

# JANA Information Memorandum

23 AUGUST 2007

## JANA Investment Trusts

JANA Core Global Share Trust

JANA Core Global Share Trust with Currency Hedged

JANA High Alpha Global Share Trust

JANA Emerging Markets Share Trust

JANA Core Australian Share Trust

JANA High Alpha Australian Share Trust

JANA Diversified Fixed Income Trust

JANA Property Trust

JANA Cash Trust



JANA Investment Advisers Pty Ltd ABN 97 006 717 568 AFSL 230693  
A member of the National group of companies

This Information Memorandum is issued by MLC Investments Limited (ABN 30 002 641 661) (AFSL 230705) as Responsible Entity for the following trusts: JANA Core Global Share Trust – ARSN 114 536 980, JANA Core Global Share Trust with Currency Hedged – ARSN 114 539 623, JANA High Alpha Global Share Trust – ARSN 114 536 711, JANA Emerging Markets Share Trust – ARSN 126 312 016, JANA Core Australian Share Trust – ARSN 120 068 242, JANA High Alpha Australian Share Trust – ARSN 120 072 442, JANA Diversified Fixed Income Trust – ARSN 120 072 488, JANA Property Trust – ARSN 120 068 135, JANA Cash Trust – ARSN 120 067 969.

**FOR WHOLESALE CLIENTS ONLY**

## Important Information

This Information Memorandum ("IM") only constitutes an offer to persons receiving it in Australia and should not be regarded as an offer, invitation or recommendation by MLC Investments Limited to apply for units in the JANA Investment Trusts described in this IM ("Trusts") in any other jurisdiction. This offer is made in Australia only to persons who are "wholesale clients" within the meaning of the Corporations Act.

MLC Investments Limited is the Responsible Entity of the Trusts and as Responsible Entity is ultimately responsible for all aspects of operating the Trusts. References to "MLC", "Trustee", "we", "us" or "our" should be read as MLC Investments Limited. MLC is the issuer of this IM.

**National Australia Bank Limited (ABN 12 004 044 937) is the ultimate parent company of MLC Investments Limited.**

**An investment in a Trust does not represent a deposit with or a liability of National Australia Bank Limited or other member company of the National Australia Bank Limited group of companies (referred to as the "National group of companies") and is subject to investment risk including possible delays in repayment and loss of income and capital invested.**

**None of the National Australia Bank Limited, MLC Investments Limited, or other member company in the National group of companies or any other party, guarantees the capital value, payment of income or performance of the Trusts.**

**In their capacity as investment managers of the Trusts, the investment managers named in this document provide wholesale financial services only to MLC Investments Limited and do not provide such financial services to investors. In particular, the investment managers do not, in that capacity, provide any advice to investors concerning any financial product referred to in this document. However, some of the organisations or their associated companies may in other capacities provide advice and other financial services to investors.**

**Any information in this IM has been prepared without taking account of individual investors' objectives, financial situation or needs. Because of this, investors should, before acting on any information in this IM, consider whether the advice is appropriate to their objectives, financial situation and needs. We strongly recommend that investors consult with JANA (or a licensed financial adviser) and a taxation adviser before making a decision to invest in the Trusts.**

**The Trustee will notify investors of any materially adverse changes to the Trusts. Changes to information in this IM that are not materially adverse to you may occur from time to time, without any update or replacement of this IM. Information that is not materially adverse will be updated and a paper copy of this information will be made available to you free of charge by contacting the Institutional Operations Team as per the contact details in the Corporate Directory on page 31.**

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## The JANA Investment Trusts

The JANA Investment Trusts is the collective name for a group of separate trusts which are operated by MLC Investments Limited (the "Trustee") of which nine are currently offered in this Information Memorandum ("IM").

This IM relates to the following trusts, which are collectively referred to as the "Trusts" throughout this document:

- JANA Core Global Share Trust
- JANA Core Global Share Trust with Currency Hedged
- JANA High Alpha Global Share Trust
- JANA Emerging Markets Share Trust
- JANA Core Australian Share Trust
- JANA High Alpha Australian Share Trust
- JANA Diversified Fixed Income Trust
- JANA Property Trust
- JANA Cash Trust

Each Trust is governed by a separate constitution and is a Registered Managed Investment Scheme.

## JANA Investment Advisers

JANA Investment Advisers Pty Ltd ("JANA") is responsible for recommending investment strategy and for marketing the Trusts in the wholesale and professional investor market in Australia. JANA is responsible for providing advice to the Trustee on the selection of investment managers and for ongoing monitoring of the investment managers appointed in respect of the Trusts. JANA is also responsible for certain aspects of servicing investors in these Trusts.

## Services provided to Trustee

The Trustee engages other companies (some of which may be within the National group of companies) to provide advice and other services to the Trustee. National Corporate Investment Services Limited (ABN 38 055 638 474) (AFSL 230687) ("NCISL") provides assistance with the compliance monitoring of investment managers. For more information please refer to page 30.

## Investing in the JANA Investment Trusts

### Eligible Investors

Only investors who are "wholesale clients" within the meaning of the Corporations Act 2001 ("Corporations Act") are eligible to invest in the Trusts. These include persons to whom a Product Disclosure Statement is not required to be given under the Corporations Act, such as "professional investors".

Eligible investors may invest in any of the Trusts offered through this IM, subject to the minimum initial investment, in order to match their particular investment requirements. An investor may switch an investment from one Trust to another Trust. Refer to page 20 for further information in relation to switching.

# JANA's Investment Approach

## JANA

JANA was founded in 1987 and has since developed a strong reputation for innovation, high quality research and a commitment to relationships and service. In December 2000, JANA was acquired by the National Australia Bank Group resulting in the ability for JANA's unique culture to continue to flourish whilst accessing opportunities for business growth. As at 31 December 2006 JANA had a total of \$5.5 billion funds under advice in implemented consulting arrangements and a further \$110 billion funds under advice in traditional consulting arrangements.

## Investment Philosophy

JANA believes that undertaking detailed research on a wide range of investment managers is fundamental to investment success. By undertaking this research effort, JANA believes successful investment managers can be identified ahead of time.

Further, how successful managers are blended together in a portfolio solution for investors is critical to the overall success of the investment strategy. With the aim of achieving this outcome, JANA looks for managers that have complementary investment performance objectives but may adopt different strategies and approaches. Different styles of investment management may be needed to meet different investment objectives.

Similarly, a standard analysis of past performance is not a good indicator of future performance – so the value of quantitative analysis, on its own, is limited.

Investment success is typically achieved by investment managers who exhibit a disciplined process and style and who can demonstrate the outstanding qualities needed within that process. There is no single set of outstanding qualities either necessary or sufficient for investment success.

JANA's approach to identifying successful investment managers requires it to fully understand the investment manager process, the capability of the personnel, the discipline employed and most importantly, the areas of outstanding qualities.

Each manager is assessed by JANA against key investment criteria including its:

- Investment philosophy
- People
- Process
- Performance
- Price
- Investment operations and compliance arrangements

# Profile of the JANA Core Global Share Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 5 year periods.

## Benchmark

MSCI World Index (Ex Aust) Gross Dividends reinvested in \$AUD terms.

## Investment Mix

Has exposure primarily to a diversified range of global shares and the currency exposure is substantially unhedged. May have a minor exposure to countries outside of the benchmark. As at the date of publication of this IM the following investment managers were appointed:

- Acadian Asset Management Inc
- Alliance Capital Australia Limited
- Capital International, Inc

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio with a constant theme (core managers – that is those managers that measure performance and risk relative to an industry standard benchmark) by blending investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### High

Trusts with high risk profiles may be suitable for investors that have an investment horizon of at least 5 years and have a high appetite for risk. Trusts with high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with high risk profiles may also offer greater potential for capital growth than trusts with moderate or low risk profiles.

# Profile of the JANA Core Global Share Trust with Currency Hedged

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 5 year periods.

## Benchmark

MSCI World Index (Ex Aust) Hedged into \$AUD Gross Dividends reinvested.

## Investment Mix

Has exposure primarily to a diversified range of global shares. The currency exposure is passively hedged with the aim of minimising the risk of movements in foreign currencies. May have a minor exposure to countries outside of the benchmark. As at the date of publication of this IM the following investment managers were appointed:

- Acadian Asset Management Inc
- Alliance Capital Australia Limited
- Capital International, Inc

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio with a constant theme (core managers – that is those managers that measure performance and risk relative to an industry standard benchmark) by blending investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### High

Trusts with high risk profiles may be suitable for investors that have an investment horizon of at least 5 years and have a high appetite for risk. Trusts with high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with high risk profiles may also offer greater potential for capital growth than trusts with moderate or low risk profiles.

