

Brook Alpha Fund

December 2011



FUND OUTLINE

The PIE-registered Brook Alpha Fund invests in a concentrated portfolio of listed securities, primarily in Australasia. It aims to produce an attractive return over the medium term by investing in shares that are identified by our proprietary research process as being undervalued. The portfolio is constructed without regard to any index and given its highly concentrated and aggressive nature, is suitable for investors willing to tolerate significant volatility.

Manager Profile

Brook Asset Management Limited (Brook) is a specialist investment management company based in Auckland, New Zealand. We have a highly qualified and experienced team of investment professionals who are focussed on building portfolios of securities that the internal investment process identifies as having superior medium-term return prospects.

Investment Style

Brook takes an active approach to investment management based on extensive research and years of experience. The Fund invests in a range of listed and unlisted securities, including derivatives and cash. Option strategies may be used. Where investments are not denominated in New Zealand dollars, a currency hedging strategy may be utilised. The Fund may also use leverage and short sell securities.

Performance Benchmark

Reserve Bank of New Zealand Official Cash Rate plus 6%.

Investor Suitability

This Fund is intended for investors seeking an attractive absolute return through aggressive portfolio management. Given that the Fund can be expected to be volatile it is suitable for investors with a medium investment horizon and those willing to tolerate significant volatility.

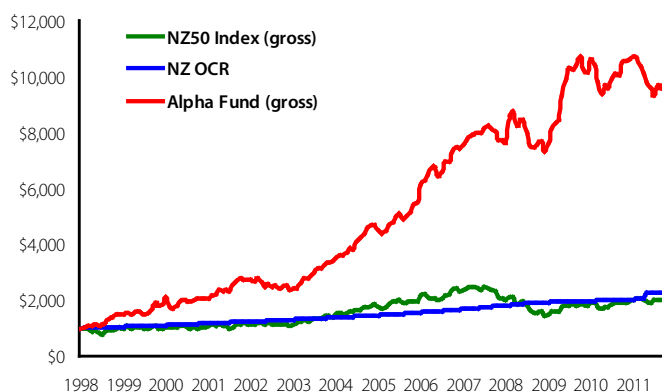
Important Notes

An Investment Statement for this Fund is available on request. This information is intended to provide a general profile only and is believed to be accurate as at date of compilation. Brook will not be liable for any loss, damage, cost or expense that may arise from reliance on this information. In addition to reading the Investment Statement, Brook strongly recommends that you obtain professional advice on your individual requirements before making any investment decision. All fees are stated on a GST-exclusive basis and are expressed as a percentage of the gross asset value of the Fund unless otherwise stated. Past returns are not necessarily indicative of future performance.

Investments in the Brook Alpha Fund are not deposits with, or other liabilities of, Macquarie Bank Limited (MBL) or of any other Macquarie Group company and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither MBL nor any other member of the Macquarie Group guarantees any particular rate of return on, or the performance of, the Brook Alpha Fund, nor do they guarantee the repayment of capital from the Brook Alpha Fund.

Portfolio Analysis

Relative performance



Returns

% p.a.	1yr	3yr	5yr	7yr	9yr	Inception
Alpha Fund (gross)	-7.57%	8.75%	5.86%	11.42%	16.30%	17.99%
NZ OCR	2.58%	2.69%	4.68%	5.34%	5.40%	5.44%
Relative Return	-10.15%	6.06%	1.18%	6.08%	10.90%	12.55%

Fund returns shown are shown prior to the deduction of tax or management fees. All returns are shown on a per annum basis and assume reinvestment of distributions. Note that returns prior to February 2005 are for the longer-running wholesale version of the Alpha Fund, which has similar objectives. The inception date for this fund is 31 March 1998. Past returns are not necessarily indicative of future performance.

Fund Details

PIE Registered	Yes
Distributions	6-monthly
Management Fee	1.00%
Capped MER (excluding performance fee)	1.65%
Performance Fee	15%
<i>(charged on the performance margin over benchmark)</i>	
Buy/Sell Spread	0
Entry Fee	0
Exit Fee	0
Minimum Investment	\$5,000.00
Minimum Withdrawal	\$100.00
Minimum Switch	\$100.00
Regular Savings Plan	Yes
Manager	Brook Asset Management Limited
Trustee	Trustees Executors Limited
Custodian	Trustees Executors Limited