



Multi-Strategy Fund

Product Disclosure Statement

Issue Number 2, 23 February 2012
Multi-Strategy Investment Options

Millinium Capital Managers Limited ABN 32 111 283 357 AFSL No. 284336

The Fund

Millinium's Multi-Strategy Fund ARSN 125 878 015

Responsible Entity

Millinium Capital Managers Limited
ABN 32 111 283 357
AFSL 284 336

Office of the Responsible Entity

Main office
Level 21, 300 Queen Street
Brisbane QLD 4000
Telephone: 02 8012 8650
Facsimile: 02 9251 3525

Investor Services

New Client Inquiries: 02 8012 8650
New Client Processing: 02 8012 8650 (Sydney)
Existing Clients: 02 8012 8650 (Sydney)
Email: millinium@fundbpo.com
Facsimile: 02 9251 3525
Website: www.millinium.com.au

Fund Custodian

Perpetual Corporate Trust Limited
ABN 99 000 341 533
GPO Box 5136
Sydney NSW 2000

Legal Advisers

Baker & McKenzie
Solicitors
Level 27
50 Bridge Street
Sydney NSW 2000

Administrator and Registrar

FundBPO Pty Limited
ABN 81 118 902 891
AFSL 303253
GPO Box 4968
Sydney NSW 2001
Telephone: 02 9247 3326
Facsimile: 02 9251 3525

Contents

Summary of Features	3
About the Fund	5
What are the Benefits?	11
Risks of investing in the Fund	12
Fees and Costs	14
Managing your Investment	18
Accessing your Investment	20
Taxation Information	21
Additional Information	25
Completing the Application Form	30

Important Information

Before you start

Please read this Product Disclosure Statement (“PDS”) carefully before investing. This PDS relates to the Cash, Health Care, Multi-Strategy Income, Dividend Income and Patient Capital investment options in Millinium’s Multi-Strategy Fund ARSN 125 878 015 and the Millinium’s Income Fund ARSN 127 686 257 (collectively the “Fund”). This PDS is dated 23 February 2012. Millinium Capital Managers Limited (“Millinium”) is the Responsible Entity of the Fund and issuer of this PDS. Millinium may be referred to in this PDS as “we”, “us”, “our”, “Millinium” or “Responsible Entity” and such reference may, where appropriate, include reference to Millinium Asset Services Pty Ltd as trustee of the wholly owned sub-trusts of the Fund (“Sub-Trusts”).

This PDS contains general information and does not take into account your individual objectives, financial situation or needs. You should seek your own financial product advice from a licensed financial planner and tax advice from your taxation adviser. Investing in the Fund is subject to investment risk including possible loss of income or your investment.

This PDS has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission (“ASIC”). Millinium will notify ASIC that this PDS is in use in accordance with the Corporations Act 2001 (Cth) (“Corporations Act”). ASIC and its officers take no responsibility for the contents of this PDS.

Neither Millinium nor any associated company or external service provider, including any investment manager, its officers, employees or agents guarantees any amount payable to investors, the performance or the return of capital of the Fund.

This PDS is intended for distribution within Australia. This offer is made

to persons who are retail clients, sophisticated investors and/or wholesale clients as defined in sections 761G and 761GA of the Corporations Act. The offer is only made to persons within Australia, including those receiving this PDS electronically. This PDS is not an offer or invitation in relation to the Fund in any place where, or to any person to whom, it will not be lawful to make that offer or invitation. If you receive this PDS electronically, we will provide you with a hardcopy, together with the Application Form, free on request.

Through this PDS, investors may invest indirectly in one or more investment options of the Fund through an operator of an Investor Directed Portfolio Service (“IDPS”), Master Trust (including superannuation Master Trusts) or Wrap Account or IDPS like scheme, nominee, custody service or another type of registered managed investment scheme (in this PDS, we call each of these an “IDPS Operator”).

No person is authorised to give any information or to make any representation in connection with the investment opportunities described in this PDS. Any information or representation not contained within this PDS may not be relied upon as having been authorised by us in connection with this investment.

Updates to information

All information in this PDS is current as at the date of this PDS. We may from time to time make available updates relating to this PDS. Investors may access this information at www.millinium.com.au or alternatively may request a hardcopy free of charge from Millinium. Please refer to the Directory section of this PDS for contact details. The information that Millinium may make available by way of these updates is subject to change from time to time and will not be information that

is materially adverse to investors.

