

BGI Core Fixed Interest Strategies

Table of Contents

Barclays Global Investors	1
BGI Enhanced Australian Bond Fund	2
Barclays Investment Funds – Australian Bond Index Fund	3
Barclays Investment Funds – Overseas Bond Index Fund	4
Barclays Investment Funds – Cash Fund	5
BGI Global Inflation-Linked Bond Fund	6
Investor Information	7
Risk Information	11
Taxation Information	12
Fees and Expenses	13
Completing the Application Form	14
Application Form	16

This Information Memorandum should be read in conjunction with the constitution (as amended) for the relevant Fund(s) (BGI Enhanced Australian Bond Fund, Barclays Investment Funds – Australian Bond Index Fund, Barclays Investment Funds – Overseas Bond Index Fund, Barclays Investment Funds – Cash Fund, BGI Global Inflation-Linked Bond Fund) offered in this Information Memorandum, the Corporations Act and any exemptions granted by the Australian Securities & Investments Commission (“ASIC”). The Responsible Entity of the Funds offered in this Information Memorandum is Barclays Global Investors Australia Limited (ABN 33 001 804 566, AFS Licence No 225398).

Neither Barclays Global Investors Australia Limited, nor any member of the Barclays Group, guarantees the performance of any of the Funds, the repayment of capital or any particular rate of return. The products are not deposits or other liabilities of Barclays PLC or its subsidiaries. Investment type products are subject to investment risk, including possible delays in repayment, and loss of income and principal invested.

In preparing this document we have not taken into account the investment objectives, financial situation or particular needs of any particular investor. Before making an investment decision, investors should obtain their own investment advice, taking into account their own investment needs and financial circumstances.

This Information Memorandum can only be used by investors receiving it (electronically or otherwise) in Australia and cannot be used by investors in any other jurisdiction (except where permissible under the laws of that jurisdiction and with our prior written approval). In particular, units in the Fund are not available within the United States or to US persons as defined in regulations of the United States Securities Act 1933 (as amended).

Terms used in this Information Memorandum have the same meanings as in the relevant constitution, except to the extent that such interpretation is excluded by or repugnant to the context. In this Information Memorandum, “we”, “our” and “us” mean the Responsible Entity of each Fund, Barclays Global Investors Australia Limited, and “you” and “your” mean a potential investor or Unitholder of the Funds.

This Information Memorandum is intended only for “wholesale” investors under the Corporations Act and their advisors who understand the nature of domestic and international fixed income strategies. This Information Memorandum is not a product disclosure statement for the purposes of the Corporations Act.

Information in this Information Memorandum is subject to change from time to time and where the changes are material, we will notify you. At any time, you may receive electronic or paper copies of the document and an explanation of any changes by contacting your Client Relationship Officer on (02) 9272 2200.

Barclays Global Investors

Who we are

Barclays Global Investors (BGI) is one of the world's largest investment managers and providers of risk controlled active strategies including total return, stock selection, market selection, fixed income, currency and diversified funds, as well as index strategies across developed and emerging markets. BGI manages over \$2.0 trillion in assets (as at 30 September 2008) for over 3,000 clients in more than 50 countries, with strategies benchmarked to over 200 indices worldwide.

Our investment philosophy

We believe that an optimal investment outcome can best be achieved through *Total Performance Management* – understanding, measuring, forecasting and managing the three dimensions of investment performance - return, risk and cost. We systematically exploit market inefficiencies that have been validated by our research, ensure that active risk relative to benchmark is adequately compensated, and integrate transaction cost forecasts into the portfolio construction process. This is achieved by employing knowledgeable investment people and leveraging their skills through the extensive use of technology.

Investment strategy, knowledge and insight originate from people. It is our people who then use scientific research techniques to determine which of these insights are economically valid and can be profitably exploited in a risk controlled and cost effective manner. Additionally, the development of a daily investment process, successful monitoring, validation and implementation of a strategy requires the constant attention and input of people.

Using technology in implementation provides a disciplined investment process that has a comparative advantage over people in consistently capturing and implementing investment insight. It allows us to analyse more information quickly, removes emotion from the implementation decision (but not the investment intelligence) and is superior in managing the complex nature of risk and the various components of transaction costs.

In summary, it is our belief that people, leveraged by technology, are critical to the consistent achievement of our clients' investment goals.

BGI Enhanced Australian Bond Fund

Fund objective

The BGI Enhanced Australian Bond Fund (the “Fund”) aims to achieve superior investment performance through providing returns, before fees, that exceed those of the UBS Composite Bond All Maturities Index over rolling 3-year periods (the “Benchmark”), while maintaining a similar level of investment risk to the Benchmark.

Investment strategy

The Fund, like all of Barclays Global Investors’ active strategies worldwide, makes active security selection decisions based upon a variety of market and security information sources. Our Investment process has been designed to exploit market inefficiencies and seeks to ensure that any risk incurred is adequately compensated.

We believe that value can be added consistently to an enhanced fixed income portfolio without adding significant risk above the market risk level. We are able to achieve this by maintaining a duration neutral position relative to the Benchmark and by understanding, measuring and forecasting the following three key elements:

- **Yield curve management:** We actively position the portfolio in maturity sectors of the yield curve that we perceive are mispriced, to capture potential excess returns from changes in the shape of the yield curve.
- **Sector/Credit Management:** The portfolio has a strategic tilt towards short maturity credit to capture the credit premium offered by such securities.
- **Security selection:** We actively identify mispriced securities and invest in those securities that offer the best trade off between potential excess return, risk and liquidity.

Fund performance

For the latest information on the Fund’s size, performance, and composition, please refer to our website: www.barclaysglobal.com.

Investment parameters

Minimum initial investment	\$1,000,000
Valuation/open to investment	Each Business Day

Fees and costs

Fees	Please refer to page 13
Buy spread	0.10% of NAV
Sell spread	0.15% of NAV

Investors should note that should the Fund’s Investment Parameters, (including fees and costs) change, we will notify you. Where there is an increase in fees or costs, we will give you reasonable prior notice.

