



Distributions, the Attribution Managed Investment Trust ('AMIT') regime, Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

Update effective from 1 July 2017

This information is provided to update the information set out in the JANA Information Memorandum for the Low Correlation Strategy Trust dated 1 December 2015 ('IM')

As a result of the introduction of a new tax system for managed investment trusts under the Attribution Managed Investment Trust ('AMIT') regime, the following information is updated in the IM.

Income distributions

The information under the sub-heading 'Income distributions' in the IM has been updated with a new paragraph at the beginning of the section:

Our current practice is to generally distribute the net taxable income of the LCS Trust to investors each year (including net capital gains and any net gains on currency management where applicable). If we elect for the Attribution Managed Investment Trust regime ('AMIT regime') to apply to the LCS Trust we have the discretion to accumulate income (instead of distributing all of the income). In that case, the accumulated income will be reflected in the unit price. We intend to continue our current practice to distribute all of the income for each year. We will notify you if this changes.

Tax

The information under the sub-heading 'Tax' in the IM has been updated. The information under the heading no longer applies and should be deleted and replaced with the following new information:

Tax

Because tax laws are complex and change from time to time, you should seek professional tax advice on your investment in the LCS Trust.

Our current practice is to generally distribute the net taxable income of the LCS Trust to investors each year (including net revenue gains, net capital gains and any net gains on currency management where applicable). On this basis the LCS Trust itself generally should not be liable for tax on its net earnings. Rather investors should include their proportion of this income in their tax returns. Any net losses are retained by the LCS Trust and may be available for use by the LCS Trust to offset future gains.

If you buy units before the distribution calculation date, the Dealing Unit Price will include income accumulated in the LCS Trust. The income that has been accumulating will generally be distributed and you may potentially have taxation liabilities on that income.

Depending on an investor's circumstances, a revenue or capital gain or loss may arise when units in the LCS Trust are sold, switched or redeemed.

Gains or losses from the disposal of investments in some Underlying Funds may be treated by the LCS Trust as revenue gains or losses for tax purposes and not as capital gains or losses. Gains or losses arising from currency management may also be treated as revenue gains or losses for tax purposes. Due to the nature of some Underlying Funds, investors may receive notional income or gains calculated under the relevant accruals taxation provisions of the Income Tax Assessment Act. This means that Australian resident taxpayers may be assessable on amounts of income or gains that may not necessarily have been received during the relevant income year.

Overview of the AMIT regime

A new regime for the taxation of managed investment schemes ('AMIT regime') has been introduced and this section describes the changes that will occur if we elect for the AMIT regime to apply to the LCS Trust. We anticipate electing to have the AMIT regime apply for the LCS Trust for the 2017/2018 and later years of income. An election into the AMIT regime will apply for the entire financial year of the LCS Trust in the financial year for which the election is made. We will notify you if an election is made.

Under the AMIT regime, investors are taxed on income that is "attributed" to them, rather than a proportional share of taxable income of the LCS Trust. We are required to undertake this attribution on a fair and reasonable basis.

It is not necessary to distribute all taxable income in order to ensure that tax is not imposed on an AMIT. If we elect into the AMIT regime for the LCS Trust, we will have the discretion to accumulate income in the LCS Trust. This means that we would not have to distribute all of the LCS Trust's taxable income, and the accumulated income will instead be reflected in the unit price.

We currently distribute all of the net taxable income for each financial year and intend to continue to distribute all income even if we elect for the AMIT regime to apply to the LCS Trust. We will notify you if this changes.

If we elect into the AMIT regime, the details of the taxable income attributed to you will be set out in an AMIT Member Annual Statement ('AMMA Statement'), which will contain all necessary tax information in a similar manner to the current tax statements. The tax payable (if any) depends on your individual tax profile and applicable tax rate.

If you disagree with our attribution of taxable income, you can object to the Commissioner of Taxation. If you decide to take this course, it is important that you obtain professional tax and legal advice. The Constitution provides for you to give us notice before making an objection, so please do so and we will work with you to try to resolve the issue.

This IM is not a tax guide. We recommend that you contact your tax adviser or the Australian Tax Office at www.ato.gov.au for further details and expert advice in relation to your own personal circumstances. This applies whether you are an Australian resident or a non-resident for tax purposes.

Opening an account

The information under the sub-heading 'Opening an account' in the IM has been updated. The information in the third paragraph under the sub-heading no longer applies and should be deleted and replaced with the following new sub-heading and information at the end of the section:

Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

We are required to collect information about your tax residency status, including whether you are a US citizen or resident for US tax purposes, and other relevant information to determine your reporting status under the FATCA and the CRS rules. If you identify yourself as a foreign resident for tax purposes, your account information may be reported to the relevant tax authorities.