Consents

Each party named in this PDS has given and has not, before the date of this PDS, withdrawn their consent to be named in this PDS in the form and context in which their name appears. None of the parties named in the PDS (other than Millinium) are responsible for or caused the issue of this PDS and each of them expressly disclaims and takes no responsibility for any part of this PDS. The role of Perpetual Corporate Trust Limited (“Perpetual”) as Custodian is limited to holding assets of the Fund as an agent of Millinium. Perpetual as Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

Perpetual has no liability or responsibility to you as investors for any act done or omission made in accordance with the terms of the services agreement or custody agreement. Perpetual is an Authorised Representative (No. 266799) under Perpetual Trustee Company Limited’s Australian Financial Services Licence No. 236643.

GST

Unless otherwise stated, all fees are inclusive of GST after taking into account any expected reduced input tax credits. All monetary amounts referred to in this PDS are in Australian dollars (unless specified otherwise).

Contact us

If you have questions about the Fund, contact us on:

Prospective New Client Inquiries:

02 8012 8650

New Client Processing: 02 8012 8650

Existing Clients: 02 8012 8650

Email: millinium@fundbpo.com

Website: www.millinium.com.au

Facsimile: +61 2 9251 3525

Alternatively, speak to your financial planner.

1. Summary of Features

The Fund offers various investment options and asset classes for selection.

Key Features	Description	See Page
Fund's Objective	The Fund allows you to access various investment options with differing asset classes.	5
Investors	Requirements vary for each investment option. See pages 6 and 8 for who can invest in each investment option.	6
Returns ¹	The Fund's performance history is available on our website. We will provide a paper copy of this information free on request.	9
Benefits	The Fund offers the potential for regular returns, asset diversification and investment specialists amongst other competitive features.	11
Risks	The significant risks of investing in the Fund are outlined for investors.	12
Withdrawals ^{2,4}	Generally paid within 5 business days but withdrawal periods can vary for each investment option.	20
Distribution Frequency	Quarterly in arrears (generally paid within 5 business days of each quarter's end for each investment option).	18
Regular Investment Plan ³	Minimum monthly contribution of \$100 (if selected by you and subject to your IDPS Operator's requirements).	18
Distribution Reinvestment Plan ³	Distributions can be automatically reinvested (if selected by you and subject to your IDPS Operator's requirements).	18
Unit price ⁵	Generally, daily unit pricing except the Health Care and Patient Capital investment options which are monthly.	19
Liquidity	We aim to keep the Fund liquid (that is ensure assets can be readily converted into cash so we can pay withdrawal proceeds within timeframes specified in the PDS and the Constitution for the Fund ("Constitution")).	5
Minimum Investment Requirements		
Minimum Initial Investment	\$5,000 which may be spread across several investment options (unless you are an IDPS Operator in which case no minimum applies).	18
Minimum Additional Investment	Not applicable except for Regular Investment Plan (see above).	18
Minimum Balance	\$2,000 which may be spread across several investment options (unless you are an IDPS Operator in which case no minimum applies).	18
Minimum Redemption	\$1,000 (subject to maintaining the Minimum Balance).	18
Switching ^{3,4}	Monthly (each request must be received at least 10 days before the end of the relevant month).	19
Fees and Costs⁶		
Establishment Fee	Nil.	14
Contribution Fee	Nil (except for the Health Care investment option where a Contribution Fee of up to 2% may apply).	14

Management Fee	These range from 0.10% p.a. to 1.20% p.a. depending upon each investment option chosen. We may rebate part of our Management Fee to you or a third party (see page 15).	14
Buy/sell spread	From +/-0.05% to +/-0.50% (depending upon the investment option. This applies on each transaction into and out of the Fund).	16
Switching Fee ^{3,4}	Nil.	15
Withdrawal Fee	Nil.	14
Termination Fee	Nil.	14
Expense Recovery ⁷	From 0.05% up to 0.25% (depending on the investment option).	15
Investment Options ^{5,8}	The Fund offers multiple investment options within a sub-trust structure that aims to segregates tax outcomes for investors in each investment option.	5