## Currency Hedging Arrangements

The JANA Core Global Share Trust with Currency Hedged employs a passive currency overlay arrangement which takes the aggregate of the Trust's underlying global equity managers' currency exposures and passively hedges them back to the Australian Dollar. As at the date of this IM, the overlay was provided by State Street Bank and Trust Company. The currency manager may be changed without prior notice to you.

# Profile of the JANA High Alpha Global Share Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 5 year periods.

## Benchmark

MSCI All Country World Index (Ex Aust) Gross Dividends reinvested in \$AUD terms.

## Investment Mix

Has exposure primarily to a diversified range of global shares and the currency exposure remains substantially unhedged. May have a minor exposure to countries outside of the benchmark. As at the date of publication of this IM the following investment managers were appointed:

- Baillie Gifford Overseas Limited
- Pzena Investment Management, LLC
- Wellington Management Company, LLP

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio with a constant theme (high alpha managers – that is those managers who are less constrained by industry benchmarks and who build portfolios of high conviction ideas) by blending benchmark agnostic investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### High to Very High

Trusts with high to very high risk profiles may be suitable for investors that have an investment horizon of at least 5 years and have a high to very high appetite for risk. Trusts with high to very high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with high to very high risk profiles may also offer greater potential for capital growth than trusts with moderate or low risk profiles.

# Profile of the JANA Emerging Markets Share Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 5 year periods.

## Benchmark

MSCI Emerging Markets (Free) Index in \$AUD terms

## Investment Mix

Has exposure primarily to a diversified range of emerging markets shares and the currency exposure remains substantially unhedged. As at the date of publication of this IM the following investment managers were appointed:

- Capital International, Inc
- Marvin & Palmer Associates, Inc

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### High to Very High

Trusts with high to very high risk profiles may be suitable for investors that have an investment horizon of at least 5 years and have a high to very high appetite for risk. Trusts with high to very high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with high to very high risk profiles may also offer greater potential for capital growth than trusts with moderate or low risk profiles.

# Profile of the JANA Core Australian Share Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 5 year periods.

## Benchmark

S&P/ASX 300 Accumulation Index

## Investment Mix

Has exposure primarily to a diversified range of Australian shares. May have a minor exposure to non-Australian shares. As at the date of publication of this IM the following investment managers were appointed:

- Balanced Equity Management Pty Ltd
- Maple-Brown Abbott Limited
- Wallara Asset Management Pty Ltd

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio with a constant theme (core managers – that is those managers that measure performance and risk relative to an industry standard benchmark) by blending investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### High

Trusts with high risk profiles may be suitable for investors that have an investment horizon of at least 5 years and have a high appetite for risk. Trusts with high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with high risk profiles may also offer greater potential for capital growth than trusts with moderate or low risk profiles.

# Profile of the JANA High Alpha Australian Share Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 5 year periods.

## Benchmark

S&P/ASX 300 Accumulation Index

## Investment Mix

Has exposure primarily to a diversified range of Australian shares. May have a minor exposure to non-Australian shares. As at the date of publication of this IM the following investment managers were appointed:

- Coopers Investors Pty Ltd
- Northcape Capital Pty Limited
- GMO Australia Limited
- Paradise Investment Management Pty Ltd
- Renaissance Smaller Companies Pty Ltd

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio with a constant theme (high alpha managers – that is, those managers who are less constrained by industry benchmarks and who build portfolios of high conviction ideas) by blending benchmark agnostic investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### High to Very High

Trusts with high to very high risk profiles may be suitable for investors that have an investment horizon of at least 5 years and have a high to very high appetite for risk. Trusts with high to very high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with high to very high risk profiles may also offer greater potential for capital growth than trusts with moderate or low risk profiles.

# Profile of the JANA Diversified Fixed Income Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 3 year periods.

## Benchmark

50% UBSA Composite Bond Index and 50% Lehman Brothers Global Aggregate Bond Index (Hedged into \$AUD)

## Investment Mix

Has exposure primarily to a diversified range of global and Australian fixed income securities and the currency exposure is substantially hedged. The Trust has a long term target of 50% exposure to Australian fixed income and 50% to global fixed income. However, the actual Australian/global split may vary from time to time, sometimes quite widely, for example due to market movement or to JANA recommending a move away from a 50/50 split or as a result of an investment manager making a considered move away from a 50/50 split in an attempt to add value. As at the date of publication of this IM, the following investment managers were appointed:

- Blackrock Financial Management Inc
- PIMCO Australia Pty Ltd
- UBS Global Asset Management (Australia) Ltd

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio with a constant theme (diversified fixed income) by blending investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### Low to Moderate

Trusts with low to moderate risk profiles may be suitable for investors that have an investment horizon of at least 3 years and have a low to moderate appetite for risk. Trusts with low to moderate risk profiles may experience periods of negative returns. Trusts with low to moderate risk profiles may offer greater potential for capital growth than trusts with low risk profiles.

## Currency Hedging Arrangements

As at the date of this IM, Blackrock Financial Management Inc and PIMCO Australia Pty Ltd manage securities with currency exposure. These managers provide the currency hedge in respect of the overseas portion of investments they manage. These currency hedging arrangements may be changed without prior notice to you.

# Profile of the JANA Property Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 4 year periods.

## Benchmark

50% S&P/ASX 300 Property Trusts Accumulation Index and 50% UBS Global Real Estate Investor Index

## Investment Mix

Has exposure primarily to a diversified range of global and Australian listed property securities. The currency exposure is passively hedged with the aim of minimising the risk of movements in foreign currencies. May invest in unlisted property as well as, or instead of, listed property.

The Trust has a long term target of 50% exposure to Australian property and 50% to global property. However, the actual Australian/global split may vary from time to time, sometimes quite widely, for example due to market movement or to JANA recommending a move away from a 50/50 split. A move away from a 50/50 split may apply for an extended period of time. As at the date of publication of this IM the following investment managers were appointed:

- Challenger Managed Investments Limited
- LaSalle Investment Management (Securities) LP
- Morgan Stanley Investment Management Limited
- Resolution Capital Limited

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you. The Trustee intends to build a portfolio by blending investment managers with potentially different approaches.

The Trust may gain its exposure to the various investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### Moderate to High

Trusts with moderate to high risk profiles may be suitable for investors that have an investment horizon of at least 4 years and have a moderate to high appetite for risk. Trusts with moderate to high risk profiles can be expected to experience periods of negative returns. In some situations, they may endure extended periods of negative returns. However, trusts with moderate to high risk profiles may also offer greater potential for capital growth than trusts with low risk profiles.

## Currency Hedging Arrangements

The JANA Property Trust employs a passive currency overlay arrangement which takes the aggregate of the Trust's underlying global property managers' currency exposures and passively hedges them back to the Australian Dollar. As at the date of this IM, the overlay was provided by State Street Bank and Trust Company. The currency manager may be changed without prior notice to you.

# Profile of the JANA Cash Trust

## Investment Objective

The investment objective is to earn a return (before fees and expenses) which exceeds the benchmark over rolling 1 year periods.

## Benchmark

UBS Australian Bank Bill Index

## Investment Mix

Has exposure primarily to a diversified range of short-term 'cash' securities issued, guaranteed, supported or secured by governments, banks, companies or entities with an investment grade rating by a recognised rating agency. As at the date of publication of this IM, the following investment manager was appointed:

- National Specialist Investment Management (a division of National Corporate Investment Services Limited)

The Trustee reserves the right to add new investment managers or terminate existing investment managers based on the results of JANA's ongoing research, without prior notice to you.

The Trust may gain its exposure to investment managers by investing in other trusts for which MLC is the trustee or by investing in the managers' pooled investment vehicles. The Trust may also hold direct assets.

## Risk Profile

In the context of this section, "risk" means the risk that the Trust's returns will vary widely from time to time or that the Trust will produce a negative return.

### Low

Trusts with low risk profiles may be suitable for investors that have a relatively short investment horizon of 1 and a half years or less and have a low appetite for risk. Trusts with low risk profiles are less likely to experience periods of negative returns. However, trusts with low risk profiles may also offer lower potential for capital growth than trusts with moderate or high risk profiles.

# Unit Prices

An investment in the Trusts will generate investment returns, which may be positive or negative. The amount of any benefit (or loss) will be calculated using the unit price described below.

The unit price for a given Business Day is determined in accordance with the Constitution for each Trust and reflects the total value of assets in a Trust or class within a Trust, less fees, expenses, liabilities and applicable taxes, divided by the number of units on issue in the Trust or class within a Trust.