We provide the following information so you can stay informed about your investments

The information under the sub-heading 'We provide the following information so you can stay informed about your investments' in the IM has been updated. The information under this sub-heading replaces the existing information as follows:

Deleted:

Annual taxation statement	Provides details of the income and capital gains paid on your account for the financial year.
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and replaced with the following new information:

Annual taxation statement (or AMMA Statement, if applicable)	Provides details of the share of the income distributed or attributed to you, as applicable, during the financial year to assist you in completing your tax return.
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Important information

This information has been prepared for wholesale investors only by MLC Investments Limited (ABN 30 002 641 661, AFSL 230705), a member of the National Australia Bank Limited (ABN 12 004 044 937, AFSL 230686) (NAB) group of companies (NAB Group), 105–153 Miller Street, North Sydney 2060.

NAB does not guarantee or otherwise accept any liability in respect of any financial product referred to in this communication.

This information is directed to and prepared for Australian and NZ residents (as applicable) only.

This information may constitute general advice. It has been prepared without taking account of an investor's objectives, financial situation or needs and because of that an investor should, before acting on the advice, consider the appropriateness of the advice having regard to their personal objectives, financial situation and needs.

You should obtain an Information Memorandum or other disclosure documents relating to the financial product mentioned in this communication issued by MLC Investments Limited, and consider it before making any decision about whether to acquire or continue to hold this product. A copy of the Information Memorandum or other disclosure documents are available upon request by phoning the MLC Institutional Client Service Centre on 1300 738 355 or emailing info@nabam.com.au.

Any opinions expressed in this communication constitute our judgement at the time of issue and are subject to change.

JANA Information Memorandum

Low Correlation Strategy Trust



Investment manager: JANA Corporate Investment Services Limited ABN 38 055 638 474, AFSL 230687
A National Australia Bank company

Issued by: The Trustee, MLC Investments Limited ABN 30 002 641 661, AFSL 230705
A National Australia Bank company

Preparation date: 1 December 2015

For wholesale clients only

Contents

What is covered in this
Information Memorandum ('IM')

1. Key trust terms	1
2. Low Correlation Strategy Trust	3
3. Investment manager – JANA Corporate Investment Services Limited	4
4. Some things to consider before you invest	5
5. Some important details	7
6. Explanation of fees and costs	11
7. Contact details	12

New Zealand investors only

Warning

The law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ\$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

1. Key trust terms

Low Correlation Strategy Trust ('LCS Trust')	
Trustee	MLC Investments Limited ('Trustee')
Investment manager	JANA Corporate Investment Services Limited ('Investment Manager')
Custodian	National Australia Bank Limited ('Custodian')
Administrator	National Australia Bank Limited ('Administrator')
Eligible unitholders/ ASIC registration	As the LCS Trust is only available to wholesale clients it has not been registered with the Australian Securities and Investments Commission ('ASIC'). However, in the future, we may register the LCS Trust.
Investment objectives	<p>The LCS Trust aims to:</p> <ul style="list-style-type: none"> • Over rolling 3 year periods, earn a return (after fees and expenses) which exceeds the return of the Bloomberg AusBond Bank Bill Index plus 3% p.a.; • Over rolling 3 year periods, have a maximum beta to equities of +0.2 (50% S&P/ASX 200 Index and 50% MSCI All Country World Index A\$ Hedged); and • Avoid a material negative return, particularly one coinciding with an adverse equity market.
Underlying investments	<p>The LCS Trust:</p> <ul style="list-style-type: none"> • Provides exposure to a range of hedge funds and alternative strategies ('Underlying Funds'); • May have an allocation to cash to assist in managing liquidity, for cash flow purposes or to help manage risk; • May use derivatives to hedge investment risk or enhance investment returns; and • Will substantially hedge foreign currency exposures of Underlying Funds to the Australian dollar. The LCS Trust will still have indirect currency exposure as the Underlying Funds may employ currency management strategies for their own assets.
Minimum balance	<p>\$500,000 unless otherwise approved by the Trustee.</p> <p>(All amounts in this IM are in Australian dollars unless stated otherwise.)</p>
Minimum initial subscription amount (New Zealand investors only)	NZ\$750,000 (unless you are otherwise a wholesale investor within the meaning of the Financial Markets Conduct Act 2013 (NZ)).
Applications	<p>Application dealing day: The effective day that the units are recorded in the unit register, which will usually be on the last day of the month or any other day deemed appropriate by the Trustee ('Application Dealing Day').</p> <p>Application notice: Required at least 3 Business Days prior to the Application Dealing Day or such other notice period deemed appropriate by the Trustee.</p> <p>Application monies: Usually required at least 3 Business Days before the relevant Application Dealing Day.</p> <p>Application limit: Generally, up to 25% of the LCS Trust's total net asset value on any given Application Dealing Day may be subscribed by all investors on that day. Applications will be processed pro-rata across all subscribing investors based on their application amount divided by the total application amount on that day or other such measures as deemed appropriate by the Trustee.</p> <p>More details are provided on pages 7–8.</p>