1. Returns are not guaranteed. Any past performance information or up to date returns posted on the website, www.millinium.com.au, should not be taken as a reliable guide to future performance of the Fund. Please note that returns are rolled up into the unit prices calculated for each investment option of the Fund. Please see page 9 for more details on returns. Remember returns are not guaranteed.
2. Redemptions are generally paid within 5 business days of our acceptance of your redemption request. The Constitution

- allows us 180 days or a longer period if required in the circumstances. Please refer to the section "Payment of withdrawal proceeds" on page 20 of this PDS for further information.
3. The new investment will be subject to the terms and conditions outlined in the current PDS.
4. Investors should be aware that changing investment options may trigger capital gains tax.
5. Each unit price is subject to adjustment.

- Please see the section "Unit pricing and the value of your investment" on page 19.
6. All fees and costs are charged within the sub-trusts.
 7. This is an estimate based on subscriptions but costs could be higher.
 8. The Fund offers multiple investment options pursuant to the PDS. These multiple classes invest into sub trusts and/or trust for each investment option.

2. About the Fund

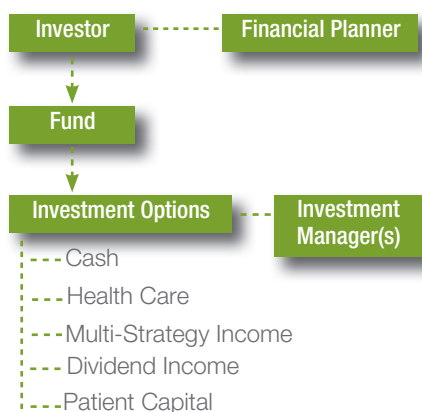
Responsible Entity

Millinium Capital Managers Limited (“Millinium”) was established on 14 July 2005. Millinium holds an Australian Financial Services licence and acts as a fund manager, having specialist expertise in investment services in equities, fixed interest, debt and structured finance. Our investment discipline is focused on reliable returns and capital preservation. Millinium also provides responsible entity and certain trustee services for clients.

Millinium aims to deliver certainty, clarity and confidence in the services we provide to our clients. Our management and investment teams have many years experience in providing investment, responsible entity and trustee services. Our philosophy is simple: to build a business through quality financial products and services that target specific market niches. In addition, we aim to engage leading industry specialists and individuals (as required for an investment option) with relevant and extensive experience in their areas of expertise.

How it works?

The Fund offers various investment options. Each investment option is a separate class of units in the Fund. The assets of each investment option will be held by Millinium in wholly owned Sub-Trusts for investors in the relevant investment option.



The Sub-Trusts are managed by a wholly owned related entity of Millinium (see page 27 for more details). This sub-trust structure allows us to quarantine the assets and liabilities attributable to each investment option. This aims to minimise the extent to which an investor’s holding in one investment option is effected by the capital gains, losses or other liabilities of another investment option. Additionally, it provides transparency for each investment option. Finally, the sub-trust structure facilitates integration of your various investment options in one place, coupled with competitive pricing.

For details of the structure of an investment in the Health Care investment option, please see page 23.

Who is the Fund suitable for?

The Fund is a registered managed investment scheme. It is suitable for investors seeking:

- A diversified range of investment options;
- The ability to mix and blend investment options;
- the ability to add to their investment via a Regular Investment Plan and/or by compounding reinvested distributions;
- a specialist investment management team;
- diversified exposure into various asset classes;
- effective segregation of capital gains and losses for each investment option to the extent this is possible; and
- competitive returns (although returns are not guaranteed).

Investment Policy

The Fund aims to deliver consistent returns to investors via capital growth and distributions, although returns are not guaranteed. Together with our investment manager(s), we select investments based on their ability to maintain or grow in capital value and/or deliver an income stream within the defined risk parameters for the Fund. A significant amount of research and analysis is undertaken to arrive at what we consider to be the optimal portfolio construction that will maximise returns to investors.

Our emphasis is on a clear and consistent investment process. Our investment team focuses on the long term outlook and fundamental valuation of an asset. In addition, we will actively look to select assets based on risk, return and value and will appoint appropriate investment managers with the expertise to manage a specific asset class or asset.

We do not take into account labour standards, environmental, social or ethical considerations when selecting, retaining or realising an investment or when selecting, retaining or removing investment managers.