Barclays Investment Funds - Australian Bond Index Fund

Fund objective

The Barclays Investment Funds – Australian Bond Index Fund (the “Fund” or the “Australian Bond Index Fund”) aims to provide investors with the performance of the benchmark, before fees, as measured by the return of the UBS Composite Bond All Maturities Index (the “Benchmark”).

Investment strategy

We believe that the most cost effective method of tracking a fixed income benchmark is through matching the distribution of the key risk and return characteristics of the benchmark. By adopting a stratified sampling methodology we seek to avoid the significant liquidity problems associated with holding all the securities that make up the benchmark while still targeting returns and risks that are in line with the benchmark. Our methodology involves breaking down the benchmark into “cells” of securities that have similar risk and return characteristics. The factors that we consider are:

- interest rate risk, including coupon and maturity;
- sector risk;
- specific risk, including individual security price risk; and
- liquidity.

Fund performance

For the latest information on the Fund’s size, performance, and composition, please refer to our website: www.barclaysglobal.com.

Investment parameters

Minimum initial investment	\$2,000,000
Valuation/open to investment	Each Business Day

Fees and costs

Fees	Please refer to page 13
Buy spread	0.10% of NAV
Sell spread	0.15% of NAV

Investors should note that should the Fund’s Investment Parameters, (including fees and costs) change, we will notify you. Where there is an increase in fees or costs, we will give you reasonable prior notice.

Barclays Investment Funds - Overseas Bond Index Fund

Fund objective The Barclays Investment Funds – Overseas Bond Index Fund (the “Fund” or the “Overseas Bond Index Fund”) aims to provide investors with the performance of the benchmark (before fees) as measured by the return of the Barclays Capital Global Aggregate Index hedged into Australian Dollars (the “Benchmark”) less interest withholding taxes and the cost of currency hedging.

Investment strategy We believe that the most cost effective method of tracking a fixed income benchmark is through matching the distribution of the key risk and return characteristics of the benchmark. By adopting a stratified sampling methodology we seek to avoid the significant liquidity problems associated with holding all the securities that make up the benchmark while still targeting returns and risks that are in line with the benchmark. Our methodology involves breaking down the benchmark into “cells” of securities that have similar risk and return characteristics. The factors that we consider are:

- interest rate risk, including coupon and maturity;
- country and currency risk;
- sector risk;
- specific risk, including individual security price risk; and
- liquidity.

The Fund aims to provide the stability required of a core fixed income portfolio, and a means for investors to diversify their fixed income holdings.

A static hedging strategy is used to convert the currency exposure of the Fund back to Australian dollars.

The Fund is managed by BGI’s related entity in the United Kingdom.

Fund performance For the latest information on the Fund’s size, performance, and composition, please refer to our website: www.barclaysglobal.com.

Investment parameters

Minimum initial investment	\$2,000,000
Valuation/open to investment	Each Business Day

Fees and costs

Fees	Please refer to page 13
Buy/Sell spread	0.35% either side of NAV

Investors should note that should the Fund’s Investment Parameters, (including fees and costs) change, we will notify you. Where there is an increase in fees or costs, we will give you reasonable prior notice.

Barclays Investment Fund - Cash Fund

Fund objective The Barclays Investment Funds – Cash Fund (the “Fund” or the “Cash Fund”) aims to provide investors with the performance of the benchmark (before fees) as measured by the return of the UBS Bank Bill Index (the “Benchmark”).

Investment strategy The Cash Fund uses an Indexed investment strategy and aims to deliver low risk returns with limited volatility. The Fund invests in a broad range of highly liquid short-term money market securities. The Cash Fund invests in securities with a minimum Standard & Poor’s (S&P) short-term rating of ‘A-1’. All securities held in the Fund must have a maturity date no greater than one year, with the exception of floating-rate notes (FRNs) which may have a maximum maturity of two years. Any FRNs in the fund must have an S&P long-term rating of ‘AAA’. The overall weighted- average maturity of the Fund is limited to a maximum of 70 days.

Fund performance For the latest information on the Fund’s size, performance, and composition, please refer to our website: www.barclaysglobal.com.

Investment parameters

Minimum initial investment	\$1,000,000
Valuation/open to investment	Each Business Day

Fees and costs

Fees	Please refer to page 13
Buy/sell spread	Nil

Investors should note that should the Fund’s Investment Parameters, (including fees and costs) change, we will notify you. Where there is an increase in fees or costs, we will give you reasonable prior notice.

BGI Global Inflation-Linked Bond Fund

Fund objective

The BGI Global Inflation-Linked Bond Fund (the “Fund”) aims to provide investors with the performance of the benchmark (before fees) as measured by the return of the Barclays World Government Inflation-Linked Bond Index hedged into Australian Dollars (the “Benchmark”) less interest withholding taxes and the cost of currency hedging.

Investment strategy

The Fund aims to provide exposure to the major government inflation-linked bond markets, providing a means for investors to diversify their fixed income holdings.

We believe that the best and most cost effective method of tracking a fixed income benchmark is through matching the distribution of the key risk and return factors of the benchmark. By adopting a stratified sampling methodology we seek to avoid the significant liquidity problems associated with holding all the securities that make up the benchmark while still targeting delivering returns and risks that are in line with the benchmark. Our methodology involves breaking down the benchmark into “cells” of securities that have similar risk and return characteristics. The factors that we consider are:

- interest rate risk, including coupon and maturity;
- country and currency risk;
- specific risk, including individual security price risk; and
- liquidity.

A static hedging strategy is used to convert international currency exposure back to Australian dollars.

The Fund gains exposure to the investment strategy via an offshore trust that is managed by BGI’s related entity in the United Kingdom.

Fund performance

For the latest information on the Fund’s size, performance, and composition, please refer to our website: www.barclaysglobal.com.