1. Key trust terms

Low Correlation Strategy Trust ('LCS Trust')	
Redemptions	<p>Redemption dealing day: The effective day that the Trustee causes the units to be redeemed, which will usually be on the last day of the relevant calendar quarter or any other day deemed appropriate by the Trustee ('Redemption Dealing Day').</p> <p>Redemption notice: Required at least 50 Business Days prior to the Redemption Dealing Day or such other notice period deemed appropriate by the Trustee.</p> <p>Redemption payments: Usually paid no earlier than 20 Business Days after the relevant Redemption Dealing Day (although this may be earlier or later at the Trustee's discretion).</p> <p>Redemption limit: Generally, up to 25% of the LCS Trust's total net asset value on any given Redemption Dealing Day may be redeemed by all investors on that day. Redemptions will be processed pro-rata across all redeeming investors based on their redemption amount divided by the total redemption amount on that day or other such measures as deemed appropriate by the Trustee.</p> <p>More details are provided on pages 7–8.</p>
Monthly crossing	<p>There are certain instances where monthly crossing may be allowed between redeeming and subscribing investors.</p> <p>More details are provided on page 8.</p>
Income distribution	<p>The income of the LCS Trust will generally be calculated effective the last day of June and may also be calculated on other dates determined by the Trustee. All income distributions will be reinvested.</p> <p>More details are provided on page 9.</p>
Management Costs	<p>The Management Costs are made up of a 'Base Fee' and a 'Performance Fee'. These fees will be separately agreed with each investor.</p> <p>More details of fees and costs are provided on page 11.</p>
Underlying Fees and Costs	<p>All fees (including performance fees) and costs relating to the Underlying Funds ('Underlying Fees and Costs') will be paid from the assets of the LCS Trust and reflected in the unit price. Underlying Fees and Costs are additional to Management Costs and are not required to be paid by you separately.</p> <p>More details of fees and costs are provided on page 11.</p>

2. Low Correlation Strategy Trust

A distinctive alternative strategy, the LCS Trust is designed to complement a diversified investment portfolio of traditional assets.

Investment objectives

The LCS Trust aims to:

- Over rolling 3 year periods, earn a return (after fees and expenses) which exceeds the Bloomberg AusBond Bank Bill Index plus 3% p.a.;
- Over rolling 3 year periods, have a maximum beta to equities of +0.2 (50% S&P/ASX 200 Index and 50% MSCI All Country World Index A\$ Hedged); and
- Avoid a material negative return, particularly one coinciding with an adverse equity market.

Investment strategy

The LCS Trust is designed to provide a complementary return stream to a diversified portfolio of traditional assets. By combining Underlying Funds, it seeks to deliver a pattern of returns that is largely uncorrelated with equity markets.

The LCS Trust will provide exposure to an unconstrained, concentrated portfolio of Underlying Funds, primarily hedge funds.

The Underlying Funds may:

- Use a wide range of investment strategies;
- Invest across few or many different investment markets (eg shares, bonds, commodities, and currencies);
- Use non-traditional investment techniques (eg short selling and gearing);
- Make use of derivatives; and
- Invest in individual securities or broad market indices (usually through derivatives).

To provide diversification and to reduce volatility in the LCS Trust, the Investment Manager carefully selects and combines complementary Underlying Funds.

The Investment Manager also uses the following investment techniques to manage the LCS Trust:

- **Derivatives** – The LCS Trust may use derivatives to hedge certain investment risks and to improve the likelihood of meeting its investment objectives. Where used, derivatives strategies will be implemented by a specialist derivatives manager. However, the Investment Manager will be responsible for the derivatives strategies.
- **Cash** – The LCS Trust may have an allocation to cash to assist in managing liquidity, for cash flow purposes or to help manage risk.
- **Currency management** – The LCS Trust will substantially hedge foreign currency exposures of Underlying Funds to the Australian dollar. The LCS Trust will still have indirect currency exposure as the Underlying Funds may employ currency management strategies for their own assets.

Underlying Funds

For details of the current Underlying Funds of the LCS Trust please contact mlchedgefunds@mlc.com.au. However, we may not be able to provide information that is market sensitive or subject to confidentiality obligations.

The Underlying Funds may change as a result of ongoing review and as new investment opportunities arise. This may occur without prior notice to you.

About the LCS Trust

MLC Investments Limited, the trustee of the LCS Trust, is a fully owned subsidiary within the National Australia Bank Limited Group of companies ('NAB Group'). References in this document to 'Trustee', 'MLC', 'we', 'our' or 'us' should be read as references to MLC Investments Limited in its capacity as trustee.

The LCS Trust generally accesses the Underlying Funds through pooled vehicles managed by their investment managers (eg trusts and companies that may or may not be listed and partnerships) or managed accounts.

Unit classes

The LCS Trust may offer multiple unit classes to investors. Prior to any investment, each investor will be advised which unit class or classes will be available for their investment.

Please contact us or the Investment Manager to confirm which unit class or classes are available for your investment.