The unit price may be volatile – for example it may increase for a period and then decrease for a period, depending upon the performance of the underlying assets. In addition, the Trusts or classes within a Trust may distribute income from time to time and this will also affect the unit price as described in the section “Investing just before a distribution”.

The daily value of assets in a Trust or in a class within a Trust is generally based on the latest available market value. The market value available is dependent on the asset class being valued and the method of accessing that asset class (e.g. accessed through another trust for which MLC is the trustee or through a manager’s pooled investment vehicle). Using these available values the unit price for a given Business Day will be calculated, generally on the next Business Day, e.g. the unit price for August 11 (if a Business Day) will generally be calculated and made available on August 12 (if a Business Day).

The Trustee may vary the basis of determining the value of an asset where the market value does not represent the fair value of the asset or there is no market in respect of the asset. Other than in extreme circumstances, and based on the current investment managers, a unit price will be calculated for each Business Day. The Trustee may calculate unit prices more than once in a day.

## Issue Price

The issue price is calculated by adding the unit price (calculated as above) and the buy charge (if any is applicable). The buy charge is determined (as an estimate) by the Trustee to meet the transaction costs associated with the purchase or acquisition of assets of a Trust or assets of a class within a Trust. Issue prices are rounded as determined by the Trustee to six decimal places.

Buy charges may not apply in the case of in specie transfers of assets provided by investors (rather than paying an application in cash) on application to invest in any of the

Trusts. In these circumstances, investors are required to meet the associated stamp duty and any other costs of transfer applicable to the assets transferred. The Trustee may deduct these amounts prior to determining the number of units to be issued.

## Redemption Price

The redemption price is calculated by deducting the sell charge (if any is applicable) from the unit price (calculated as above). The sell charge is determined (as an estimate) by the Trustee to meet the transaction costs associated with the sale or disposal of assets of a Trust or assets of a class within a Trust. Redemption prices are rounded as determined by the Trustee to six decimal places.

Sell charges may not apply in the case of in specie transfers of assets to be received by investors (rather than receiving redemption proceeds in cash) on redemption from any of the Trusts. In these circumstances, investors are required to meet the associated stamp duty and any other costs of transfer applicable to the assets transferred before the transfer is effected or the Trustee will deduct these amounts from the redemption proceeds.

## Buy/Sell Charges

Please refer to section “Fees and Other Costs” on page 15 for an explanation of the buy/sell charges for each Trust.

## Our unit pricing controls

The Trustee recognises that unit prices are inherently approximate; for example, underlying investment market values can move significantly even within the time between setting two unit prices. The Trustee believes a tolerance of 0.30% (0.05% for the JANA Cash Trust) of a unit price is acceptable so that if an error does occur within that limit no adjustments will generally be made. However, if a pricing error is greater than 0.30% (0.05% for the JANA Cash Trust) then the Trustee will:

- adjust all account balances by compensating any investor that transacted based on the erroneous unit price or make other adjustments as the Trustee may consider appropriate; or
- if there is no account balance to adjust (because an investor has left the Trust) then a manual adjustment will be attempted, such as payment by cheque.

MLC has prepared an explanatory document setting out the formulae and methods that apply for the calculation of the issue and redemption price of units. This includes any discretions which may be applied in the formulae or methods and an explanation about what policy (if any) MLC has set for exercising each discretion. Where MLC does not have a documented policy covering any discretion or exercises discretion in a way that involves a departure from the documented policy, MLC will keep an Exceptions Register setting out certain required information in connection with each discretion exercised.

Copies of the explanatory document and Exceptions Register are available on request from the Institutional Operations Team free of charge (see page 31 for contact details).

## Investing just before a distribution

If you buy units in a Trust or a class within a Trust before a distribution, the unit price will include income accumulated in the Trust or class since the last distribution payment. The income that has been accumulating in the Trust or class will be distributed and you will potentially have taxation liabilities.

After a distribution has been calculated for a Trust or a class within a Trust, the unit price will drop, reflecting the accumulated income being paid out from the Trust or class.

# Income Distributions

An investment in a Trust may generate income in the form of distributions. The amount of distribution that may be paid from a Trust or class within a Trust will depend on the income generation (including realised capital gains, reduced by realised capital losses) of the investments in the Trust or class.

## Frequency of distribution

The Trustee intends that the:

- JANA Core Australian Share Trust;
- JANA High Alpha Australian Share Trust;
- JANA Diversified Fixed Income Trust;
- JANA Property Trust; and
- JANA Cash Trust

will distribute for the periods ending on the last day of September, December, March and June.

The Trustee intends that the:

- JANA Core Global Share Trust;
- JANA Core Global Share Trust with Currency Hedged;
- JANA High Alpha Global Share Trust; and
- JANA Emerging Markets Share Trust

will make an annual distribution for the period ending 30 June. The distributions are calculated in accordance with the terms of each Trust's Constitution.

Distributions for each Trust or class within a Trust will be made no later than two months after the standard distribution calculation dates. Unitholders must hold units on the distribution calculation date (30 September, 31 December, 31 March and 30 June, depending on the Trust, or the date of a special distribution) to be entitled to a distribution. The total amount of distribution will depend on the number of units held and the performance of the Trust or class.

The Trustee may vary the frequency of distributions from time to time. A distribution from a Trust or a class within a Trust may occur before a standard distribution calculation date ('special distribution'). If you would like to receive notice prior to a special distribution (where practical) please contact the Institutional Operations Team (see page 31 for contact details).

## Distribution payment option

Unitholders may elect, on application or by subsequent written notification to the Trustee, to receive income distribution entitlement by way of:

- cheque;
- Electronic Funds Transfer (EFT); or
- reinvestment in additional units in the Trust.

The Trustee may, in its absolute discretion, accept or reject any such application.

If no instructions are received, distributions net of any withholding tax will be reinvested in the relevant Trust or class within a Trust. On the reinvestment of income, units will be issued at the unit price applicable for the distribution calculation date. Buy charges do not currently apply to the issue of these units.

## Distribution statement

The Trustee intends that unitholders will be sent a distribution statement as soon as practicable following each distribution.

## Distributable income calculation

The following will apply when calculating each Trust's or class within a Trust's 30 June distributable income (and this may also apply to a 'special distribution'). The Trustee will calculate the net capital gains that have been realised in the 30 June quarter with any undistributed net capital gains from the previous three quarters. In calculating the net capital gains in any distribution quarter for the year, the Trustee will offset realised capital gains with capital losses realised during the distribution quarter, together with any prior year's carried forward capital losses.

If the net losses on disposal of fixed income securities (ie. revenue losses) are greater than revenue income, no distribution of interest or other revenue income will occur. If the fixed income securities are foreign sourced, then losses would be subject to the quarantined foreign loss provisions.

Provided that all the net taxable income is distributed, the Trustee will not be subject to taxation in respect of the Trusts or classes within Trusts.

The Trustee may retain amounts of less than one cent or other amounts, which the Trustee determines, are not practical to distribute. Any sum so retained will be treated as income of the Trust or class within a Trust for the next distribution period.

## Fees and Other Costs

This table shows the fees and other costs that you may be charged. These fees and costs will be deducted from each Trust's, or class within a Trust's, assets as a whole. The taxation implications of your investment are referred to on page 22.

Amounts in this section are expressed inclusive of Goods and Services Tax (GST) (10%) and any Reduced Input Tax Credits (RITC) (75% of the gross GST claimed).