The Fund offers the following investment option(s) for selection and/or blending on page 6.

Class	Investment Option	Portfolio of Assets
A1	Cash	Cash and other liquid assets.
B1	Health Care	Health care assets, cash and other liquid assets.
C1	Multi-Strategy Income	Listed and unlisted income orientated investments with some capital appreciation and cash.
D1	Dividend Income	ASX 200 listed shares.
E1	Patient Capital	ASX listed and unlisted shares, pre-IPO and other private unlisted investments.

Investment Option(s) ^{1,2}	Cash (A1)	Health Care (B1)	Multi-Strategy Income (C1)
Objective	To offer a portfolio of active investments in cash and related instruments and aims to provide market index returns, capital security and liquidity.	To offer exposure to a portfolio of health care assets and cash asset(s) that aim to provide an income return of 4% above the Reserve Bank of Australia cash rate along with some capital growth. ¹⁰	To offer an active portfolio of income style assets with some capital growth that aims to deliver quarterly returns to investors.
Investor Type	All	All	All
Feature	Investors should be seeking a relatively high level of capital security from a well diversified portfolio of rated and unrated, high quality call deposits, bank bills and deposits with Approved Deposit Institutions (ADI's).	Investors should be seeking a relatively stable level of income return along with capital growth from a portfolio of health care investments and cash.	Investors should be seeking a relatively medium level of capital security from a well diversified portfolio of income and yielding assets and cash. ¹¹
Indicative Investment Time Frame	None	3 to 5 years	1 to 3 years
Investment Approach	<p>This investment option's assets are actively managed high quality, short term, call deposits, cash equivalents securities, such as semi-government, bank bills of exchange. This class invests to gain exposure to Australian money market securities including securities issued by the Australian government, banks and corporations which have a Standard & Poors rating of A1 or better.⁹</p> <p>Millinium operates this investment option to provide stable income and preservation of capital through investment in short dated securities that provide a high level of liquidity and security. This portfolio of investments maintains a very low risk profile and higher levels of liquidity.</p>	<p>The assets for this investment option will be actively managed between different types of health care assets and cash, to take advantage of changes in the market.</p> <p>The option will aim for "income" with longer term capital growth. For this option, Millinium will focus on identifying health care assets (including established retirement village assets) which generate consistent returns because of the strength of their balance sheets, cash flows and sound business. This option is best suited to investors who wish to benefit from an income orientated investment with potential for long-term capital gains.</p> <p>Millinium aims to acquire control and interests in health care assets using the sub-trust structure outlined on page 23 of the PDS while holding cash and</p>	<p>This investment option has a set weighting in a more conservative mix of assets and employs multiple strategies to add value, including a mix of listed ASX shares with higher dividend returns, managed funds, and other unlisted investments that offer a regular return to investors.</p> <p>This investment option invests in Australian ASX 200 listed shares with emphasis on income, and unlisted investments (such as bonds, term deposits, income securities and other yielding investments) that generate ongoing income and tax effective outcomes. The aim is to control investment risk through careful selection and monitoring combined with diversification of investments.</p> <p>This investment option only purchases investments denominated in Australian dollars and does not purchase securities</p>



Investment Approach cont		<p>other liquid investments to complement returns. Millinium will not undertake property development activities for this investment option.</p> <p>Millinium will look to enter into arrangements to acquire these assets outright, or rights to acquire them, outright, generally without recourse to any long term debt. In addition, Millinium aims to hold cash to complement the unlisted health care asset holdings, and provide further liquidity and capital growth capabilities.</p> <p>Millinium will provide details of investment holdings for this investment option on its website in the tab on “Investments” at www.millinium.com.au.</p>	<p>that give rise to currency risk. This investment option is intended to generate modest capital appreciation on an annual basis. There is a value orientation across all asset classes and emphasis on liquidity and quality of assets.</p>
Investment Manager ^{2,3}	Millinium	Millinium	Millinium
Unit Pricing ⁴	Daily	Monthly	Daily
Buy/Sell Spread	Nil	+/- of up to 0.50%	+/- of up to 0.30%
Distribution Frequency	Quarterly	Quarterly	Quarterly
Management Fee ⁵	0.10% per annum on the net value of assets	0.85% per annum on the net value of assets	0.75% per annum on the net value of assets.
Expense Recovery Fee^{5,6}	0.05% per annum on the net value of assets.	0.25% per annum on the net value of assets.	0.10% per annum on the net value of assets.
Withdrawal Timeframe ⁷	Monthly	Half Yearly	Quarterly
Target Asset Mix ^{8,9,11,12,14}	 <p>■ 100% Cash & Equivalents</p>	 <p>■ 95% Health Care Assets (unlisted assets) ■ 5% Cash & Equivalents</p>	 <p>■ 30% Australian Shares ■ 10% Cash & Equivalents ■ 30% Fixed Interest ■ 30% Income Yielding Investments</p>
Performance Returns¹³	<p>Please visit www.millinium.com.au and click on the “Product Performance” tab to see returns this investment option has achieved or call your financial planner for this information.</p>	<p>This is a new investment option and has no performance history. In time returns will be posted at www.millinium.com.au in the “Product Performance” tab.</p>	<p>Please visit www.millinium.com.au and click on the “Product Performance” tab to see returns this investment option has achieved or call your financial planner for this information.</p>