3. Investment manager

– JANA Corporate Investment Services Limited

The Investment Manager is a fully owned subsidiary of the NAB Group and has been providing multi-manager investment solutions for over 25 years.

The Alternative Strategies Team of the Investment Manager is responsible for the LCS Trust. Since 2008 (before the LCS Trust began), the Investment Manager has successfully managed the strategy the LCS Trust invests in.

Investment approach

The universe of alternative strategy managers is diverse. The risk profile of each strategy can be very different and some are substantially more risky than others.

For the LCS Trust, the Investment Manager looks for alternative managers and strategies that have complementary risk and return profiles.

Key aspects of the Investment Manager's investment approach include:

- **Thorough strategy and manager research and due diligence,** focussed on:
 1. Compiling a high quality universe of prospective managers;
 2. Conducting deep qualitative, quantitative and operational due diligence on a small number of high interest managers as well as regularly reviewing incumbent managers; and
 3. Being evidence based, objective and sceptical, and alert to possible behavioural biases.

- **Disciplined portfolio construction,** using sophisticated proprietary modelling based on our '4 C's' principles:

1. **Conviction** – in the manager or strategy;
2. **Correlation** – we seek strategies that have low correlation with both equity markets and incumbent managers;
3. **Contribution** – we seek a contribution to risk congruent with our conviction, the correlation benefits and the diversification benefits; and
4. **Constraints** – eg capacity and liquidity.

These principles are applied with the aim of determining the optimal combination of managers and strategies that will meet the investment objectives of the LCS Trust. The Investment Manager regularly monitors these allocations using its disciplined review process to ensure the highest likelihood of achieving the investment objectives.

- **Rigorous investment review** including:
 1. Within the Alternative Strategies Team;
 2. With the Investment Manager's other investment experts;
 3. With the Alternatives Investment Committee (or similar governance committee) that oversees the LCS Trust; and
 4. By any other forum the Investment Manager or the Trustee considers appropriate.

The role of the Investment Manager

In managing the LCS Trust, the Investment Manager is responsible for:

- Constructing and managing the portfolio to meet the investment objectives of the LCS Trust;
- Researching, selecting and combining the Underlying Funds;
- Monitoring risk for both the Underlying Funds and the LCS Trust;
- Performance monitoring and reporting;
- Cash flow management;
- Derivatives management; and
- Currency hedging and monitoring.

While the Investment Manager is responsible for all of these functions, it may outsource some of these functions to other parts of the NAB Group or to external parties.

4. Some things to consider before you invest

When investing in alternative or 'non-traditional' strategies, you are investing in assets that typically do not behave like traditional assets.

However, like all investments, the LCS Trust comes with some risks. The main ones are described below.

Counterparty risk

All investments, borrowings and transactions (including buying and selling securities) involve a counterparty on the other side of the transaction (eg when buying a security, the counterparty is the seller). There is a risk that a counterparty may not be able to meet its obligations.

Underlying Funds and the LCS Trust may have exposure to many different counterparties. If a counterparty does not meet its obligations then the LCS Trust may suffer a loss.

Currency risk

The LCS Trust typically invests in Underlying Funds located in other countries and denominated in different currencies. The value of a fund will change if there is a movement in the exchange rate between the Australian dollar and the currency of the overseas country.

The LCS Trust will substantially hedge foreign currency exposures of Underlying Funds to the Australian dollar. The LCS Trust will still have indirect currency exposure as the Underlying Funds may employ particular currency management strategies for their own assets.

Derivatives risk

Derivatives are contracts that have a value derived from another source, such as an asset, market index or interest rate. There are many types of derivatives including swaps, options and futures. They are a common tool used to manage risk or improve returns.

For example, derivatives can be used to protect a portfolio from downside equity risk. Derivatives can also be used to earn large returns from small movements in the underlying asset's price. However, they can lose large amounts if the price of the underlying asset moves against them.

Derivatives may be used by the Investment Manager in the LCS Trust. Our Derivatives Policy, which outlines how we manage derivatives, is available on request.

The Underlying Funds may also use derivatives. Such derivatives use is not covered by our Derivatives Policy.

Gearing risk

Gearing an investment through borrowing or leverage by using derivatives can magnify returns. However it can also magnify losses. In extreme market conditions, asset values can fall dramatically in a short period of time and the value of an investment may even fall to zero.

The Underlying Funds may use derivatives or borrow to achieve gearing, which may at times be substantial. In addition, where deemed appropriate by the Investment Manager, the LCS Trust may use derivatives or borrow to achieve gearing.

Investment manager risk

The Investment Manager has a rigorous investment approach and careful review process as outlined on page 4. However, the Investment Manager could overestimate or underestimate risk or make incorrect decisions about the investment strategy of the LCS Trust. This could affect the LCS Trust's ability to achieve its objective.

Liquidity risk

The Underlying Funds may have exposure to illiquid assets such as those in private, unlisted or small specialised markets, mortgages, or alternative investments, which are often difficult to buy or sell quickly. Therefore, in some environments they may have to be sold at a discount to their market value.

