

TRADE AID IMPORTERS LTD.

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Invest in your world – Trade Aid’s Ethical Investment Trust

Thank you for your enquiry in regards to Trade Aid’s Ethical Investment Trust. The Ethical Investment Trust was established as a vehicle to raise funds to support the activities of Trade Aid. For the ethically minded investor the Trust offers a practical way to support fair trade and our producer groups.

How an ethical investment works...

Your Ethical Investment with Trade Aid will help disadvantaged artisans around the world receive a fair price for their products. This allows them to feed and educate their children and gives them hope for a brighter future.

The way Trade Aid operates is unique - we pay for our products before we even receive them. This is a very rare practise in mainstream business as most don’t want to take the risk of loss - this is understandable if a business is only thinking about its own pocket. However, when Trade Aid places an order we offer our trading partners a pre-payment (as a minimum 50% of the order) and pay the balance for the product when it is shipped. This interest free pre-payment ensures our partners can buy the raw materials and pay the artisans or farmers for their work as soon as possible, essential in developing countries where money lenders charge exorbitant interest fees.

Why invest with Trade Aid?

- **You can make a social investment from as little as \$100**
- **You choose when to get your money back!** After two years, you can choose to cash in your investment or re-invest in Trade Aid.
- **The returns are great - to you and the producer.** Your return is in knowing that fair trade provides change to people’s lives and hope for a brighter future. You can also receive a small interest rate (1%, 2%, 3% and up to market rates) on your investment if you choose to. Please select the rate you would prefer on the application form.
- **Social and environmental benefits.** You can be assured your investment will never be used to exploit the poor, human rights, the environment, or be used to manufacture arms. A guarantee you do not receive in conventional investments.

What sort of investment is this?

The EIT offers unsecured certificates of deposit for the term and at the rate of interest requested by the depositor (often zero). EIT loans funds to Trade Aid Importers Ltd (TAI). TAI then imports handcrafts, tea

and coffee from thousands of artisans in more than 30 different countries and sells these products through 30 associated shop trusts throughout New Zealand and the online at www.tradeaid.org.nz.

Variable interest rates and terms are available. As an alternative/fair trading organisation, our preference is for low or no interest long term ethical investments, but we can pay up to market variable rates to suit your needs.

What is my risk?

No investment is completely risk free. However The Trust holds a second mortgage with a priority of up to \$1,000,000 over the property at 174 Gayhurst Road, Christchurch belonging to Trade Aid (NZ) Inc (subject only to a first mortgage to the Southland Building Society for \$390,000). The second mortgage is guaranteed by Trade Aid Importers Ltd. There is a third mortgage up to \$142,000 held by the Quaker Investments Ethical Trust over the Trade Aid NZ Incorporated property at 174 Gayhurst Road. The Trust holds a second debenture with a priority of up to \$1,000,000 over the assets of Trade Aid Importers Ltd, (subject only to a first debenture to the ANZ National Bank with a priority of up to \$1,200,000 which is utilised for trading purposes). The second debenture is guaranteed by Trade Aid (NZ) Inc. However, as between the Trust and you, this deposit is unsecured. There is no liability on an investor if the Ethical Trust becomes insolvent.

Trade Aid Importers Ltd and Trade Aid (NZ) Inc have undertaken to the Trustees of the Trade Aid Ethical Investment Trust to make up any shortfall between the returns generated on investment and the amounts payable to depositors.

The net assets of the Trade Aid Group at 30 June 2009 were \$2,882,403. The main assets of the Group are the land and building and other fixed assets \$1,836,373, the inventory \$4,537,980 and accounts receivable \$1,158,971. The main liabilities of the Group are the borrowings from the Trade Aid Ethical Investment Trust \$468,957, Funds of the Trade Aid Trusts held by TAI \$398,000 and the Trade Aid Development Trust \$219,106.

IMPORTANT NOTICE: Prospective investors are advised that the Trade Aid Ethical Investment Trust (EIT), in making this offer of securities, is not subject to the normal requirements to have a registered prospectus and an investment statement under the Securities Act 1978. This is because the Securities Commission has granted a general exemption from those requirements to all charitable organisations. The Securities Commission has not examined or approved this particular offer.

Accordingly, the risks associated with this investment may not be as fully disclosed in this document as they would be in an investment statement and registered prospectus.

The Securities Commission granted the general exemption on the basis that prospective investors in charitable organisations are not necessarily seeking a commercial return, but instead wish to support the charitable purposes of the charitable organisation. The particular charitable purposes of Trade Aid's Ethical Investment Trust are discussed in this document. If the return sought is important to you, you should consider seeking investment advice.

When you invest in the fair trade work of Trade Aid, you will automatically receive the annual newsletter and annual report of Trade Aid (NZ) Inc and Trade Aid Importers. An investor can request a copy of the Ethical Trust's most recently audited financial statements that comply with the Financial Reporting Act 1993 and these will be provided free of charge within 5 working days.

Yes – I would like to make an investment

1 Year 2 Years 3 years On call Your suggestion _____

I/We would like to invest \$..... (minimum \$100, over \$500 is eligible for interest) for a period of (please tick one):
at an interest rate of

0% 1% 2% Your suggestion _____

Interest payment on maturity to be:

By cheque Reinvested Paid into bank account
(Please attach a deposit slip.)

Please find my deposit enclosed.

My tax rate for this investment is:

19.5% incl IRD No 33% incl IRD No 39%

I/We would like more information about Trade Aid

Signed:.....Full name:.....

Mailing address:.....Phone No:.....Email:.....

Tax rate: I RD Number.....

IR 15C exemption number (if applicable)

Mail to:
Trade Aid Ethical Investment Trust
PO Box 35 049, Christchurch

Or contact: graeme.sleeman@tradeaid.org.nz on 0508 TRADE AID ext 227