

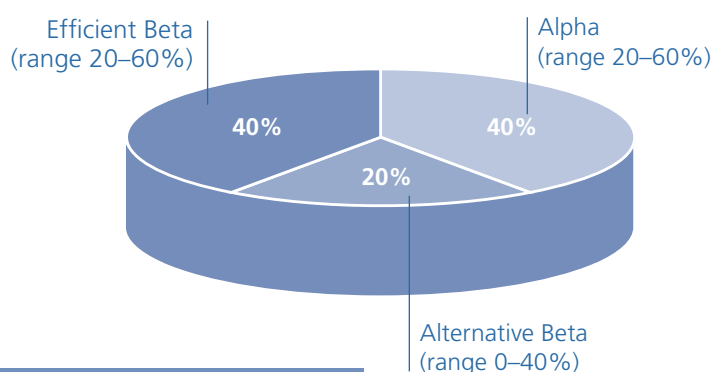
# JANA Triplepoint Fund

The JANA Triplepoint Fund is a multi manager portfolio that seeks to efficiently build a diversified portfolio of alpha (manager skill) and beta (market) return streams. The combined portfolio is designed to deliver high risk adjusted returns, with competitive fees and greater transparency to investors. The Fund has adopted an innovative structure to provide investors a diversified, low-fee hedge fund alternative.

Investment Philosophy	JANA believes hedge fund strategy returns are cyclical and there are occasions when there are large divergences from fair value. By recognising these occasions, and positioning portfolios and manager configurations accordingly, it is possible to reduce risk and outperform over the long term. To be of real value, JANA believes research needs to be implemented with full commitment. JANA is prepared to back its judgment by introducing new ideas and managers to the Fund.
Performance Objective	To outperform the UBSA Bank Bill Index by 5% per annum (after fees and expenses) over rolling 4 year periods.
Benchmark	UBSA Bank Bill Index
Hedging	The Fund employs a passive currency hedging arrangement which takes the aggregate of the Fund's currency exposure to US dollars and passively hedges this back to the Australian dollar.
Risk Target	Expected volatility 6% p.a.
Management Fee	0.60% p.a.
Performance Fee	15% of the Outperformance of the Fund in excess of the hurdle (UBSA Bank Bill Index + 3%) with a high water mark.

## JANA Triplepoint Structure

The Fund's portfolio construction is based on three core components:



JANA may also make a separate allocation to a cash portfolio to assist in managing the Fund's volatility and liquidity. This is conducted via an investment in the JANA Cash Trust.

### Efficient Beta (20–60% of portfolio)

- Access to traditional sources of market exposure (also referred to as beta), such as bond, share and commodity markets.
- Moderate leverage may be used to increase the contribution to risk of the less volatile asset classes.
- This component is a passive/index style investment strategy, currently undertaken by one manager.

### Alternative Beta (0–40%)

- Alternative Beta – sources of returns that are often used in hedge funds and are sometimes labelled as 'manager skill' or 'alpha' but which may be replicated systematically.
- This component aims to replicate the main hedge fund trading strategies, without paying managers high fees for their beta which is often characterised as alpha.
- This component currently employs one manager.

### Alpha (20–60%)

- Sources of returns that rely predominantly on the managers' skills.
- The strategies employed by these managers cannot easily be replicated through the Alternative Beta framework.
- Strategies include Commodity Trading Advisors (CTAs), Global Macro, Equity Market Neutral, Global Tactical Asset Allocation (GTAA), Volatility Trading and Convertibles.
- The component is expected to employ 10–20 alpha managers.

# JANA Triplepoint Fund

	Typical Fund of Hedge Fund (FOHF)	JANA Triplepoint Fund
Fees	Typically 1-2% p.a. base fee with a 10-20% performance fee for outperformance above the cash rate.	A base management fee of 0.60% and a 15% performance fee for outperformance above the UBSA Bank Bill Index + 3%.
Main Risk	Cost inefficiencies of FOHF can potentially lead to underperforming the objective. Too much headline risk in single manager appointments.	Usually higher volatility than a typical FOHF, but similar to a 'single manager, multi-strategy solution.'
Transparency	Very little (manager names disclosed by FOHF but few, if any, positions).	Complete position level transparency.
Control	Very little. Long redemption periods in most instances, typically quarterly, but can be yearly.	Have 100% position level transparency and have separated control of assets from hedge fund manager. Outsourced manager selection and strategy allocation to JANA.  Redemption period is 3-5 days.
Mix of alpha/beta	Performance fees are being paid on market exposures (ie. beta) for many managers.	Separated – no performance fees being paid on readily-investable beta.

## Further information

**If you would like further information on the JANA Triplepoint Fund please contact:**

**Jim Lamborn**

P: (03) 8676 5423

E: jim.lamborn@jana.com.au

**Michael O'Dea**

P: (02) 8252 5903

E: michael.odea@jana.com.au

If you would like further information on JANA, please visit [www.jana.com.au](http://www.jana.com.au)



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## Important Information

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MLC is the issuer of interests in the JANA Triplepoint Fund (ARSN 127066219). JANA has been appointed to provide investment advice to MLC in relation to the Fund.

Investment in the Fund is restricted to 'Wholesale Clients' within the meaning of the Corporations Act (Cth 2001). The Fund is available for access by retail clients through selected Investor Directed Portfolio Services. All investors should obtain a Product Disclosure Statement (PDS) relating to the Fund and consider it before making any investment decision about the Fund. This document is not an offer to invest in the Fund and is in summary form only. You should refer to the PDS for a full description of the Fund.

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