Market risk

Markets are uncertain and investors may experience periods in which expectations are not met, resulting in negative returns. Changes in market sentiment and the local or global economy are examples of market risks that can impact returns from the assets the LCS Trust invests in.

Regulatory risk

Laws of Australia and overseas jurisdictions can impact returns on your investments. Laws affecting your investment may change in future.

4. Some things to consider before you invest

Short selling risk

Short selling is a technique an Underlying Fund manager may use when it has a view that an asset's price will fall. The manager borrows the asset from a lender and sells it with the intention of buying it back at a lower price. If all goes to plan, a profit is made. The key risk of short selling is that, if the price of the asset increases, the loss could be significant.

Underlying Funds may engage in short selling. Often, short positions are offset by long positions in assets. For example, this allows a fund to hedge their exposure to market risks with the aim of capturing the performance differential between individual securities.

Underlying Fund risk

Many of the Underlying Funds will be pooled vehicles operated and managed by the Underlying Fund manager. While the Investment Manager seeks information on each Underlying Fund's assets, strategy and operations, the Investment Manager may not have a complete view of or control over the workings of the fund.

Most Underlying Funds are divided into partnership interests, units, shares or similar securities ('Shares'). The LCS Trust's unit price takes into account the number of Shares it holds in each Underlying Fund and its declared Share price. If an error occurs in an Underlying Fund's Share price, this will have an impact on the LCS Trust's unit price and we may not be able to seek compensation from the operators of the Underlying Fund.

Some Underlying Funds may be volatile. They can also use leverage, short selling and other investment techniques which can increase the risk of loss (although if used effectively these tools can also improve risk-return efficiency). An individual Underlying Fund may also be affected by changes such as the deterioration in the Underlying Fund manager's skill at selecting securities or changes to investment personnel. The Investment Manager manages this risk using its investment approach outlined on page 4 which includes researching the Underlying Funds and diversifying across multiple Underlying Funds with different skills and styles.

Transaction restrictions

Due to the particular strategies and investments of some of the Underlying Funds, it may not always be possible for the LCS Trust to buy or sell interests in those Underlying Funds (for example, due to limited capacity or restricted transaction dates).

Therefore the Trustee may, from time to time, reject applications (in whole or in part), impose conditions or restrictions on redemptions, or invest in cash (or other assets as the Trustee determines) until capacity or other restrictions can be overcome.

Trust is not registered

As the LCS Trust is only available to wholesale clients it has not been registered with ASIC. This means investors are not covered by the same protections applying to registered trusts under the Corporations Act 2001 (Cth).

However, in the future, we may register the LCS Trust.

Investments are not guaranteed

None of the NAB Group companies nor any other party guarantees the capital value, payment of income or performance of the LCS Trust. Your investment does not represent a deposit with or liability of any of the NAB Group companies.

The LCS Trust is governed by its constitution. In the event that this IM is inconsistent with the constitution, the constitution shall prevail.

5. Some important details

Useful information on how the LCS Trust works.

Opening an account

To invest in the LCS Trust:

- You must be a resident in Australia or New Zealand; and
- Be a wholesale client within the meaning of the Corporations Act 2001 (Cth); and
- If you receive the offer in New Zealand, you are required to pay a minimum subscription price of NZ\$750,000 or otherwise be a wholesale investor within the meaning of the Financial Markets Conduct Act 2013 (NZ).

You should contact us to discuss the application requirements before making your first investment. We will advise what you need to do. Among other things, you will need to complete an investment instruction form and we may need to request formal identification from you before you invest. Until all requirements are satisfied we cannot accept an application.

If you identify yourself as a US citizen or resident for tax purposes we will have to report your information to the ATO which may in turn, report you to the US tax authority.

If at any time after investing in the LCS Trust you no longer satisfy the eligibility criteria, you must advise us and we may redeem your unitholding.

This IM only constitutes an offer if you receive it in Australia or New Zealand.

Business Days are generally days on which banks are open for business in Sydney (except Saturday, Sunday and public or bank holidays or such other days as we determine from time to time). We have the discretion to declare any day to be a Business Day.

Minimum balance

You need to maintain a minimum balance of \$500,000. We may, however, accept lower amounts at our discretion. We may redeem your unitholding if your account balance falls below \$500,000.

Dealing days, unit prices and units

Due to the liquidity profiles of the Underlying Funds, the LCS Trust is not able to offer daily transactions. Instead the LCS Trust will offer transactions on Application Dealing Days and Redemption Dealing Days on which eligible investors may apply to transact with the LCS Trust. This is to ensure the unit price reflects the most up to date information from the Underlying Funds and to coordinate the timing of cash flow to or from the Underlying Funds, the LCS Trust and the investors.

The LCS Trust will strike a transactable unit price ('Dealing Unit Price') for dealing, distribution and other purposes for an Application Dealing Day and/or for a Redemption Dealing Day (which may or may not be the same date).