Investment parameters

Minimum initial investment	\$2,000,000
Valuation/open to investment	Each Business Day

Fees and costs

Fees	Please refer to page 13
Buy/Sell spread	0.45% either side of NAV

Investors should note that should the Fund’s Investment Parameters, (including fees and costs) change, we will notify you. Where there is an increase in fees or costs, we will give you reasonable prior notice.

Investor Information

The Funds

Each Fund offered under this Information Memorandum is a unit trusts established under a constitution (as amended) and is a managed investment schemes registered with the Australian Securities & Investments Commission (ASIC).

The relevant constitutions, any amendments to the constitutions and any relevant ASIC exemptions should be consulted prior to making an investment in a Fund.

We can send you by post, free of charge, copies of the constitutions, any amendments to the constitutions and ASIC exemptions, or you may inspect these documents at our registered office.

The Responsible Entity of the Funds

Barclays Global Investors Australia Limited (“BGIA”) is the Responsible Entity for each Fund and is responsible for the management and investment of the Funds.

Investment management services for the Overseas Bond Fund and the offshore trust which the BGI Global Inflation-Linked Bond Fund invests into are currently provided by BGI’s related entity in the United Kingdom.

The Responsible Entity may enter into transactions with other related parties. All transactions are conducted on arm’s length terms.

Registered office

Level 43, Grosvenor Place,
225 George Street
Sydney NSW 2000
Tel: (02) 9272 2200

Postal address

PO Box N43
Grosvenor Place NSW 1220

Minimum investment amounts

The minimum initial investment in the BGI Enhanced Australian Bond Fund and the Cash Fund is \$1,000,000. The minimum initial investment in the Australian Bond Index Fund, the Overseas Bond Index Fund, and the BGI Global Inflation-Linked Bond Fund is \$2,000,000.

We have the discretion to accept an initial investment less than this minimum if the applicant satisfies the requirements for a “wholesale client” under the Corporations Act.

We reserve the right to reject any application for Units.

Minimum balance

Investors in the BGI Enhanced Australian Bond Fund or the Cash Fund must normally retain a minimum balance of \$1,000,000, while those in the Australian Bond Index Fund, the Overseas Bond Index Fund, or the BGI Global Inflation-Linked Bond Fund must retain a minimum balance of \$2,000,000. If a redemption is made, and the balance of an investment falls below the minimum level, we may redeem the total holding.

Applications/redemptions

Applications can be made by completing the Application Form on and either faxing it to 02 9272 2577 or mailing it to PO Box N43, Grosvenor Place, NSW 1220. Redemptions must be made in writing and include the authorized signatories. BGI cannot guarantee the timely processing of applications and redemptions if they are not received in accordance with these instructions.

The buy-sell spreads for applications into and redemptions out of each Fund are outlined in the Fees and Costs section for each Fund.

For up to date information about cut-off times for applications and redemptions for each Fund offered in this Information Memorandum, please contact your Client Relationship Officer or refer to the applicable Fund’s “Operating Procedures” which are available on request. To request a copy of the “Operating Procedures” please contact Barclays Global Investors on (02) 9272 2200.

Application monies are held on trust until units are issued in a Fund in accordance with section 1017E of the Corporations Act. We will not retain interest on amounts held on trust, but will apportion interest earned on application monies held on trust for all funds operated by us to the various funds on a basis we consider to be appropriate.

Restricted Redemption Obligations

The Funds are usually open for investment on Business Days (please refer to each Fund’s “Operating Procedures” for a list of applicable Business Days). If for any reason, the

Funds are not liquid within the meaning of that term in the Corporations Act, the constitutions provide that the ability to redeem units is restricted, in accordance with the Corporations Act. The BGI Global Inflation-Linked Bond Fund Constitution allows us up to 90 days after receipt of a request for redemption when the Fund is liquid within the meaning of the Corporations Act, and to delay payment of redemptions where, due to circumstances beyond our control, it is not possible to realise assets to pay the redemption, provided that the Responsible Entity, acting reasonably, considers it would not be in the best interests of investors to satisfy redemption requests at that time.

All other funds offered in this Information Memorandum allows up to 30 days after receipt of a request to pay the redemption. We do not expect to take 90 days or more or 30 days or more (respectively as allowed be each fund’s constitution) to pay redemptions other than in exceptional circumstances such as closure of, or trading restrictions on, a securities exchange or where market conditions are such that investments are not able to be effected at prices which would be realised in an orderly fashion over a reasonable period in a stable market. While our intention is that the Funds will always be liquid, if a Fund is not liquid, unit holders may redeem from the Fund if BGIA makes a withdrawal offer to all investors in accordance with the Corporations Act. In this instance, BGIA has the discretion to make monies available which will be allocated on a pro rata basis amongst unit holders who accept BGIA’s withdrawal offer.

Australian Bond Index Fund, Cash Fund; and BGI Enhanced Australian Bond Fund

Applications and redemptions accepted before the cut-off time will be processed at the next calculated application/redemption price, which will generally reflect prices at the close of trading on that Business Day. Applications and redemptions accepted after the cut-off time will be processed at the application/redemption price applicable to the following Business Day.

Investor Information (continued)

Overseas Bond Index Fund and BGI Global Inflation-Linked Bond Fund

Applications and redemptions accepted before the cut-off time will be processed at the application/redemption price on the **next** Business Day, which will generally reflect prices at the close of trading on that Business Day.

Please note that for security reasons we do not provide a facility to pay redemptions by cheque.

Application advice

Following acceptance of any application and the issue of Units, we will issue you with an investment confirmation advice that will detail:

- the valuation date;
- the issue date of Units and application price;
- the amount subscribed;
- the number of Units purchased; and
- the balance of Units held.

Redemption advice

Following a redemption, we will issue you with a redemption confirmation advice that will detail:

- the valuation date;
- the redemption date and redemption price;
- the amount of the redemption;
- the number of Units redeemed;
- the balance of Units held; and an advice as to the direct crediting of the redemption proceeds (if applicable).

Redeeming Unitholder

When Units are redeemed, we may choose to distribute an amount of income for tax purposes to the redeeming Unitholder including gains resulting from the realisation of assets to fund the redemption as part of the redemption process.