1. The Fund offers units in different investment options pursuant to this PDS. Each investment option invests into a wholly owned Sub-Trust.
2. We may add, remove or change any investment option and/or investment manager for an investment option.
3. Please see our website www.millinium.com.au under Investments for full details on each investment manager.
4. The unit price is subject to adjustment. Please see the section "Unit pricing and the value of your investment" on page 19.
5. Management Fees and expenses are deducted from the Sub-Trust(s).
6. This is an estimate based on subscriptions but actual costs could be higher.
7. Whilst redemptions are generally paid within 5 business days of our acceptance of your redemption request, the Constitution allows us 180 days or such longer period as is required in

- the circumstances to pay all redemptions. Please refer to the section "Payment of withdrawal proceeds" on page 20 of this PDS for further information on timings of withdrawals.
8. The allocation of the assets of the Fund or any investment option may change daily without notice to investors.
 9. This Asset Mix is an indicative allocation only and can change daily and without notice to investors. Please see the website at www.millinium.com.au under "investment options" for minimum and maximum investment limits. The Cash investment option may from time to time hold investments with a lower rating than A1 rating if they perform better.
 10. This investment objective is expressed before the deduction of management fees, expense recoveries and taxation, i.e. performance is measured relative to the benchmark before fees and costs and taxes are deducted. See pages 7 and 9 for details on fees and costs and pages 14 and 15 for details on taxation. This investment objective is not intended to be a

- forecast. It is only an indication of what the investment option aims to achieve over the medium term, assuming market conditions remain relatively stable. This investment option may not achieve its investment objective. Returns are not guaranteed.
11. This investment may include units in other managed investment schemes for additional performance.
 12. Derivatives may be used for hedging purposes only.
 13. Returns are not guaranteed. Any past performance information or up to date returns posted on the website at www.millinium.com.au under the "Product Performance" tab, should not be taken as a reliable guide to future performance of the Fund.
 14. Some investment options may hold units in other investment options.

