disappointment shown by investors to Deutsche Bank's move was reflective of the fact that it had become widely accepted in the market place that the debt would in fact be called at the first available opportunity. Whilst the decision resulted in the Bank incurring a roll-over fee of approximately 50bp, investors' disappointment at the fact that the debt was not called resulted in the spread on the Bank's debt over the benchmark swap rate widening rapidly by approximately 500bp. This immediately impacted a range of other securities in the market, bringing about a further dramatic widening in credit spreads, as the risk of extension in the callable market became more apparent.

In addition, the move by the Federal Government to guarantee the issuance activities of the domestic banks continues to make its presence felt. One of the consequences of the move has been that, by enabling banks to issue paper with a AAA Commonwealth Government guarantee, the Government has effectively raised the credit worthiness of these securities above that of semi-government (which do not carry a Commonwealth Government guarantee) and supra-national bodies, who now find themselves having to fund at higher spreads.

A further noteworthy news highlight from the month was the sector-wide review of the US mortgage insurance companies, conducted by ratings agency Standard & Poor's (S&P). Against the backdrop of its expectation that US unemployment will surpass 8% by mid-2009, and that the S&P/Case Shiller index of US house prices will show an eventual peak-to-trough decline of 30%, the agency downgraded a number of mortgage insurers. Among them were Mortgage Guaranty Insurance Corporation (MGIC) and Genworth Mortgage Insurance Corporation (GMICO). However, in a positive development for Australian investors, the rating of GMICO's Australian subsidiary, Genworth Australia, was not affected.



## Outlook

Within the credit markets, the continued low level of liquidity is manifesting itself in greatly increased levels of price volatility. An associated consequence of this heightened volatility is that, in many instances, market prices bear little relationship to the fundamental value of the underlying assets they represent.

The broad consensus amongst market observers is that a period of further near-term moderation is in store for the Australian economy. However, credit market prices presently imply a particularly pessimistic scenario, with an anticipated domestic corporate default rate of approximately 20%. The extent of this pessimism becomes evident when we consider that the year-to-date default rate currently stands at only 2.5%. Moreover, this compares favourably with the longer-term average of 4.5%, and market predictions for a range of 7-15% in defaults over the next twelve months.

Although credit market conditions clearly remain challenging, we would like to reiterate that the running yield of the portfolio remains well above its long-term target. Furthermore, its overall credit quality remains strong, with a low risk of default. As such, the portfolio is expected to deliver competitive performance over a medium-term timeframe.

For more information please contact:

### Client Services

T: 1300 365 439

F: +61 2 9276 6400

E: [client.services@ingim.com.au](mailto:client.services@ingim.com.au)

W: [www.ingim.com.au](http://www.ingim.com.au)

ING Investment Management Limited  
ABN 23 003 731 959 AFS Licence 233793  
Level 21, 83 Clarence Street  
Sydney NSW 2000 Australia

### IMPORTANT NOTE ABOUT S&P RATINGS

Fund credit ratings issued by Ratings Services are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Fund credit ratings are subject to change. For the latest ratings information please visit [www.standardandpoors.com.au](http://www.standardandpoors.com.au).

## INVESTMENT MANAGEMENT



### Disclaimer –

ING Funds Management Limited (INGFM) ABN 21 003 002 800 is the Responsible Entity of the Fund. The underlying investments are managed by ING Investment Management Limited (INGIM) ABN 23 003 731 959 AFS Licence 233793. An investment can only be made in this product by completing the application form attached to the current ANZ Cash Plus Fund Product Disclosure Statement. Performance figures have been calculated before fees, charges and taxes. The value of any investment may fall as well as rise and past performance is not a reliable indicator of future performance.

The personal circumstances, investment objectives, risk profiles or income needs of any particular investor have not been taken into account in the production of this Investment report and as such it should not be relied upon as a substitute for professional financial advice. Neither INGIM nor any other company or unit belonging to the ING Group, nor any of its officers, directors or employees accept any liability or responsibility in respect to the information contained in this document and thereby does not guarantee the repayment of capital or the performance of any strategy.

A managed fund rating is not a recommendation to make, hold or seek redemption of an investment in a fund inasmuch as it does not comment as to market price or suitability for a particular investor. The rating is based on current information furnished to Standard & Poor's by the Manager or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating and may, on occasion, rely on unaudited financial information. The rating may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.