Transfers

We reserve the right to refuse to register any transfer of Units to another person.

Unit Price

The application and redemption prices for Units are calculated in accordance with the relevant constitution for each Fund and are based on the net asset value of each Fund. The net asset value is defined

as the total asset value of a Fund, less liabilities and provisions that we consider appropriate. We may elect to apply an alternative valuation method set out in the constitutions. If we apply a different valuation method we will give Unitholders reasonable prior notice.

Transaction costs are paid from the relevant Fund. When you invest or withdraw all or part of your investment, we use what is called a 'buy/sell' spread to recover estimated transaction costs associated with buying and selling the relevant Fund's assets. We use the buy/sell spread to direct transaction costs such as brokerage, bank charges and market impact to transacting investors rather than investors remaining in the relevant Fund. The buy/sell spreads are paid to the relevant Fund and are not fees paid to BGI. Should we need to revise the relevant Fund's buy/sell spreads we will notify Unitholders.

It is BGI's policy to apply the buy/sell spread when calculating application and redemption prices with the exception of transactions where we determine that the spread is not a reasonable representation of the actual cost to transact into or out of a Fund. BGI may for example exercise its discretion to reduce the buy/sell spread where there is an unusually large same day purchase and redemption of units of equivalent value or an investor subscribes assets rather than cash on an application or receives assets rather than cash on a redemption (an in-specie transaction).

There may also be circumstances in which BGI may exercise its discretion to increase buy/sell spreads above those stated in this Information Memorandum for example, where the costs associated with obtaining or disposing of the underlying assets are likely to be materially above those typical in normal market conditions.

We may only exercise this discretion to vary buy/sell spreads for proper purpose and in accordance with our Unit Pricing Discretions Policy. A copy of this policy is available free of charge upon request.

The latest available Unit Prices for the Funds may be obtained by contacting Barclays Global Investors on (02) 9272 2200, or through our website: www.barclaysglobal.com.

Valuation of Fund investments

It is our intention that the investments of the Funds will be valued on each Business Day.

Investments of the Funds

The types of investments undertaken by the Funds will be dependent upon the objective of the Fund and the investment strategy adopted.

The Fund objective and investment strategy for each Fund are set out in the section of this Information Memorandum dealing with the relevant Fund.

We have the discretion to vary the types of investments of the Funds set out in this Information Memorandum, but will give Unitholders prior notice of any significant alteration to the Funds' objectives.

Borrowings

The constitution for each Fund provides that we may undertake borrowings (whether secured or unsecured) on behalf of a Fund. The constitution for each Fund does not set any limits for borrowings.

It is our intention that no commercial borrowings will be undertaken in the Funds other than temporary overdrafts which may be used as a means of managing certain cash flows. Should we wish to alter this policy, we will advise Unitholders.

Securities Lending

The BGI Enhanced Australian Bond Fund and the Australian Bond Index Fund participate in a securities lending program managed by JP Morgan Chase & Co.

Distribution of income & frequency

The BGI Global Inflation-Linked Bond Fund will make distributions annually as at the end of June, or on such other day as is determined by the Responsible Entity. The remaining Funds will make distributions quarterly as at the end of March, June, September and December, or on such other day as is determined by the Responsible Entity.

Distribution entitlements will usually be proportionate to the number of Units held on each distribution calculation date and will be distributed via direct deposit or will be reinvested into the Funds.

Investor Information (continued)

Reinvestment of distributions

Unitholders in the BGI Global Inflation Linked Bond Fund will have their distribution entitlements automatically reinvested in additional Units in the Fund. Unitholders in any other Fund offered in this Information Memorandum will have their distribution entitlements reinvested in additional Units in that Fund unless they choose to have distribution monies paid out to them by electing this option in the Application Form. Where a Unitholder elects to have their distributions reinvested (or makes no election), additional units will be allocated by dividing the dollar amount of the distribution by the Fund's ex-price.

Unitholders may cancel a reinvestment election by giving us written notice at least 30 days prior to the end of the quarter.

The price used to determine the number of Units allotted from the distribution will be the ex-net asset value price.

Reporting

Monthly reports will be provided to Unitholders detailing closing Units held, Unit Price and Fund performance.

Distribution statements will be provided to Unitholders following each distribution.

At the end of the financial year (30 June), Unitholders will receive access to audited financial report for the Funds in which they invest, and an annual tax statement. Access to this information will be provided no later than 30 September of that year. Unitholders may elect to receive paper copies of the audited financial report instead of electronic copies. Please refer to the section on "Completing the Application Form" for details.

Updated Information

For up-to-date information, including the most recent Fund performance (and also information that is not materially adverse to Unitholders and which is subject to change from time to time), please visit our website: www.barclaysglobal.com. You may request without charge a paper copy

of any updated information (that is not materially adverse).

Information in this Information Memorandum is subject to change from time to time and where the changes are material, we will notify Unitholders.

Termination of a Fund

Each Fund will terminate on the earlier of:

- eighty years from the day the Fund commenced;
- the date specified by the Responsible Entity as the date of termination of the Fund in a notice given to Unitholders; or
- the date on which the Fund terminates in accordance with another provision of the constitution or by Law.

Limitation of Unitholder liability

The constitutions seek to limit the liability of Unitholders to the price paid or agreed to be paid for a Unit. The constitutions provide that a Unitholder need not indemnify us if there is a deficiency in the net assets of a Fund. Our right of recourse, and that of any creditor, is limited to the assets of a Fund.

Your liability is limited by the constitution of the relevant Fund, to the value of your Units (except where we incur a liability for tax as a result of your actions or inactions) but the courts are yet to finally determine the effectiveness of provisions like this.

No cooling off rights

Investors entitled to invest in the Funds are not entitled to cooling off rights, under the Corporations Act (please refer to the Application Form warranties). Please call Barclays Global Investors on (02) 9272 2200 if you have any queries in relation to cooling off rights.