Investment Option(s) ^{1,2}	Dividend Income (D1)	Patient Capital (E1)
Objective	To offer investors a high-conviction portfolio of S&P/ASX 200 shares in companies which have sound balance sheets, reliable cash flows and high consistent dividends. ¹⁰	To offer investors a portfolio of assets with longer term capital growth in liquid and/or illiquid assets including in listed companies, corporate debt and pre-IPO companies and unlisted companies that are evolving in growth.
Investor Type	All	Wholesale and/or sophisticated Investors and certain categories of retail investors approved by us. ¹¹
Feature	Investors should be seeking a relatively medium level of capital security from a well diversified portfolio of ASX listed shares and cash. This portfolio is designed for investors seeking consistent income and some franking credits. Portfolio turnover is minimised in order to limit the number of taxable gains or losses in any year.	Investors should be seeking a longer term growth opportunity in listed and unlisted illiquid private assets, providing some level of liquidity and some capital preservation. ¹²
Indicative Investment Time Frame	>2 years	> 5 years
Investment Approach	This investment option focuses on "income." Millinium focuses on identifying companies which generate consistent dividends because of the strength of their balance sheets, cash flows and fundamental business. Each company in the portfolio should have (but is not guaranteed to have) a forecast dividend yield higher than the S&P/ASX 200 average. The stock selection process also takes into account each company's long term history and sustainable future prospects. As part of the valuation process, "buy" and "sell" prices are set for each company. This is a "high conviction" portfolio composed of up to 25 stocks, but risk is controlled by incorporating fundamental and statistical correlation analysis as a key part of the portfolio construction process. The portfolio is expected to at least maintain its worth in real terms, i.e. to grow faster than inflation.	Millinium will identify listed and unlisted opportunities to invest in equity and/or debt securities. Millinium may also acquire interests in private equity funds on the secondary market. The types of opportunities we will consider are: expansion/growth activities: distressed debt; pre-IPO investments companies and institutions that seek additional capital to fund further growth and/or revenue either for acquisition or expansion. Typically, they should have a proven track record, experienced management team, positive operating cash-flow and identifiable growth prospects. The terms of each investment will differ due to the structure and type of entity to be considered for investment. In order to facilitate recapitalisation or refinancing, we may negotiate direct security in the investee. This leaves us with an ability to also negotiate, provide liquidity and boost potential returns, by accessing options for equity positions for later IPO or sale of the investee or company asset.
Investment Manager ^{2, 3}	Millinium	Millinium
Unit Pricing ⁴	Daily	Monthly

Buy/Sell Spread	+/- of up to 0.30%	+/- of up to 0.30%
Distribution Frequency	Quarterly	Quarterly
Management Fee⁵	0.70% per annum on the net value of assets	1.20% per annum on the net value of assets.
Expense Recovery Fee^{5,6}	0.10% per annum on the net value of assets.	0.25% per annum on the net value of assets.
Withdrawal Timeframe⁷	Quarterly	Half yearly
Target Asset Mix^{8,9,11,12,13}	 <ul style="list-style-type: none"> ■ 90% Australian Shares ■ 10% Cash & Equivalents 	 <ul style="list-style-type: none"> ■ 63% Private Market Assets ■ 27% Australian Shares ■ 10% Cash & Equivalents 0% Derivatives (hedging only)
Performance Returns^{14,15}	Please visit www.millinium.com.au and click on the “Product Performance” tab to see returns this investment option has achieved or call you financial planner for this information.	This is a new investment option and has no performance history. In time returns will be posted at visit www.millinium.com.au in the “Product Performance” tab.

1. The Fund offers units in different investment options pursuant to this PDS. Each investment option invests into a wholly owned Sub-Trust.
2. We may add, remove or change any investment option and/or investment manager for an investment option.
3. Please see our website www.millinium.com.au under Investments for full details on each investment manager.
4. The unit price for each investment option is subject to adjustment. Please see the section “Unit pricing and the value of your investment” on page 19.
5. Management Fees and expenses are deducted from the relevant Sub-Trust.
6. This is an estimate based on expected subscriptions but actual costs could be higher.
7. Redemptions are generally paid within 5 business days of our acceptance of the redemption request. The Constitution however allows us 180 days or a longer if required in the

- circumstances to pay all redemptions. Please refer to the section “Payment of withdrawal proceeds” on page 20 of this PDS for further information on timings of withdrawals.
8. The allocation of the assets of the Fund or any investment option may change daily without notice to investors.
9. This Asset Mix is an indicative allocation only and can change daily. Please see the website at www.millinium.com.au under “investment options” for minimum and maximum investment limits.
10. This investment objective is expressed before the deduction of management fees, expense recoveries and taxation, i.e. performance is measured relative to the benchmark before fees and costs and taxes are deducted. See pages 7 and 9 for details on fees and costs and pages 14 and 15 for details on taxation. This investment objective is not intended to be a forecast. It is only an indication of what the investment option aims to achieve over the medium term,

- assuming financial markets remain relatively stable during that time. This investment option may not achieve its investment objective. Returns are not guaranteed.
11. This investment option may have separate classes for investment. Please see “Different Classes of Units” on page 27.
12. This may include units in other managed investment schemes for additional performance.
13. Derivatives may be used for hedging purposes only.
14. Returns are not guaranteed. Any past performance information or up to date returns posted on the website at www.millinium.com.au under the “Product Performance” tab, should not be taken as a reliable guide to future performance of the Fund.
15. Some investment options may hold units in other investment options.