You should read all of the information about fees and costs, as it is important to understand their impact on your investment in the Trusts.

| Type of Fee or Cost   | Amount   | How and when paid   |
|---|--|---|
| <b>Fees when your money moves in or out of a Trust<sup>1</sup></b>                        |  |   |
| <b>Establishment fee</b><br>The fee to open your investment. <sup>2</sup>                 | Nil  | Not applicable  |
| <b>Contribution fee</b><br>The fee on each amount contributed to your investment.         | Nil  | Not applicable  |
| <b>Withdrawal fee</b><br>The fee on each amount you take out of your investment.          | Nil  | Not applicable  |
| <b>Termination fee</b><br>The fee to close your investment                                | Nil  | Not applicable  |
| <b>Management Costs</b><br>The fees and costs for managing your investment.               |  |   |
| <b>Administration costs<sup>3</sup></b> are the expenses incurred in operating the Trust. | The Administration costs are estimated as:<br>JANA Core Global Share Trust – 0.08% p.a. of net assets of the Trust or class within a Trust or \$4,000 p.a. per \$5 million. <sup>4</sup><br>JANA Core Global Share Trust with Currency Hedged – 0.09% p.a. of net assets of the Trust or class within a Trust or \$4,500 p.a. per \$5 million. <sup>4</sup><br>JANA High Alpha Global Share Trust – 0.08% p.a. of net assets of the Trust or class within a Trust or \$4,000 p.a. per \$5 million. <sup>4</sup><br>JANA Emerging Markets Share Trust – 0.26% p.a. of net assets of the Trust or class within a Trust or \$13,000 p.a. per \$5 million. <sup>4</sup><br>JANA Core Australian Share Trust – 0.06% p.a. of net assets of the Trust or class within a Trust or \$3,000 p.a. per \$5 million. <sup>4</sup><br>JANA High Alpha Australian Share Trust – 0.09% p.a. of net assets of the Trust or class within a Trust or \$4,500 p.a. per \$5 million. <sup>4</sup><br>JANA Diversified Fixed Income Trust – 0.07% p.a. of net assets of the Trust or class within a Trust or \$3,500 p.a. per \$5 million. <sup>4</sup><br>JANA Property Trust – 0.14% p.a. of net assets of the Trust or class within a Trust or \$7,000 p.a. per \$5 million. <sup>4</sup><br>JANA Cash Trust – 0.04% p.a. of net assets of the Trust or class within a Trust or \$2,000 p.a. per \$5 million. <sup>4</sup> | Administration costs are paid from the assets of each Trust or class within a Trust, with an allowance being accrued in the unit price. Administration costs are reflected in the unit price and are not required to be paid by you separately. It is important to note that these Administration costs will vary from time to time and the amounts shown in this table are only estimates. |

| Type of Fee or Cost   | Amount   | How and when paid   |
|---|--|---|
| <b>Investment costs</b> <sup>5</sup> are the fees and costs for investing the assets. They include fees charged by the Trustee, fees paid to external investment managers and other expenses incurred in investing the assets (excluding buy/sell spreads). | JANA Core Global Share Trust – 0.7688% p.a. of net assets of the Trust or class within a Trust or \$38,440 p.a. per \$5 million. <sup>4,6</sup>                      | Investment costs are paid from the assets of each Trust or class within a Trust, with an allowance being accrued in the unit price. Investment costs are reflected in the unit price and are not required to be paid by you separately.<br><br>The amount of Investment costs you pay may be negotiated. See Negotiation of Investment costs on page 18.<br><br>Please refer to page 18 for information about Performance fees. |
|   | JANA Core Global Share Trust with Currency Hedged – 0.7790% p.a. of net assets of the Trust or class within a Trust or \$38,950 p.a. per \$5 million. <sup>4,6</sup> |   |
|   | JANA High Alpha Global Share Trust – 0.9123% p.a. of net assets of the Trust or class within a Trust or \$45,615 p.a. per \$5 million. <sup>4,7</sup>                |   |
|   | JANA Emerging Markets Share Trust – 1.1890% p.a. of net assets of the Trust or class within a Trust or \$59,450 p.a. per \$5 million. <sup>4,7</sup>                 |   |
|   | JANA Core Australian Share Trust – 0.6150% p.a. of net assets of the Trust or class within a Trust or \$30,750 p.a. per \$5 million. <sup>4,7</sup>                  |   |
|   | JANA High Alpha Australian Share Trust – 0.8200% p.a. of net assets of the Trust or class within a Trust or \$41,000 p.a. per \$5 million. <sup>4,6</sup>            |   |
|   | JANA Diversified Fixed Income Trust – 0.4613% p.a. of net assets of the Trust or class within a Trust or \$23,065 p.a. per \$5 million. <sup>4,7</sup>               |   |
| JANA Property Trust – 0.7175% p.a. of net assets of the Trust or class within a Trust or \$35,875 p.a. per \$5 million. <sup>4,7</sup>  |  |   |
| JANA Cash Trust – 0.2050% p.a. of net assets of the Trust or class within a Trust or \$10,250 p.a. per \$5 million. <sup>4,7</sup>  |  |   |
| <b>Service fees</b>   |  |   |
| <b>Investment switching fee</b><br>The fee for changing investment options.   | Nil  | Not Applicable. However, you may incur buy/sell charges when switching between Trusts.  |

<sup>1</sup> There are no fees payable to the Trustee for applications, redemptions or switches, however buy/sell charges may apply. Please refer to Buy/Sell charges on page 17.

<sup>2</sup> Please refer to Establishment fee on page 17.

<sup>3</sup> Please refer to Administration costs on page 17.

<sup>4</sup> These dollar amounts do not take into consideration any investment earnings or losses that may be incurred throughout the year (ie. a daily balance of \$5 million is assumed throughout the year).

<sup>5</sup> Please refer to Investment costs on page 18.

<sup>6</sup> As at the date of this IM, these Trusts have exposure to performance fees. Please refer to Performance fees on page 18.

<sup>7</sup> While, as at the date of this IM, these Trusts do not have exposure to performance fees, they may do so in the future. Please refer to Performance fees on page 18.

## Additional explanation of fees and costs

### Buy/Sell charges

The buy and sell charges applicable to each Trust as at the date of this IM are as follows:

| Trust   | Buy Charge % | Example \$5 million application | Sell Charge % | Example \$5 million redemption |
|---|--------------|---------------------------------|---------------|--------------------------------|
| JANA Core Global Share Trust                      | 0.15%        | \$7,500                         | 0.10%         | \$5,000                        |
| JANA Core Global Share Trust with Currency Hedged | 0.15%        | \$7,500                         | 0.10%         | \$5,000                        |
| JANA High Alpha Global Share Trust                | 0.15%        | \$7,500                         | 0.15%         | \$7,500                        |
| JANA Emerging Markets Share Trust                 | 0.30%        | \$15,000                        | 0.45%         | \$22,500                       |
| JANA Core Australian Share Trust                  | 0.20%        | \$10,000                        | 0.20%         | \$10,000                       |
| JANA High Alpha Australian Share Trust            | 0.25%        | \$12,500                        | 0.25%         | \$12,500                       |
| JANA Diversified Fixed Income Trust               | 0.00%        | \$0                             | 0.00%         | \$0                            |
| JANA Property Trust                               | 0.25%        | \$12,500                        | 0.20%         | \$10,000                       |
| JANA Cash Trust                                   | 0.00%        | \$0                             | 0.00%         | \$0                            |

Buy/Sell charges are included in the applicable issue and redemption unit price.

Buy/Sell charges are retained in the relevant Trust or class within the Trust to meet the costs that the Trust or class may incur in acquiring or selling investments in response to an application or redemption request (such as brokerage or stamp duty or buy/sell charges of investment vehicles), thereby preserving the equity amongst transacting and ongoing investors. The charges stated above are estimates of the cost of each transaction, which may be more or less depending on the transaction. If the actual transaction costs incurred are less than the buy/sell charges, the Trust or class within the Trust benefits by the difference. If the actual transaction costs incurred are greater than the buy/sell charges, the Trust or class within the Trust bears the costs of the difference.

The buy/sell charges may differ in each Trust or class within the Trust. This may be due, for example, to different costs/duties within individual countries and/or investment vehicles. The Trustee may increase the charges after providing 30 days notice to investors. The Trustee may reduce the charges at any time.

Buy/sell charges may not be applicable in the case of in specie applications or redemptions (see "Unit Prices" on page 12 for further information). In addition, buy/sell charges may be reduced or not charged in relation to switches between Trusts or classes with a commonality of underlying assets.

### Establishment fee

The Trustee does not currently intend to charge an Establishment fee. The establishment costs are currently met by the Trustee out of Investment costs.

If the Trustee were to apply an Establishment fee the Trustee would only do so after providing unitholders with 30 days notice in writing. If charged, it would cover the costs of establishing an account in the Trust or class within the Trust.

The Establishment fee would be calculated as a percentage of the application monies and would be deducted from the application monies on the day of initial investment. The maximum Establishment fee, if it were to be charged, stipulated by the Constitutions for the Trusts is 6% of the value of the investment to be made.

### Administration costs

Administration costs will generally include custody costs charged by the custodian, registry fees charged by the registrar, financial statement audit fees, income tax return preparation fees, other similar expenses, and, to the extent that one Trust or class within a Trust invests in another trust (of which MLC Investments Limited is also the trustee) expenses incurred by the latter trust. All these costs (except those applicable to the latter trusts) are paid to third party providers.