Corporations Act

As the Responsible Entity of the Funds, we are responsible for the Funds complying with the constitution, compliance plans, the Law, the requirements for holding and valuing Fund property and all other aspects of the proper management of each Fund.

We have appointed JP Morgan Chase & Co. to be the custodian of the assets of each Fund.

Each Fund has a compliance plan in accordance with the Corporations Act. Each compliance plan sets out adequate measures for the Responsible Entity to use to ensure that the Fund complies with the Corporations Act and the constitution. Each compliance plan is audited at least annually.

We have a Compliance Committee operating for each Fund. The Compliance Committee has a majority of members who are independent to the Barclays Group. The functions of the Compliance Committee are set out in the Corporations Act, including monitoring the extent to which we comply with each Fund's compliance plan, and reporting the Compliance Committee's findings to us and, in some circumstances, to ASIC.

Privacy Policy

The privacy of your personal information is important to us. We collect personal information so that we may provide you with the products and services offered by us. The law may require us to collect personal information. BGI may take steps to verify information collected. We may disclose your personal information to other members of the Barclays Group. Additionally, your information may be disclosed to third parties for certain purposes that we outsource in which case confidentiality arrangements apply. Your personal information will be used by BGI to establish and manage your investment for you.

We aim to ensure that the personal information we retain about you is accurate, complete and up-to-date. If you provide us with incomplete or inaccurate information, we may not be able to provide you with the products and services you are seeking.

If you have concerns about the completeness or accuracy of the information we have about you or would like to access or amend your information, please call us on (02) 9272 2200.

For further information on BGI's Privacy Policy, please contact us for a copy of the Barclays Global Investors Privacy Policy Statement.

Investor Information (continued)

The constitutions

The relevant constitution should be read by prospective investors. The following is a notation of some of the more important provisions. We are prohibited from amending a constitution unless we reasonably consider that the amendment will not adversely affect the rights of Unitholders.

If the amendment may adversely affect the rights of Unitholders, we will call a meeting of Unitholders which may, by special resolution, approve the amendment.

The constitutions allows the Responsible Entity to:

- pay redemptions in cash or by way of transfer of Fund assets;
- deduct from redemption proceeds any unpaid monies owed by a Unitholder to the Responsible Entity;
- only accept withdrawals when a Fund is not Liquid in accordance with the terms of a current withdrawal offer;
- give different tax treatments to the redemption proceeds and distribution amounts as among Unitholders;
- vary minimum investment and unitholding amounts;
- engage in securities lending;
- appoint agents to exercise its delegated power and pay those agents fees;
- vary distribution periods, make special distributions and return capital to Unitholders.

How we use derivatives

Derivatives, such as futures, forwards, swaps and options, can be used to manage risk and return. Fund derivative positions are always backed by cash holdings and/or actual underlying investment holdings. We will not use derivatives to gear (to increase the amount the Fund invests), or allow the Fund to be exposed to unlimited market risk. Our overall policy on derivatives use is set out in a Derivatives Risk Statement. This statement forms the basis of our policy and outlines the

guidelines within which we operate in respect of the use of derivatives for the Funds.

For a copy of our Derivatives Risk Statement please contact Barclays Global Investors on (02) 9272 2200.

If you have a complaint

An investor who is dissatisfied with any service or product provided by the Responsible Entity may complain to the Responsible Entity. A Complaints Officer will handle your complaint within the guidelines of our internal Complaints Handling Policy which is in accordance with the Australian Standard on Complaints Handling. This service is free and covers complaints made both orally and in writing. If you have a complaint, please call Barclays Global Investors on (02) 9272 2200.

We expect to supply a confirmation letter to you within two Business Days of receiving the complaint, and aims to have the complaint resolved within twenty Business Days.

Risk Information

The returns you receive from the Funds depend on the income earned from the underlying investments and the change in the market price of the underlying investments.

These returns can be influenced by a variety of risk factors including, but not limited to, those associated with changes in:

- global and domestic economic conditions;
- international and domestic government policies and tax laws;
- credit and liquidity market events;
- currency exchange rates, interest rates and inflation rates;
- industry factors and consumer demand; and/or
- investor sentiment.

These factors may result in specific investments rising in value, thereby enhancing the returns for investors. On the other hand, there is also the potential for a fall in the value of investments in the Funds. Such a fall may lead to capital losses and possibly a reduction in the income earned.

Further, the following risk factors have been identified in respect of the offshore trust (“underlying fund”) which the BGI Global Inflation-Linked Bond Fund invests into:

1. The underlying fund may use financial derivative instruments including, but not limited to futures, forwards, options, swaps, swaptions and warrants, subject to certain limits and conditions. Such financial derivative instruments tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk.
2. Investment Risk: There can be no assurance that the underlying fund (and, therefore, the BGI Global Inflation-Linked Bond Fund) will achieve its investment objective. The directors of the underlying fund recommend that in view of the level of risk associated with investing indirectly in inflation linked bonds, currency contracts and derivative instruments, investment should be viewed as a medium to long-term investment.
3. Forward Contracts: The underlying fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom the underlying fund may maintain accounts may require the underlying fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The underlying fund’s counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the underlying fund investment manager would otherwise recommend, to the possible detriment of the underlying fund. Market illiquidity or disruption could result in major losses to the underlying fund. In addition, the underlying fund may be exposed to credit risks with regard to counterparties with whom they trade as well as risks relating to settlement default. Such risks could result in substantial losses to the underlying fund.
4. Volatile markets: Derivative price movements are influenced by the value of the underlying security to which the derivative instrument relates. The price of the underlying securities, in turn, may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate related futures and options.
5. Effects and Risks of Interest Rate and Currency Fluctuations: The underlying fund invests in assets which are denominated in currencies other than Australian Dollars. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The net asset value of the underlying fund will change in response to fluctuations in interest rates and currency exchange rates.

Taxation Information

The taxation information contained in this document reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the Courts, as at the date of issue of this document.

Advice

We do not provide tax advice. We strongly recommend that investors seek advice from a suitably qualified adviser as to the taxation implications (including capital gains tax and Goods and Services Tax ("GST")) of their proposed investment in the Funds.