Investment Manager/Operations Manager

We may appoint an underlying investment manager(s) or specialist manager(s)/administrator(s) (together, “managers”) for any investment option or asset. We of course are responsible, not just for identifying an appropriate manager(s) but also for monitoring their performance.

We require any manager appointed to have a structured and transparent approach to asset selection and/or investment management or have

expertise and capability to undertake administrative activities for the investment option or asset.

During their engagement, we will review managers to ensure they continue to offer appropriate services and expertise to the Fund. As part of this review process, we may change the managers according to the terms of their appointment. We may do this at any time and in some cases, without notice to you. We will of course notify investors of any material changes affecting them in our next regular

communication following any change, or as otherwise required by law. Investors may get an up to date list of the managers for specific investment option(s) on our website www.millinium.com.au under the tab headed “Investments”.

Returns

The Fund was established in May 2007. You may review past performance history (for existing investment options), unit prices and updated asset mixes on our website at www.millinium.com.au under the “Investments” section.

In time returns for the new investment options will be posted at visit www.millinium.com.au under the “Product Performance” tab. Alternatively, investors may ask their financial planner to provide them with a free paper copy of this information. Please note that returns are not guaranteed. Any past performance should not be taken as a

reliable guide to future performance of the Fund.

The new investment options do not have any performance history. There will be differences between the performance of each investment option because of factors such as: differences in fees charged; different investment objectives and strategies; different asset classes,

differing asset holdings and weightings, varied timing of and prices paid and received on the purchase and sale of assets for each class.

Manager class units may be issued to Millinium to, amongst other things and at our absolute discretion, assist with the Fund’s liquidity (for more information on Manager Units please see page 28).

Disclosure Principles for the Health Care investment option

Under ASIC Regulatory Guide 46, responsible entities are required to provide retail investors that invest in unlisted property managed investment schemes certain information so they can make an informed decision, and compare risks and returns, across investments in the unlisted property sector. The information for the Health Care investment option, required by the eight principles of disclosure set out in Regulatory Guide 46, is outlined below:

Principle 1	Gearing Ratio	This investment option does not intend to use gearing to purchase any investment(s). This means the gearing ratio for this investment option is expected to be zero. However, there may be limited short-term borrowings at some time in the future. You will be notified if this gearing ratio disclosure changes.
Principle 2	Interest Cover	This investment option does not intend to use borrowings to purchase of any asset(s). This means the interest cover disclosure is not applicable to this investment option. You will be notified if this interest cover disclosure changes.
Principle 3	Borrowing	This investment option does not have any borrowings. Millinium’s aim will be to acquire each asset outright, on an arms length basis. This means the borrowing disclosure is not applicable to this investment option. You will be notified if the borrowing disclosure changes.
Principle 4	Portfolio Diversification	As this is a new investment option, it does not currently have an asset portfolio. The investment objectives and strategies of the Health Care option are set out on page 6 in Section 2 of the PDS. This investment option will have limited diversification. Initially, this investment option will hold cash. It will then acquire rights in respect of a single health care asset, of which details will be posted on our website under the “Investments” tab in the Health investment option. Cash will be applied to acquire further assets over time, and this will change the asset mix and weighing to offer greater diversity in health care assets(s).
Principle 5	Valuation Policy	Each asset for this investment option will be valued at least annually by an independent party. The valuation will comply with relevant industry standards and the valuer will not be a related party of Millinium or the operations manager. The unit price will reflect the asset valuations, income and expense accruals. The unit price will be calculated on a monthly basis. Please see page 19 in Section 6 on Unit Pricing and Valuations for more details.
Principle 6	Related Party Transactions	We have appointed a related company, Millinium Asset Services Pty Limited to act as trustee for the Sub-Trust for this investment option. Millinium Asset Services Pty Limited does not charge a fee for this service. All other related party disclosures are made on page 27 of this PDS.
Principle 7	Distributions	Section 6 of the PDS sets out details relating to distributions. The intended distribution strategy is to make income distributions for a quarterly period(s) outlined on page 18 of this PDS. Income distributions will derive from rental and other income from investments. It should be noted that it is not always possible to pay income distributions in a timely manner and it is difficult to accurately forecast future distributions as they are dependent on the underlying assets and their performance. Please see our website at www.millinium.com.au under the tab heading “Investments” to obtain further details.
Principle 8	Withdrawal Arrangements	A unit holder can request us to redeem their investment on a half yearly basis. We may vary this redemption right including to suspend or stagger redemptions on certain circumstances as outlined on page 20 of this PDS. Withdrawals will be paid as outlined on page 20 of this PDS.