### Investment costs

To the extent that one Trust or class within a Trust invests in another trust of which MLC Investments Limited is also the trustee, the fees will be applied in such a way as to avoid double charging of fees. This will ensure investors pay only the Investment costs described on page 16.

Where the standard level of Investment costs is below the level specified in the relevant Trust's Constitution, the Trustee currently waives its entitlement to the difference.

The Trustee pays NCISL's fee out of the Investment costs. For more information on NCISL please refer to page 30. The Trustee pays JANA's fee out of the Investment costs. For more information on JANA please refer to page 30.

### Negotiation of Investment costs

Wholesale clients may individually negotiate the level of Investment costs by contacting JANA (refer to the Corporate Directory on page 31 for contact details).

If a rebate of Investment costs applies, rebates may be effected by cash payment or by way of investment for additional units. On entitlement to a rebate of the Investment costs, investors may elect, by providing written notice to the Trustee, not to reinvest their rebate amount in the Trust or class within a Trust to which their entitlement relates.

### GST Treatment of Rebates of Investment costs

Investors' entitlements to fee rebates in vehicles such as the Trusts may fall within the definition of a supply under the current GST legislation.

Currently rebates paid in respect of investments in the Trusts will not attract GST. As a consequence, investors who receive a rebate in respect of their Trust investment will not be required to remit GST to the Australian Tax Office or enter into a Recipient Created Tax Invoice Agreement in respect of the rebate.

Investors should consider consulting their legal and/or tax adviser in this respect.

### Performance fees

Some investment managers appointed by the Trustee may charge a performance fee which is generally a share of excess performance above an agreed "hurdle" return.

Any or all of the Trusts may at some time have exposure to investment managers who charge performance fees. In these circumstances it is the Trustee's intention to accrue an allowance for the performance fees in the unit price.

Where a performance fee is payable, the performance fees will be paid to each investment manager in accordance with the underlying agreements entered into between the Trustee and the investment manager.

As at the date of issue of this IM the following Trusts use investment managers which may charge (subject to their performance) a performance fee which would be reflected in the Trust's unit price. The Trusts are:

- JANA Core Global Share Trust;
- JANA Core Global Share Trust with Currency Hedged; and
- JANA High Alpha Australian Share Trust.

Any performance fees payable to investment managers are not fees payable to the Trustee and are charged in addition to the Investment costs shown on page 16.

For details of any applicable performance fees please contact JANA.

### Maximum Trustee Fees

The maximum fee payable to the Trustee allowable under the Constitution for:

- JANA Core Global Share Trust;
- JANA Core Global Share Trust with Currency Hedged; and
- JANA High Alpha Global Share Trust

is 2% p.a. of the Trust's or class within the Trust's net asset value.

The maximum fee payable to the Trustee allowable under the Constitution for:

- JANA Emerging Markets Share Trust;
- JANA Core Australian Share Trust;
- JANA High Alpha Australian Share Trust;
- JANA Diversified Fixed Income Trust;
- JANA Property Trust; and
- JANA Cash Trust

is 10% p.a. of the Trust's or class within the Trust's net asset value.

The fees currently charged are set out on pages 15 to 17.

### Changes to Fees and Charges

The Administration costs described in the table on page 15 are estimates only and will vary from time to time. In addition, the Trustee can apply an Establishment fee and increase the Investment costs and buy/sell charges provided at least 30 days notice is given to unitholders. The Trustee may reduce the charges at any time. An increase in Investment costs could, for example, result from a review of the fees charged by one of the investment managers.

# Transaction Information

## Applications

### Application process

Application requests accepted by the Trustee, or by a person authorised by the Trustee to accept application requests, before 3.00pm (Sydney time) on any Business Day will be processed using the Issue Price calculated for that Business Day, which will generally be available on the next Business Day. Application requests accepted by the Trustee after 3.00pm (Sydney time) will be processed at the Issue Price calculated for the next Business Day (refer also to "Unit Prices" on page 12, which outlines unit pricing principles).

A completed initial application form must be received by the Trustee prior to, or at the time of, payment of subscription monies for the initial investment in each Trust or class within a Trust. Application forms are available from the Trustee.

Applications for units in the Trusts or classes within the Trusts will be accepted and units issued on the basis of the terms and conditions contained in the Constitutions, this IM and the application form available from the Trustee. The Trustee may only issue units to "wholesale clients" within the meaning of the Corporations Act.

### Minimum initial investment

\$5 million for each Trust or class within a Trust paid by cheque, through the interbank Real Time Gross Settlement ("RTGS") system, via Austraclear or, with the prior approval of the Trustee, by transfer of assets in favour of the Trustee. We do not accept cash, other than via the means referred to above.

The Trustee, at its discretion, may accept amounts of less than \$5 million where an applicant falls within the categories of "wholesale client" under the Corporations Act 2001.

### Minimum holding amount

\$5 million for each Trust or class within a Trust subject to the discretion of the Trustee to permit holdings of less than this amount.

### Subsequent applications

Subsequent applications may be made for units in each Trust, or class within a Trust, by completing and forwarding an application form (or a subsequent investment form) and forwarding the subscription monies and notification to the Trustee. The minimum subsequent investment amount is \$1 for each Trust or class within a Trust, subject to the minimum initial investment requirement. Forms are available from the Trustee.

### Declaration of eligibility

Applicants are required to make a declaration of eligibility to invest. This declaration is contained in the application form which is available from the Trustee.

### Trustee's discretion

The Trustee has the discretion to accept or refuse any initial or subsequent application or subscription for units without explanation. The Trustee will not accept an incomplete application form. If an incomplete application form is received, the investor's cheque(s) or subscription monies will be returned to the investor within one Business Day or, will be deposited into a trust account until the application form or instruction is complete. If monies are placed in a trust account they will be held for a maximum of one month and any interest accrued on the account may be retained by MLC in its personal capacity.

The Trustee may cause a distribution from a Trust, or class within a Trust, immediately prior to accepting a subscription for units in the Trust, or class within the Trust, of an amount considered by the Trustee to be substantial before a standard distribution calculation date (refer to the section "Income Distributions", on page 14). This discretion will only be exercised when considered to be in the interests of all investors.

### Unit certificates

Unit certificates will not be issued in respect of investments in the Trusts.

## Redemptions

### Minimum redemption amount

\$1 for each Trust or class within a Trust, subject to maintaining the minimum holding amount. However, the Trustee may, in its discretion, process a redemption request where the investor would not hold the minimum holding amount following redemption.

### Redemption process

Investors may request the Trustee to cause part or all of their investment to be redeemed by completing and forwarding a redemption request form to the Trustee on any Business Day. Redemption requests for the Trust or class may only be made before termination or notice of termination of the Trust or class. The Trustee may deduct from the redemption proceeds any amounts owing to it by the unitholder under the Constitution.

The Trustee expects that the funding of redemptions will generally be achieved by using the proceeds of an orderly sale of assets within each Trust or class. On this basis, the Trustee intends that redemption requests will be met as and when cash becomes available from such orderly sale of assets. The redemption price used is the price of the effective date of the transaction. E.g. where a redemption request is received on, say, August 5 (if a Business Day) but the funding is not available until, say, August 12 (if a Business Day), the redemption price for August 11 (if a Business Day) will be used. The unit price for August 11 (if a Business Day) will generally be calculated and made available on August 12 (if a Business Day).

Under normal business conditions, and subject to the size of the redemption request and the underlying markets in which the Trust or class holds investments, the Trustee expects that proceeds will generally be paid within five to ten Business Days following the request being accepted. Under the Constitutions of the Trusts, redemption proceeds must be paid within 90 days of receiving a request (subject to the Trustee's ability to suspend payment). In respect of the JANA Emerging Markets Share Trust, JANA Core Australian Share Trust, JANA High Alpha Australian Share Trust, JANA Diversified Fixed Income Trust, JANA Property Trust and JANA Cash Trust, the Trustee may redeem units over a period at the redemption prices in effect on each day on which the units are redeemed.

Investors may elect to receive redemption proceeds by cheque, direct deposit into their bank account or via Austraclear. Redemption proceeds may also be paid by in specie transfer of assets with the approval of the Trustee and the consent of the investor. We cannot pay withdrawals in cash.

Redemption request forms will be made available to investors by the Trustee. Once lodged, redemption requests may not be withdrawn except with the Trustee's consent.

### Suspension of redemption

The Constitution for each Trust provides for additional redemption delay mechanisms. Also, the Trustee is not obliged to redeem units and has the right to suspend the redemption of units it has agreed to redeem. Based on the current investment managers, the Trustee is only likely to exercise this discretion in exceptional circumstances. If redemption is suspended, all outstanding redemptions and any redemption requests received during the suspension will have their redemption price determined on the first Business Day following the lifting of the suspension.