Fund Taxation

We do not expect to be subject to Australian income tax in relation to the Funds, as it is intended that investors will be presently entitled to all of the income of the Funds in each financial year.

Gains on disposal of securities

Any profit or loss derived by the Funds from the disposal of an asset will be subject to the income, deduction and capital gains tax provisions of the Income Tax Assessment Act as applicable.

Foreign Investments

The BGI Global Inflation-Linked Bond Fund and the Barclays Investment Funds – Overseas Bond Index Fund have international exposure and derive their foreign income via an investment in a non resident investment entity and international fixed interest securities respectively. The Barclays Investment Funds – Overseas Bond Index Fund derives income directly from hedging activity and the BGI Global Inflation-Linked Bond Fund may also derive income from hedging activity.

Foreign investment funds

The BGI Global Inflation-Linked Bond Fund's investment in the non resident investment entity will constitute an investment in a Foreign Investment Fund ("FIF"). Under FIF tax rules, unrealised gains in relation to investments in a FIF may be included in the assessable income of

a Fund as FIF income. It is our intention that the operative provisions of the FIF legislation will not apply to the foreign investments held.

Foreign tax Offsets

The benefit of any foreign tax offsets in the Barclays Investment Funds – Overseas Bond Index Fund in respect of any foreign income is generally passed down to investors. Certain tax rules may restrict the ability of:

- a) the Barclays Investment Funds – Overseas Bond Index Fund to pass on the foreign tax offsets;
- b) investors to claim the foreign tax offsets passed on by the Barclays Investment Funds – Overseas Bond Index Fund

The foreign tax offsets reduce the Australian tax payable on the foreign income.

Taxation reform

The Federal Government is currently reviewing some taxation laws relating to foreign investments. This could result in change to the taxation treatment of your investment in the applicable Funds.

Trust loss rules

Trust loss rules may limit the ability of investors to access tax losses (if any) incurred in the Funds.

GST

GST is not payable on the issue, withdrawal and transfer of units in the Funds. However, GST will generally be incurred on various acquisitions made by the Funds. In specific circumstances the Funds may be entitled to a reduced input tax credit of 75% of the GST paid, which effectively reduces the GST payable from 10% to 2.5%.

Tax File Number/Australian Business Number

Australian investors may notify us of their Tax File Number, Australian Business Number (provided they are investing in the course of conducting an enterprise) or their exemption status. In the event that we are not

notified of the details, tax may be deducted from each distribution at the highest marginal tax rate, including the Medicare Levy, until such time as the relevant Tax File Number, Australian Business Number or exemption is provided. The collection, use and disclosure of your Tax File Numbers will be in accordance with the tax laws and the Privacy Act.

Withholding tax

Non-resident investors may have tax deducted from each distribution at the relevant withholding tax rates.

Fees and Expenses

Fees

Under the constitutions for the Funds, we are entitled to deduct from the Funds the following fees:

For the Barclays Investment Funds - Australian Bond Index Fund, Overseas Bond Index Fund, and Cash Fund,

- a trusteeship fee and a management fee (plus GST, if applicable);

For the BGI Enhanced Australian Bond Fund and the BGI Global Inflation-Linked Bond Fund,

- application and redemption fee,
- management fee (plus GST, if applicable), and
- performance fee (plus GST, if applicable).

Our current policy is to charge only a management fee. Pursuant to ASIC Class Order relief, we will individually negotiate fees with wholesale investors.

The management fee paid by each investor in a Fund is documented in a fee agreement letter signed by both BGI and that particular investor. In the absence of a signed fee agreement, we reserve the right to charge the default fee structure for the particular Fund, plus GST, if applicable. The current default fee structures for each of the following Funds is as follows:

- BGI Enhanced Australian Bond Fund – 0.15% p.a.
- Barclays Investment Funds – Australian Bond Index Fund – 0.15% p.a.
- Barclays Investment Funds – Overseas Bond Index Fund – 0.15% p.a.
- Barclays Investment Funds – Cash Fund – 0.15% p.a.
- BGI Global Inflation-Linked Bond Fund – 0.15% p.a.

For all but the BGI Global Inflation-Linked Bond Fund, these default fees are in addition to the 4.1 basis points per annum (0.041% p.a.) referred to below (under “Fee Collection Methodologies”).

As well as the management fees set out in each fee agreement, we retain a management fee in the sum of 10% of securities lending income, on account of our costs incurred in the securities lending program of each Fund, if the Fund participates in securities lending.

There are currently no application or redemption fees payable.

Should we decide to change this policy or alter our fees, we will notify Unitholders in advance.

Fee Collection Methodologies

For all funds but the BGI Global Inflation-Linked Bond Fund, Fees of 4.1 basis points per annum (0.041% p.a.) (inclusive of GST, less Reduced Input Tax Credits) are charged

within each fund’s unit price. This fee covers audit, custody and some responsible entity charges and is pursuant to the general management fee authorization under the constitution of the Funds. The balance of the fees is charged outside the unit price. BGI will give you notice prior to any change to this procedure.

Expenses

The constitutions enable us to be paid out of the Funds for all expenses and liabilities reasonably and properly incurred in relation to the proper performance of our duties in connection with the Funds. However, whilst the current fees policy applies, the usual reasonable costs of operation of the Funds shall be paid by BGI (apart from the 4.1 basis points per annum (0.041% p.a.) charged within the unit price for all Funds but the BGI Global Inflation-Linked Bond Fund). Brokerage services may be provided by entities related to the Responsible Entity, for which fees are charged. Such brokerage services will only be used where the fees are at, or more favourable than, the prevailing market pricing for such services.

ASIC Exemptions

As at the date of this Information Memorandum, we rely on ASIC Class Orders that permit applications and redemptions for the Fund to be made to an omnibus account and that permits us to individually negotiate fees with certain sophisticated or professional investors.