The Dealing Unit Price will reflect the performance of the underlying assets, income earned, fees, expenses and taxes paid and payable.

The Underlying Funds are illiquid in nature and priced infrequently with lags. Therefore, there is expected to be a lag before all valuations are available and the Trustee is able to ascertain the Dealing Unit Price. In such circumstances, it may take a number of weeks for the Dealing Unit Price to be ascertained and the actual number of units issued or cancelled to be known.

The LCS Trust may also use estimated valuations where up-to-date prices are not available.

The unit pricing function for the LCS Trust will be performed by the Administrator.

The overall value of your investment in the LCS Trust will change according to the relevant unit price and the number of units held.

If there is a unit pricing error that substantially impacts a Dealing Unit Price, an adjustment may be made. This will generally involve reprocessing affected transactions using the corrected Dealing Unit Price. The value of your investment could be increased or decreased as a result.

Our unit pricing philosophy is available at www.mlc.com.au. For more details on our policies relating to unit pricing please contact us.

Adding to your account

Once you've opened your account, you can make additional investments by electronic funds transfer ('EFT') or Austraclear.

To receive the Dealing Unit Price for a particular Application Dealing Day an application must:

- Be received at least 3 Business Days prior to an Application Dealing Day; and
- Be accepted by the Trustee.

Generally applications received less than 3 Business Days prior to an Application Dealing Day will not be accepted for that Application Dealing Day, but will be carried forward to the next Application Dealing Day. We have the discretion to waive or vary this cut-off time without explanation.

Application monies must also be deposited with us at least 3 Business Days prior to an Application Dealing Day. Any interest earned on application monies between the date of receipt and the Application Dealing Day will be paid into the LCS Trust and is not kept by the Trustee.

The number of units allocated to you will be determined by the Administrator once the relevant Dealing Unit Price has been struck.

We have the discretion to accept or refuse any application without explanation. In addition, an event may occur that causes an Underlying Fund to terminate or suspend applications. Should this occur, then applications into the LCS Trust may also be suspended.

5. Some important details

Application request limit

Collectively, investors may generally make applications totalling up to 25% of the LCS Trust's total net asset value on any given Application Dealing Day. If the total of applications exceeds this amount then each investor's requested application amount will be scaled down, generally by multiplying it by the ratio that 25% of the LCS Trust's total net asset value bears to the total of the application amounts requested by all investors. The Trustee may waive or vary the application limit at its absolute discretion. The Trustee may also use any other reasonable method of apportioning units to the investors.

Accessing your money

You can request a partial or a full redemption from your account to a nominated bank account. Redemption requests must be received by the Trustee at least 50 Business Days prior to the relevant Redemption Dealing Day. We have the discretion to waive or vary the notice period without explanation.

Once lodged, redemption requests may not be withdrawn except with our consent.

As the LCS Trust is expected to mainly invest in Underlying Funds which are of an illiquid nature and generally price infrequently with lags, there may be significant delays in obtaining valuations and liquidity from the underlying assets of the LCS Trust. Therefore, there is expected to be a lag before the Trustee is able to ascertain the Dealing Unit Price. For example, if a redemption request is received 50 Business Days before the 30th September and is accepted by the Trustee, the Dealing Unit Price for the 30th September will be used to process the redemption. Payment will be made as soon as possible after the Trustee determines the Dealing Unit Price and there are sufficient funds available, but will usually be no earlier than 20 Business Days after the relevant Redemption Dealing Day.

While it is our intention to make payment to you as soon as possible after the Redemption Dealing Day, payment may require the sale of underlying assets and will only be made to you once there is sufficient cash available.

Redemptions are not guaranteed to be paid within any set time.

The number of units redeemed (where the redemption is a dollar amount) or the dollar amount redeemed (where the redemption is in units) by you will be determined by the Administrator once the relevant Dealing Unit Price has been struck.

The Trustee:

- May suspend redemptions;
- May suspend payment of redemptions we have already accepted;
- Is not obliged to cause units to be redeemed; or
- May, where redemption requests exceed \$500,000, process redemptions in instalments over several Redemption Dealing Days.

If the Trustee deems that satisfying a redemption request may have an adverse impact on other investors, then the redemption may be delayed, potentially for an extended period of time.

The Trustee does not expect to suspend redemptions, or to delay payment of redemptions, other than in exceptional circumstances such as where there are adverse market conditions, or where Underlying Funds suspend or limit redemptions from their funds.

Although the Trustee will generally make the payment of the redemption request in cash, the Trustee has the discretion to make the payment, in full or in part, by transferring assets of the LCS Trust to you. The Trustee may deduct the cost of transferring the assets to you from the redemption payment.