### Trustee's discretion

Following a redemption, if a unitholder's remaining unitholding is below the minimum holding amount for the Trust or class within a Trust, the Trustee may cause the remaining unitholding in each Trust or class to be redeemed.

The Trustee may cause a distribution from a Trust or class within a Trust immediately prior to the redemption of units in the Trust or class of an amount considered to be substantial before a standard distribution calculation date (refer to the section "Income Distributions", on page 14). The Trustee will exercise this discretion only when it considers that to do so would be in the interests of all investors.

## Transfers

The Constitutions allow investors to transfer part or all of their unitholding(s). The Trustee can refuse to register a transfer of units for any reason. The Trustee will not register a transfer unless the transferee falls within the categories of "wholesale client" in the Corporations Act. Where a transferee does not meet this condition, the Trustee is indemnified by the transferor and the transferee against any loss or damage it may suffer as a consequence. The Trustee may cause a redemption of units where there has been a transfer in breach of this condition. The Trustee may refuse to register a transfer of units if a unitholder would, as a result of the transfer, hold less than the minimum holding amount (\$5 million).

### Transfer form

The transferor and transferee are required to jointly complete and sign a transfer form notifying the Trustee of the units to be transferred and to forward it as directed by the Trustee for registration. All stamp duty must be paid prior to the registration of the transfer.

### Switches

Switching is regarded as a redemption from one Trust or class within a Trust and an investment into another Trust or class within a Trust and is subject to the minimum investment requirements set out in the "Applications" section on page 19 and the "Redemptions" section on page 19.

There is no switching fee charged by the Trustee. However, investors may incur the relevant sell and buy charges applicable to the redemption and application that comprise the switch transaction. Buy/sell spreads may not apply in the case of in specie switches.

### Notification to Trustee

An investor must make a request to switch to the Trustee, in writing, specifying the Trust(s) or classes within a Trust and amount or number of units to be redeemed and the Trust(s) or classes within a Trust in which units are to be acquired.

The unit prices for the transactions forming the switch will be the redemption price for the redemption request and the issue price for the application. Investors will be sent a confirmation advice for each transaction.

## Reports

### Unitholders will receive:

|   |   |
|---|---|
| Transaction Summary Statements                    | Once daily investment requests have been processed a transaction statement will be generated and sent to investors.   |
| Monthly Transaction Statements                    | Once the month-end figures of the Trust have been finalised, investors will receive a monthly transaction statement.  |
| Distribution Statements                           | Investors will normally be sent a distribution statement as soon as practicable following each distribution calculation date.   |
| Annual Taxation Statements                        | An Annual Taxation Statement will be sent out each year and will set out the nature and amount of income and capital gains paid to the investor in respect of their unitholding for the financial year. |
| Annual Audited Financial Statement for each Trust | As soon as possible following the receipt of formal board approval.   |

## Tax

Discussion of Australian tax law is current as at the date of preparing this IM but may change from time to time. Because of the complexities of the tax law, you should seek independent tax advice on your investment. This discussion of Australian tax law only relates to Australian resident investors unless specifically otherwise stated.

### Taxable distributions

It is the Trustee's policy to distribute annually the net taxable income of the Trust (including net taxable realised capital gains) to investors. Income distributed to you will generally be assessable and should be included in your tax return when your entitlement to that income arises, i.e. on the distribution calculation dates. This is irrespective of whether the income is distributed during the year, after the close of the year or reinvested in additional units.

A distribution may be comprised of different components for tax purposes. The table below outlines the tax treatment of each of these components together with other amounts associated with an investment in the Trust.

For trusts that invest in fixed interest securities directly, gains or losses on disposal of those securities are regarded as revenue gains and losses. In these trust arrangements the net revenue losses on disposal of fixed interest securities are required to be offset against other income such as interest. If the net losses on disposal of fixed interest securities (i.e. revenue losses) are greater than revenue income, no distribution of interest or other revenue income will occur. If the fixed interest securities are foreign sourced, then losses would be subject to the quarantined foreign loss provisions.

## Capital gains

The Trust will generally distribute net taxable capital gains that have been realised throughout the year. For tax purposes capital gains may be broken down into many components. These will be itemised in your tax statement.

For trusts that invest in other trusts, gains or losses on disposal of the units in the underlying trust are regarded as capital gains and losses. Capital losses can only offset capital gains. Accordingly, your distribution may include net capital gains.

### Taxation on disposal of units

A capital gain or loss may arise when you dispose of your investment in a Trust. Australian resident individuals and superannuation funds may be entitled to a discount on the gains if their units are held for more than 12 months. If there is a loss, you may be able to offset it against other capital gains made by you in that year or subsequent years. The calculation of your capital gain or loss may also be affected by any tax free or tax deferred distribution received as explained in the table below.

### Foreign tax credits

Australian resident investors may be entitled to claim foreign tax credits equal to the lesser of the Australian tax liability on the foreign income or the amount of the foreign credit.

| Distribution Component   | Taxable Income         | Tax Credits              | Non Assessable Income (Cost Base Adjustment) |
|--|------------------------|--------------------------|--|
| Australian Assessable (Interest, dividends – franked and unfranked, other) | ✓                      | Franking credits         |  |
| Foreign (interest, dividends, other*)                                      | ✓                      | Foreign tax credits      |  |
| Capital Gains (discount, indexed, other)                                   | Domestic<br>Foreign    | ✓<br>Foreign tax credits |  |
| CGT Concession (domestic, foreign)   |                        |                          | No adjustment required                       |
| Tax Deferred   |                        |                          | Adjustment required                          |
| Tax Free   |                        |                          | Adjustment may be required                   |
| <b>Other Amounts</b>   |                        |                          |  |
| Redemptions & Switches   | Capital gains & losses |                          |  |

\* Other foreign income includes gains/losses on foreign forward currency contracts.

## Franking credits and franked dividends

You will need to review your own position in determining your ability to utilise the franking credits attached to the distributions made to you. Any franking credits will form part of your assessable income if those credits can be utilised to offset income tax payable for the year. Surplus credits may be refundable in some circumstances.

## Tax File Numbers (“TFNs”) and Australian Business Numbers (“ABNs”)

Investors may provide their TFN or ABN to the Trustee or claim an exemption from doing so. It is not an offence to fail to provide a TFN or ABN or fail to claim an exemption. However, if you do not do so tax at the highest marginal tax rate (plus Medicare Levy) will be withheld from any income distribution paid to you.

## Goods and services tax (“GST”)

You should not be directly subject to GST when you invest or redeem your investment in the Trust. However, the Trust may incur GST in respect of various expenses. The Trust may not be entitled to input tax credits in respect of all the GST it incurs.

## Non-resident investors

### Withholding tax

For non-resident investors, Australian tax may be withheld from distributions of income (excluding franked dividends) derived from sources in Australia and certain capital gains (see below). The amounts would be withheld at the rates of tax applicable to the non-resident investors and will depend on the type of income. Distributions to non-resident investors from sources wholly out of Australia will generally be exempt from Australian income tax.

The tax treatment of distributions made to non-resident investors will also be subject to their domestic taxation regimes and any relevant international tax agreement that Australia may have entered into. Accordingly, non-resident investors should obtain professional advice in this regard.

### Capital gains tax

Non-residents are only subject to Australian withholding tax on capital gains made by the Trust where the asset that gave rise to the gain is regarded as taxable Australian real property.

Capital gains made by the Trust where the asset that gave rise to the gain that is not regarded as taxable Australian real property can be distributed free of Australian withholding tax.

## Tax-exempt investors

Tax-exempt investors will not be taxed on their distributions and may benefit from franking credits attached to income distributed to them.

## Other Information

### Environmental, Social or Ethical considerations

When JANA and the Trustee select investment managers, they expect them to achieve specific performance objectives. Although the investment managers may take into account environmental, ethical or social issues and labour standards when making their investment decisions, JANA and the Trustee do not use these criteria when selecting investment managers, or when evaluating their performance. Nor do JANA and the Trustee use these criteria to influence any decisions of the investment managers.

### Investment and Performance Risk

All investments involve a degree of risk. Investors should note that the performance of the Trusts depends on the performance of the assets the Trusts are invested in, which can fall as well as rise in value.

Investment returns are affected by many factors, such as economic and legislative changes, capital market fluctuations and investment management decisions. These factors can cause fluctuations in the unit prices and the amount of income distributed to investors.