Completing the Application Form

1. Are you adding to your existing account with BGI?

If you are an existing Unitholder of a BGI Fund, please tick “Yes” and provide your investor number. If this is a first time investment with BGI, please tick “No”.

New Investor Verification

Please note that BGI is required by law to undertake suitable due diligence of new investors.

By applying for units in the Fund:

(a) you agree to give BGI further information or personal details it reasonably believes are required in order to meet its obligation under anti-money laundering (AML), counter-terrorism or taxation legislation (relevant legislation);

(b) you represent and agree that:

- the funds that you are investing are not the proceeds of crime, nor connected with money laundering or the financing of terrorism, and do not come from an “offshore bank”, “shell bank” or a “non-cooperative jurisdiction”¹;
- neither you nor any Related Person is a Politically Exposed Person²;
- you are not commonly known by any other names different from those disclosed in this application form;
- any documents or information used for verification purposes in support of your application are complete and correct;

(c) you agree that in the event of your delay or failure to produce

¹ An “offshore bank”: a bank without a physical presence or affiliate in Australia
A “shell bank”: a bank without a physical presence in any country.

A “non-cooperative jurisdiction”: any country designated as non-cooperative with international anti-money laundering principles by an intergovernmental organisation, such as the FATF (Financial Action Task Force).

² Politically Exposed Person: individuals who are or have been entrusted with prominent public functions in a country other than Australia.

information which BGI has requested for AML purposes, BGI may, in its absolute discretion, take such action as it sees fit and BGI will incur no liability to you if it does so. In particular BGI may determine not to issue you with units, transfer or redeem your units, or may unilaterally redeem your units, if it believes such action to be necessary or desirable in the light of its obligations under relevant legislation;

(d) you acknowledge that it may be a criminal offence to knowingly provide false, misleading, forged, altered or falsified documents relating to your identity.

2. Account name

Corporate applicants

The full name of the corporation must be shown on the Application Form. Please attach any authorisations, power of attorney or other authority relating to the operation of the investment account.

Trustee applicants

Please insert the names of the individual trustees. If there is insufficient space, you may attach a separate listing of all trustees.

Individual (including joint individual) and partnership applicants

All applicants to the investment should be listed on the Application Form. If there is insufficient space, please attach a separate listing of all applicants.

3. Address details

Please provide both your street and mailing addresses. We will send correspondence to the mailing address. If the mailing address is the same as the street address, complete the street address space only, and tick the appropriate box.

4. Investment details

Monies for the Fund may be deposited via Electronic Funds Transfer (EFT) or by cheque. Monies received via EFT may be by way of telegraphic transfer or direct deposit. Monies deposited via EFT are received as cleared funds once bank confirmation has been received.

Monies can be deposited via EFT to:

Account name: BGIAL Applications Account
BSB: 212-200
Account Number: 010-035-557

Bank: JP Morgan Chase Bank

When funds are deposited via EFT, accompanying applications forms must be faxed to **(02) 9272 2577**.

Cheques are not received as cleared funds, and usually because of bank clearing requirements will delay the processing of your application.

Cheques should be crossed “not negotiable” and be made payable to “BGIAL Applications Account”. Third party cheques endorsed to us will not be accepted.

Your cheque, together with the completed Application Form and TFN/ABN notification should be forwarded to us at:

Barclays Global Investors Australia Limited
PO Box N43
Grosvenor Place NSW 1220

Please note that the individually negotiated fee may be inserted in this section of the Application Form.

5. Bank/financial institution details

Please provide your bank/financial institution account details. The account details supplied must be for an account held with an Australian domiciled bank. Unless otherwise advised we will use these details for the purpose of paying redemptions and distributions, if distributions are not to be automatically reinvested. Please note that for security reasons, BGI will not make disbursements from the Fund by cheque.

Completing the Application Form (Continued)

6. Distribution method

Any distribution entitlement made from the BGI Global Inflation - Linked Bond Fund will be automatically reinvested in additional units in the Fund.

For investments in any of the other Fund(s) offered in this Information Memorandum please indicate whether you would like to:

- reinvest in additional Units; or
- have your distributions paid into your nominated bank/financial institution account.

If no election is made, distribution entitlements will be reinvested in the Fund(s).

7. Annual Reports

Annual Reports are in electronic form. If you prefer to receive the reports in paper format rather than electronically, please indicate this in the application form.

8. Signatures

Corporate applicants

Applications by a corporation must be signed in accordance with its constitution and the Corporations Act, or under power of attorney, a copy of which must be provided with the Application Form.

Trustee applicants

A corporate trustee must sign in accordance with its constitution and the Corporations Act, or under power of attorney, a copy of which must be provided with the Application Form.

Where the trustee is one or more individuals, at least two must sign the Application Form. Alternatively, those persons authorised to execute the form on behalf of all individual trustees for the investing fund may sign the Application Form. A copy of such authorisation must accompany the application. If there is insufficient space on the Application Form, applicants may attach a separate listing of all trustee names and signatures.

Individual (including joint individual) and partnership applicants

All applicants to the investment must sign and be capable of satisfying the warranties under the section titled "Signatures." If there is insufficient space on the Application Form, please attach a separate listing of names and signatures.

Joint holdings will be registered as "Joint Tenants".

Tax File Number (TFN)/Australian Business Number (ABN) Notification

Please provide us with your TFN/ABN or any applicable exemptions. The consequences of not providing us this information are described in further detail in the Notification form.