Monthly crossing

The Trustee may, at its sole discretion, allow an investor to redeem its units on an Application Dealing Day on short notice where:

- The investor requests in writing at least 5 Business Days prior to an Application Dealing Day that it wishes to redeem on that date; and
- Another investor subscribes into the LCS Trust on the same Application Dealing Day,

on the condition that:

- Where the total redemption amount is greater than the total application amount for an Application Dealing Day, then the maximum amount that will be redeemed on that date will be equal to the total application amount. Any remaining redemption amount will be rolled over to the next relevant Application Dealing Day where a 'crossing' can occur, or the next relevant Redemption Dealing Day (whichever is earlier);
- Where there are multiple redemptions from investors which exceeds the total application amount for a given Application Dealing Day, each redeeming investor will be redeemed on a pro-rata basis; and
- All other redemption terms in this IM continue to apply to such redemption.

Redemption request limit

Collectively, investors may generally make redemption requests totalling up to 25% of the LCS Trust's total net asset value on any given Redemption Dealing Day. If the total of redemption requests exceeds this amount then each investor's requested redemption amount will be scaled down, generally by multiplying it by the ratio that 25% of the LCS Trust's total net asset value bears to the total of the redemption amounts requested by all investors. The Trustee may waive or vary the redemption limit at its absolute discretion. The Trustee may also use any other reasonable method of apportioning available funds among investors.

Transfers

You may be able to transfer all or some of your unitholding to another eligible investor. Please contact us for more information.

Transacting on your account

We can only process transaction requests when we receive all required information. We will not be responsible for any loss arising from unauthorised or fraudulent requests.

We may deduct amounts or redeem units in certain circumstances

We may deduct from a redemption payment any amount owed under the constitution, including taxes. We may also redeem some or all of a unitholding in the LCS Trust to satisfy any such amounts.

We may also redeem all or some of a unitholding if we form the opinion that the unitholding is prejudicial to the interests of other investors.

Income distributions

To receive a distribution, you must hold units in the LCS Trust on the distribution calculation date.

All income distributions will be reinvested.

On the reinvestment of income, units will be issued at the Dealing Unit Price applicable to the distribution calculation date. Buy cost allowances do not currently apply to the issue of these units.

The amount of the LCS Trust's income distribution is expected to vary from year to year, sometimes widely. In years when significant currency movement occurs, significant currency hedging gains or losses may be reflected in distributions.

Tax

Because tax laws are complex and change from time to time, you should seek professional tax advice on your investment in the LCS Trust.

Our policy is to distribute the net taxable income of the LCS Trust to investors each year (including net revenue gains, net capital gains and any net gains on currency management). On this basis the LCS Trust itself should not be liable for tax on its net earnings. Rather investors should include their proportion of this income in their tax returns.

Any net losses are retained by the LCS Trust and used to offset future matching gains.

If you buy units before the distribution calculation date, the Dealing Unit Price will include income accumulated in the LCS Trust since the last distribution payment. The income that has been accumulated will be distributed and you may potentially have taxation liabilities on that income.

Depending on an investor's circumstances, a revenue or capital gain or loss may arise when the investor disposes of units in the LCS Trust.

Gains or losses from the disposal of investments in some Underlying Funds may be treated by the LCS Trust as revenue gains or losses for tax purposes and not as capital gains or losses.

Gains or losses arising from currency management may also be treated as revenue gains or losses for tax purposes.

Due to the nature of some Underlying Funds, investors may receive notional income or gains calculated under the relevant accruals taxation provisions of the Income Tax Assessment Act. This means that Australian resident taxpayers may be assessable on amounts of income or gains that may not necessarily have been received during the relevant income year.

This IM is not a tax guide. We recommend that you contact your tax adviser or the Australian Tax Office at www.ato.gov.au for further details and expert advice in relation to your own personal circumstances.

This applies whether you are an Australian resident or a non-resident for tax purposes.

Changes to the LCS Trust

We may make changes to the LCS Trust (and the information in this IM) at our discretion including, but not limited to terminating the LCS Trust.

Some changes may be made without prior notice, including, but not limited to, changes to the Underlying Funds, currency hedging arrangements, underlying investments and the manner in which Application Dealing Days and Redemption Dealing Days are determined.

Where possible we will give you prior notice of materially adverse changes. Changes that are not materially adverse will be available on www.jana.com.au/forms

We use a number of service providers and we reserve the right to change them at any time without notice to you.

Unitholders' liability

The LCS Trust's underlying assets are owned by the Trustee on behalf of investors. The LCS Trust's constitution limits unitholders' liability to their investment in the LCS Trust. However, we cannot give an absolute assurance that your liability is limited in all circumstances as the issue has not been finally determined by a superior court.

5. Some important details

Privacy

MLC collects and holds information necessary to provide you with the relevant services and information related to your investment. If you do not provide your personal information we may not be able to provide you with these services. MLC is subject to the NAB Group's Privacy Policy which is available by contacting us or visiting our website at www.mlc.com.au/privacy. We may disclose your personal information within the NAB Group and to others. More information about how we collect, use, share and handle your personal information is in our Privacy Policy, including how you may access or correct your information, the countries we may send your information to and how you may make a complaint about a privacy issue.