### What are the different types of investment risks?

When selecting your investments, it is important to understand the different types of risk that can affect the value of your investment. There is a possibility that your financial goals will not be achieved as a result of these risks adversely affecting your investment. Your goals may also not be achieved if your investment strategy is not aligned to your objectives and/or not reviewed regularly.

You should be aware of the following risks:

#### Company risk

An investment such as a share in any company is subject to events both internal and external to the company, or to its business environment. These events include changes to management, legal action against the company or profit and loss announcements.

#### Credit risk

Investments involving lending to other parties are subject to credit risk, which is the risk that the borrower is not able to meet the loan obligations when they fall due.

#### Currency risk

Global investments (as well as Australian investments with offshore holdings and/or earnings) are exposed to fluctuations in the value of foreign currencies. Returns from these investments reflect movements in currency exchange rates as well as movements in the value of the underlying securities.

More information on how currency is managed can be found on page 25.

#### Derivatives risk

The Trusts may use derivatives, generally as an alternative to direct purchases or sales of underlying assets, in order to manage risk and/or enhance returns. Common derivatives include options, futures and forward exchange contracts. Risks associated with derivatives can include:

- the value of the derivative declines to zero;
- the value of the derivative does not move in line with the underlying asset;
- the counterparties to the derivative (including the Trust) may not be able to meet payment obligations; and
- the derivative position may be difficult or costly to reverse.

More information on how derivatives are used can be found on page 25.

#### Inflation risk

Rises in prices due to inflation can erode the real value of investments. To avoid this risk over the long term, your investments need to earn a return equal to or above the rate of inflation.

#### Interest rate risk

The values of the different asset classes, and especially bonds, can fluctuate in reaction to changes in interest rates. For example, when interest rates rise, the value of bonds tends to fall. Bonds with longer maturities tend to be more sensitive to interest rate movements.

#### Liquidity risk

Investment in assets such as private, unlisted, emerging or small specialised markets, mortgages, or alternative investments are often illiquid – hard to buy or sell quickly. These investments face the risk that they cannot be sold quickly and therefore they may have to be realised at a discount to their market value.

### Market risk

This is the risk that affects entire markets. Factors such as investor sentiment, economic impacts, regulatory conditions and political events will determine market performance.

### Small capitalisation risk

The risks of investing in small capitalisation companies are relatively higher than the risks of investing in large capitalisation companies. Those risks include market, company and liquidity risks.

## Trust Profiles

The investment objective, investment mix and risk profile may change over time. We have provided a risk profile for each of the Trusts on their individual profile pages (pages 3 to 11) to indicate the level of investment risk that may be expected when investing in these Trusts.

If the Trustee proposes any material changes to the investment objectives of any of the Trusts, it will provide investors with notice of the change as soon as practical bearing in mind its obligation to ensure that it is acting in the best interests of investors at all times.

We recommend investors seek advice to ascertain the level of investment risk with which they are comfortable.

## Derivatives Policy

The Trusts can invest in derivatives to:

- reduce risk;
- reduce transaction costs;
- take advantage of opportunities to increase returns; and
- create leverage or short exposures.

Whilst the Trustee allows the use of derivatives, it is the Trustee's policy that, unless indicated otherwise:

- derivatives will not be used to increase the level of market risk beyond that required to meet the Trusts' investment objectives;
- derivatives will not be used to create economic leverage. Economic leverage is where a Trust's exposure to the return on a market is greater than that which could be achieved by investing in that market without using derivatives or borrowed funds; and
- derivatives will not be used to create an uncovered short exposure to an asset or market, i.e. a short exposure without an offsetting long exposure considered a reasonable hedge for that asset or market.

There are rigid guidelines outlined in the Trustee's Risk Management Statement (RMS) regarding the use of derivatives. These guidelines cover, among other things, liquidity requirements, limits on investment managers' gross exposures and counterparty risk. These are set and monitored by the Trustee. Derivatives will not be used in a way that is contrary to regulatory requirements.

A copy of the Risk Management Statement is available by contacting the Institutional Operations Team (see page 31 for contact details).

## Currency management

Currency management strategies may be employed to reduce risks, enhance performance and/or for diversification purposes. Currency management does not remove the risks associated with global investments.

As at the date of this IM, the following currency management strategies for global shares, global fixed income and global property were employed:

- The JANA Core Global Share Trust's exposure to global shares remains substantially unhedged.
- The JANA Core Global Share Trust with Currency Hedged employs passive currency management with the aim of minimising the risk of movements in foreign currencies.
- The JANA High Alpha Global Share Trust's exposure to global shares remains substantially unhedged.
- The JANA Emerging Markets Share Trust's exposure to global shares remains substantially unhedged.
- The JANA Core Australian Share Trust and the JANA High Alpha Australian Share Trust may have a minor exposure to global shares and this global exposure is generally unhedged.
- The JANA Diversified Fixed Income Trust's exposure to global bonds is substantially hedged with the aim of minimising the risk of movements in foreign currencies.
- The JANA Property Trust's exposure to global listed property securities is passively hedged with the aim of minimising the risk of movements in foreign currencies.

Investors should note that currency gains and/or losses will generally be part of the investment performance for the JANA Core Global Share Trust, the JANA High Alpha Global Share Trust and the JANA Emerging Markets Share Trust.

## Borrowings

Under the Constitutions, the Trustee is permitted to borrow without limit. The Trustee may borrow for the purposes of cash flow if it thinks it is in the best interest of investors (for example, so that a Trust can smooth cash flows for unit redemptions and applications). It is the policy of the Trustee not to undertake borrowings to leverage the Trusts or borrow to acquire and hold assets.

## Cooling Off for Wholesale Investors

The right to “cool off” (to change your mind about whether an investment in a Trust suits your needs) and to receive confirmation of certain transactions does not extend to investors who are “Wholesale Clients” as defined in the Corporations Act.

## Complaints Resolution

The Trustee will investigate all complaints made in accordance with the Constitution in a timely manner. Complaints will generally be responded to within twenty business days of notification, however there may be instances where it may take longer to respond to a complaint. Complaints should be made in writing to the Trustee. Your correspondence should be marked “Notice of Complaint” and addressed to the Institutional Operations Team, whose contact details are provided in the Corporate Directory on page 31.

## Auditors

The Trustee employs the services of Ernst & Young as auditor in relation to the Trusts, each Trust’s compliance plan and the Trustee.

The auditors make no representations or warranties as to the completeness or accuracy of the information contained in this IM.

## Changes to the Trusts

Unless otherwise stated in this IM, the Trustee (or its agent) will advise investors of any materially adverse changes to the information in this IM.

## Business Day

For the purposes of this IM and the operation of the Trusts, a Business Day means a day on which the banks are open for business in Sydney except Saturday, Sunday and public holidays, or such other day(s) as the Trustee determines from time to time.

# Privacy Notification

This section describes our responsibilities for dealing with the private information with which you entrust us.

The Trustee, MLC Investments Limited, is part of the National group of companies (Group), and the Group's privacy policy applies to the Trustee. This section details the Group's privacy policy relating to the collection, use and disclosure of the personal details we hold about you.

## Collecting your personal information

The Group organisation will collect personal information for the purposes of:

- Providing you with a product or service (including assessing your application).
- Managing and administering the product or service.
- Identifying you and protecting against fraud.
- Verifying your authority to act on behalf of a customer.
- Determining whether a beneficiary will be paid a benefit upon a person's death.
- Letting you know about products or services from across the Group that might better serve your financial, e-commerce and lifestyle needs or promotions or other opportunities in which you may be interested.

If you provide us with incomplete or inaccurate personal information, the Group organisation may not be able to process your requests and applications or manage or administer your products or services. It may also not be possible to tell you about other products or services from across the Group that might better serve your financial, e-commerce and lifestyle needs.

## Using and disclosing your personal information

Group organisations may disclose your personal information to other organisations:

- Involved in providing, managing or administering the products and services the Group offers, including third party suppliers (eg printers, posting services etc), other Group organisations, its advisers and loyalty and affinity program partners.
- Who are your financial or legal advisers or representatives and their service providers.

- Involved in maintaining, reviewing and developing the Group's products, business systems, procedures and infrastructure including testing or upgrading the Group's computer systems.
- Involved in a corporate re-organisation or involved in a transfer of all or part of the assets or business of a Group organisation.
- Involved in the payments system including financial institutions, merchants and payment organisations.
- Which are Group organisations which wish to tell you about their products or services that might better serve your financial, e-commerce and lifestyle needs or promotions or other opportunities, and their related service providers, except where you tell the Group not to.
- As required or authorised by law and/or where you have given your consent.