Application Form

BGI Enhanced Australian Bond Fund (ARSN 099 916 391)
Barclays Investment Funds – Australian Bond Index Fund (ARSN 090 168 595)
Barclays Investment Funds – Overseas Bond Index Fund (ARSN 090 168 193)
Barclays Investment Funds – Cash Fund (ARSN 090168 308)
BGI Global Inflation-Linked Bond Fund (ARSN 116 116 164)

Barclays Global Investors Australia Limited (ABN 33 001 804 566, AFS Licence No. 225398)
 Level 43, Grosvenor Place, 225 George Street, Sydney NSW 2000
 PO Box N43, Grosvenor Place NSW 1220

Applications Fax No: 02 9272 2577

Information Memorandum dated 7th January 2009

Tick appropriate box and supply investor number if this application is into your existing account

1. Are you adding to your existing account with BGI?

Yes If "Yes", investor number No

2. Account name(s)

(a) Corporate applicant(s)
 (including corporate trustees)

Corporate name

(1)
 Contact name Business telephone

 E-mail address Fax number

(2)
 Contact name Business telephone

 E-mail address Fax number

(3)
 Contact name Business telephone

 E-mail address Fax number

(b) Individual applicant(s)
 (including individual trustees)

(1)
 Mr/Mrs/Miss/Ms/other First name(s)

 Surname

 Home telephone Business telephone

 E-mail address Fax number

(2)
 Mr/Mrs/Miss/Ms/other First name(s)

 Surname

 Home telephone Business telephone

 E-mail address Fax number

3. Address details

Street address

Number Street

 Suburb/city/town State Postcode Country

Tick if the mailing address is the same as the street address and leave the mailing address space below blank

Mailing address

PO Box/Number Street

 Suburb/City/Town State Postcode Country

Continued overleaf

Tax File Number (TFN) / Australian Business Number (ABN) Notification

If you do not quote your TFN, ABN or exemption to us in writing, tax will be deducted from any distributions made to you by the Fund(s) (including reinvested distributions) at the highest marginal tax rate. Please contact your financial adviser or the Australian Taxation Office if you have any questions.

Please complete the details below, providing your TFN, ABN (provided you are investing in the course of conducting an enterprise) or give the appropriate exemption information. If you are an individual or company investing as trustee of a trust, you should tick the "Trust" box.

Investor type (please tick one box)

- I Personal investors - one name only
- J Joint investors – applicants will be assumed to be joint tenants unless otherwise specified. Accounts in joint names must be signed by all parties.
- C Company
- P Partnership – the partnership TFN, ABN or exemption must be given
- T Trust - if there is no trust TFN/ABN, give the trustee's TFN/ABN or exemption. This includes accounts held for another person, such as an aged or invalid person, and accounts held by an adult for a child.

TFN / ABN Exemptions

- Pensioner - write the full name of the pension you receive in the exemption box below.
- Children - give the child's TFN, ABN or exemption and also write his/her date of birth in space provided below.
- Tax-exempt - write "TAX EXEMPT" in the exemption box below.
- Non-resident - write your country of residence in the exemption box below. If you are exempt from tax in your country of residence, also write "TAX EXEMPT" in the exemption box.

Investor 1 – write the name of the individual or entity whose TFN, ABN or exemption is being given

Name

TFN

or

ABN

or

Exemption

Date of birth

Investor 2 - (if applicable) write the name of the individual or entity whose TFN, ABN or exemption is being given

Name

TFN

or

ABN

or

Exemption

Date of birth

Collection of TFN/ABN information is authorised and its use and disclosure are strictly regulated by Australian tax laws and the Privacy Act.

4. Investment details

Fund name	Amount
BGI Enhanced Australian Bond Fund	\$
Australian Bond Index Fund	\$
Overseas Bond Index Fund	\$
Cash Fund	\$
BGI Global Inflation-Linked Bond Fund	\$
Total	\$

Please refer to section 4 of "Completing the Application Form" for payment instructions

Fee rate (see page 13 for the default rates) % or as separately agreed

5. Bank/financial institution details

Name of your bank/financial institution

Branch address

Account name

Bank number (BSB) Account number

6. Distribution method

Tick appropriate box

Reinvest in Units of Fund(s)

Pay distribution to the bank/financial institution account nominated above (please note that this option is not available for the BGI Global Inflation Linked Bond Fund).

7. Annual Reports

Please tick the box if you wish to receive the Funds' Annual Report in paper format. The annual reports are also available on our website at www.barclaysglobal.com

Please specify an email address if different to the one provided as contact.

8. Signatures

I/we wish to subscribe for Units in the amount and allocation detailed above and, in doing so, agree to be bound by the provisions of the constitution constituting the Fund(s), and further acknowledge that where this application is made in two or more names the investment is held as Joint Tenants. I/we warrant that the making of this investment falls within the "wholesale client" provisions of the Corporations Act and I/we indemnify the Responsible Entity for any loss, liability, or consequence that may arise if the making of this investment does not fall within the "wholesale client" provisions of the Corporations Act.

I/we have read the Information Memorandum (including any Supplementary Information Memorandum) to which this application relates, together with the application instructions, and expressly acknowledge that this is not a bank deposit and that the return of capital, the performance of the Fund(s) or any particular rate of return are not guaranteed by Barclays Global Investors Australia Limited, nor any member of the Barclays Group. I/we acknowledge that, upon receipt of this application, the Responsible Entity may enter into transactions for the Fund in anticipation of payment of application monies, and I/we indemnify the Responsible Entity against any losses and expenses incurred by it if the application monies are not received in cleared funds by the specified payment date. I/we agree to receive the annual reports concerning the Fund(s) disclosed in this offer document in an electronic format unless I/we have notified the Responsible Entity otherwise. Where this application is signed under the power of attorney the donee declares that they have not received any notification of revocation whether by death or otherwise. A corporation is required to sign in accordance with its constitution and the Corporations Act, or under power of attorney.

These products are not deposits or other liabilities of Barclays PLC or its subsidiaries. Investment type products are subject to investment risk, including possible delays in repayment and loss of income and principal invested.

I/we acknowledge that this Application Form will govern additional investments made to the Fund(s) offered herein.

<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature – investor 1	Date	
<input type="text"/>		
Name (in full) and title		
<input type="text"/>	<input type="text"/>	Affix Common Seal here (if applicable)
Signature – investor 2	Date	
<input type="text"/>		
Name (in full) and title		

If insufficient space, please attach a separate listing of authorised signatures.

Barclays Global Investors Australia Limited

ABN 33 001 804 566

AFS Licence No 225398

Level 43, Grosvenor Place

225 George Street

Sydney NSW 2000

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