Anti-Money Laundering

We are required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and as such we may need to collect information from you or anyone acting on your behalf to correctly verify your identity. To comply with our obligations an original certified copy of original document(s) (not fax or scanned copies) may be required. We may also need to verify the identity of related parties. Until we receive such document(s) we reserve the right to withhold processing any redemption requests you wish to make.

Keeping you informed

You can obtain information on your account and update your details by contacting us (details on page 12).

We provide the following information so you can stay informed about your investments:

Transaction confirmation	Confirms any application or redemption you make on your account.
Monthly transaction statement	Provides a summary of your transactions and investment details for the month.
Distribution statement	Provides details of the distributions paid on your account.
Annual taxation statement	Provides details of the income and capital gains paid on your account for the financial year.
Annual audited financial statement	We will provide a copy of the LCS Trust's annual report on our website www.jana.com.au/forms . If you wish to receive a paper copy of the report by post, please contact us.
Constitution	This information is available to you on request.
Performance history	
Unit Pricing Policy & exceptions register	
Daily non-transactable estimated unit price	
Derivatives Policy	
Privacy Policy	
IM updates	You can obtain a copy of the IM on request free of charge. The IM can be updated or replaced from time to time.

6. Explanation of fees and costs

This will give you more information on the fees and costs you will pay.

Management Costs

The Management Costs do not include transaction cost allowances, transaction costs or fees and costs relating to the Underlying Funds.

The Management Costs are made up of the following components:

- **Base Fee** – The Trustee will agree with you a Base Fee payable by you. Any such Base Fee will be inclusive of GST net of any Reduced Input Tax Credit.

The Base Fee will be reflected in the Dealing Unit Price for each class of units. The Base Fee will be paid from the assets of the LCS Trust – it is not required to be paid by you separately.

- **Performance Fee** – The Trustee and the Investment Manager will agree with you a Performance Fee payable by you and your associated payment arrangements.

Any such Performance Fee will be inclusive of GST (where applicable) net of any applicable Reduced Input Tax Credit.

Underlying Fees and Costs

In addition to the Management Costs, Underlying Fees and Costs (ie all fees and costs, including performance fees relating to the Underlying Funds) are paid from the assets of the LCS Trust and reflected in the unit price. These Underlying Fees and Costs are not required to be paid by you separately.

These Underlying Fees and Costs will vary. By investing in the LCS Trust, you will benefit from our scale and negotiation power with Underlying Funds. For example, in some instances, we will negotiate a higher base fee and no performance fee. As a general rule, where possible, we aim to negotiate such fees below the industry benchmark of 2%p.a. base fee and 20% performance fees (which may be subject to a performance hurdle and/or high water mark).

Such performance fees may be uncapped and payable to some Underlying Funds even though the LCS Trust or other Underlying Funds produce a negative performance.

Transaction cost allowances

When you buy or sell units in the LCS Trust a transaction cost allowance may be made by the Trustee for the costs of buying and selling underlying assets. These transaction cost allowances are included in the Dealing Unit Price and include allowance for items such as brokerage, stamp duty and spreads charged by underlying investment vehicles.

When you transact on your account a small portion of your transaction may be allocated towards meeting these costs.

We will notify you as soon as practical when these costs are incurred.

Reimbursable expenses

We are entitled to be reimbursed from the LCS Trust for all costs and expenses incurred in acting as Trustee or in relation to the administration and management of the LCS Trust. The expenses may include, but are not limited to, audit fees, IM preparation and printing costs and registry services.

We currently pay the majority of these costs and expenses out of the Base Fee and do not charge them to you as an additional cost. Consistent with industry practice, costs incurred for tax and legal due diligence are not included in the Base Fee and are an additional cost incurred. Please contact us for more details on these costs.

Fees paid to the NAB Group companies

We may use the services of NAB Group companies where it makes good business sense to do so and will benefit our customers.

Amounts paid for these services are always negotiated on an arm's length basis and are included in the fees referred to in this IM.

Changes to fees and costs

We may vary fees or introduce new fees up to the maximums described in the constitution.

We may decide to recover expenses directly from the LCS Trust, rather than pay them out of the Base Fee.

We will give you 30 days' notice of increases in the Base Fee and or any changes to the calculation methodology of the Performance Fee. No notice will be given in respect of changes to Underlying Fees and Costs.

7. Contact details

MLC

For Trustee, transaction, unitholding and product related matters

Telephone +612 9936 4577

Fax +612 9936 4500

Postal address

Client Services
Level 21
255 George Street
Sydney NSW 2000

JANA Corporate Investment Services Limited

For investment related matters

Telephone +612 9936 4523

Fax +612 9936 4590

Postal address

The Alternative Strategies Team
JANA Corporate Investment Services Limited
Level 21
255 George Street
Sydney NSW 2000