Your personal information may also be used in connection with such purposes. Because the Group operates throughout Australia and overseas, some of these uses and disclosures may occur outside your State and Territory and Australia.

## Gaining access to your personal information

Subject to some exceptions allowed by law, you can gain access to your personal information. If access is denied, you will be given reasons for this. In some cases, your request may be dealt with over the telephone. For more information about your personal information and privacy, please contact the Institutional Operations Team (see page 31 for contact details).

# Our Responsibilities

## The Trustee

The Trustee of each Trust is MLC Investments Limited. The Trustee is responsible for all aspects of operating the Trusts including administration of the assets and overall investment policy.

Management of the Trusts must be conducted in a proper and efficient manner.

### Retirement of the Trustee

If the Trustee wishes to retire, the Trustee must follow the procedures set out in the Corporations Act. Part of this procedure requires the calling of a meeting of unitholders to explain the reason for wanting to retire. However, if the Trustee has relief from ASIC (Australian Securities and Investment Commission), the Trustee may not have to comply with the procedure for retirement of the Trustee.

If unitholders wish to remove the Trustee, the unitholders must call a meeting and vote on extraordinary resolutions:

- that the Trustee should be removed; and
- to choose a company to be the new Trustee.

### Advice and assistance to the Trustee

National Corporate Investment Services Limited ("NCISL") has been appointed to advise and assist the Trustee. This advice and assistance will take the form of:

- monitoring compliance with investment guidelines; and
- cashflow monitoring.

NCISL is a member of the National Group of companies.

The Trustee may terminate NCISL's appointment.

### Custodial, registrar and administrative services

The Trustee may change the custodian, registry and/or administration provider without prior notice to unitholders.

A custodian is appointed by the Trustee under a written contract and owes duties to the Trustee. The custodian's role is to perform custodial services such as to hold the assets of the Trust, provide reporting on behalf of the Trust, and the Trustee and act in accordance with the directions of the Trustee. The Custodian does not issue interests in the Trust nor guarantee the performance of the Trust.

### Investment management and marketing services

The Trustee has appointed JANA Investment Advisers Pty Ltd to provide advice to the Trustee on investment strategy and the selection of investment managers and for ongoing monitoring of the investment managers appointed in respect of the Trusts described in this IM. JANA is also responsible for marketing of the Trusts described in this IM, in the wholesale and professional investor market in Australia.

The Trustee may terminate JANA's appointment in accordance with the agreement between the Trustee and JANA.

### Compliance Plan and Compliance Committee

Each Trust has a compliance plan that sets out how the Trustee will ensure compliance with both the Corporations Act and the Constitution when operating the Trust and the Trustee reviews its adequacy from time to time. If the number of external directors of MLC Investments Limited is less than half the number of members of the board of directors, we will appoint a compliance committee with a majority of external members and it will carry out this monitoring and review process.

The directors of MLC Investments Limited oversee the monitoring of the compliance plan.

## The Constitution

### Main rights of unitholders under the Trusts' Constitutions

The rights and obligations of unitholders are governed by the Constitution of each Trust and this IM, but are also affected by the Corporations Act, exemptions and declarations issued by ASIC and the general law relating to trusts.

The Trusts' Constitutions cover rights such as:

- the nature of the units and how identical rights attach to all units of the same class;
- how we must calculate unit prices, and what unitholders are entitled to receive when unitholders withdraw or the Trust is wound up;
- the circumstances in which we can delay or suspend processing redemptions; and
- unitholder's rights to share in any Trust income, and how we calculate it.

Unitholders' rights to requisition, attend and vote at meetings are also included in the Constitutions and are governed by the Corporations Act.

## Main duties and rights of the Trustee under the Constitutions

There are also provisions governing the Trustee's powers and duties:

- to invest, borrow and generally manage the Trusts;
- we have discretion to refuse transfers and applications;
- we can terminate the Trusts after giving you notice, and if we do, unitholders share pro rata in the net proceeds from the sale of investments;
- we can retire, but in most situations only if a new responsible entity is appointed; and
- we can charge fees and recover expenses.

As Trustee, we are also subject to many duties under the Corporations Act – including duties to act honestly, exercise care and diligence, and treat investors equally.

## Liabilities and indemnities of the Trustee

The Constitutions also deal with our liabilities in relation to the Trusts and when we can be reimbursed out of the Trusts' assets, for example:

- we are not liable for acting in reliance in good faith on professional advice; and
- we can be reimbursed for liabilities we incur in connection with the proper performance of our duties for the Trusts.

## Amendments to the Constitutions

The Constitutions of the Trusts may be amended. However, the Corporations Act requires consent by a special resolution of unitholders to amend the Constitutions of the Trusts unless the Trustee reasonably considers the amendments will not adversely affect unitholders' rights. Amendments to the law governing managed investments and relevant ASIC relief can also affect the provisions of the Constitutions.

## Liability of unitholders

The Constitutions of the Trusts limit the liability of each unitholder to their investment in the Trusts. Based on the Constitutions and current law, a unitholder should not, solely by reason of being a unitholder, be personally liable to indemnify the Trustee or any creditors of a Trust should the Trust be unable to meet its debts. However, the Trustee cannot give an absolute assurance that a unitholder's liability is limited in all circumstances as the issue has not been finally determined by a superior court.

## Rights of unitholders

Each unit in a Trust or class within a Trust confers an equal beneficial interest in that particular Trust or class, however, unitholders do not have any entitlement to any particular part of a Trust or the assets of a Trust.

Unitholder rights may be varied by changes to the Constitutions, the decisions of the courts, the Corporations Act and the Regulations to the Act.

## Termination of Trusts

A Trust will terminate in the circumstances set out in its Constitution which includes the Trustee giving unitholders notice of termination. The Corporations Act also permits termination of a Trust:

- at the discretion of unitholders;
- if a Trust's purpose is accomplished or cannot be accomplished; or
- if ordered by the courts.

## Compulsory redemption

If at any time the Trustee forms the opinion on reasonable grounds that the continued holding of units by a particular unitholder is or may become prejudicial to the interests of unitholders, it may cause the redemption of all or some of the units held by such a unitholder upon giving notice in writing to the particular unitholder at their registered address.

Such a notice shall for all purposes be deemed to be a request made by the unitholder for the redemption of the units specified in the notice and the Trustee may take such steps as may be necessary to give effect to the notice.

The Trustee may also redeem an investor's units to satisfy any taxes payable by the Trustee in respect of an investor's unit holding or any unpaid amounts due by an investor to the Trustee.

## Related parties

Each Trust may enter into transactions with and hold investments with related parties from time to time.

# Corporate Profiles

## MLC Investments Limited

MLC Investments Limited is ultimately owned by National Australia Bank Limited. MLC Investments Limited is the Trustee of each Trust.

## JANA Investment Advisers Pty Ltd

The Trustee has appointed JANA to provide advice to the Trustee on investment strategy and the selection of investment managers and for ongoing monitoring of the investment managers appointed in respect of the Trusts described in this IM. JANA is also responsible for marketing of the Trusts described in this IM, in the wholesale and professional investor market in Australia. JANA is a member of the National Australia Bank group of companies.

## National Corporate Investment Services Limited

National Corporate Investment Services Limited provides advice and assistance to the Trustee in relation to monitoring the investment guidelines. In addition NCISL is responsible for cashflow monitoring. NCISL is a member of the National Australia Bank group of companies.

## National Australia Bank Group

The National Australia Bank Group is an international financial services group, providing a comprehensive and integrated range of financial services.

As at 30 June 2007, National Australia Bank Limited was one of the largest companies listed on the Australian Stock Exchange. The National also has one of the largest banking market shares and a growing financial services division.

# Corporate Directory

For applications and redemptions  
Institutional Operations Team  
MLC Investments Limited

Level 12, MLC Building  
105-153 Miller Street  
North Sydney NSW 2060

Telephone: (02) 9936 4577  
Facsimile: (02) 9936 4500

For Service enquiries  
JANA Investment Advisers Pty Limited

Level 9  
530 Collins Street  
Melbourne VIC 3000

Telephone: (03) 9602 5400  
Fax: (03) 9602 5451

Level 35  
60 Margaret Street  
Sydney NSW 2000

Telephone: (02) 9221 4066  
Fax: (02) 9221 2689

Registered address of Trustee and National Corporate  
Investment Services Limited

MLC Building  
105-153 Miller Street  
North Sydney NSW 2060

Custodian, Registrar & Administration of the Trusts

State Street Australia Limited  
State Street Centre  
338 Pitt Street  
Sydney NSW 2000