3. What are the Benefits?

The Fund offers the following key benefits:

- **Regular Returns:** The Fund aims to pay distributions on your investment options. You can elect to have your distributions paid directly into your nominated account so you have immediate access to the funds following the distribution date. Alternatively, you may participate in the Fund's Distribution Reinvestment Plan. Remember, returns are not guaranteed. For more information on returns and timings for payment of returns, please refer to "Returns" on page 9.
- **Competitive Fee Structure:** The Fund's fee structure is based upon each investment option and offers competitive rates for each investment option.
- **Tailored Investment Selection:** You and your financial planner can choose one or more investment options that are right for your personal situation.
- **Distribution Reinvestment Plan:** To benefit from a compounding return, you can automatically reinvest your quarterly distributions as additional units in the Fund. For more information on the Distribution Reinvestment Plan please refer to page 18 of the PDS.
- **Low Initial Investment:** The Fund offers you the opportunity to invest with as little as \$5,000 across any or all investment options offered. This is of course subject to the type of investor you are and the investment option you choose.
- **Investment Specialist(s):** Millinium is a specialist investment manager who works alongside other investment managers it appoints from time to time. Each investment manager chosen employs an experienced team of skilled professionals to research, analyse, construct and manage investment portfolios, which target specific investment returns and reduced risk exposure.
- **For some investment options - No Establishment, Contribution, Withdrawal or Switching Fees:** You will not be charged any establishment, contribution, withdrawal or switching fees on some investment options. Please refer to section 5 "Fees and other costs" of this PDS for further information.
- **Regular Investment Plan:** You can contribute to your investment through a Regular Investment Plan, whereby amounts can be direct debited from your nominated account (see page 18 for further information).
- **Diversification:** An investment in the Fund can assist you to diversify your existing investment portfolio by allowing you to invest in various investment options within one convenient fund structure.
- **Effective Tax Structure:** The sub-trust structure for the investment options aims to the extent possible, quarantine any tax losses and gains for each investment option in the Fund.
- **For some investment options - in specie transfer:** If you hold listed stocks that are approved by us you may transfer them to us in payment for units you apply for (which of course tax implications may arise, please see "Units Transfers" on page 19).

4. Risks of investing in the Fund

What are the Risks?

All investments involve risk. Every investment runs the risk that its value and income will fluctuate. These risks may be general or specific to a particular asset class.

Neither Millinium, its related entities, any officers or personnel, nor any of the investment managers it appoints guarantee the performance of this Fund or the repayment of any principal. No one makes any representation as to the success or otherwise of the Fund. Investing in the Fund is subject to investment risk, including possible loss of income or loss of, in whole or in part, the amount invested.

We aim to invest in a range of carefully selected, quality investments intended to reduce portfolio risk. We set strict limits on what, and how much, we can invest in, to ensure your investment is diversified.

The significant risks that may affect the value of your investment in the Fund include:

- **Market Risks:** Changes in economic, technological or political conditions and market sentiment can (and does) arise. This means that the investments we buy can fluctuate in value. We use research and analysis to keep abreast of these matters as best we can and then we may adjust the Target Allocation of assets (outlined on pages 7 and 9) where necessary, to lessen the impact.
- **Economic Risks:** Certain events or circumstances may cause a downturn in economic conditions, which adversely impact business in general. These events may affect the values of the Fund's assets, the availability of viable investments generally and the ability of the Fund to lend money and/or to service or repay a loan(s).
- **Liquidity Risks:** This is the risk that

investments will not be readily convertible to cash (i.e. will be illiquid). This means that either we may not be able to realise assets of the Fund for some time and you would not be able to redeem your investment in a timely fashion. If assets are illiquid we may be able to realise them for cash but this may be at a discounted value which could lead to loss of capital for the relevant asset. We regularly monitor the Fund's liquidity position and, for a particular investment option, may set different liquidity limits. There is a risk that certain assets or classes of assets within an investment option may be illiquid.

- **Interest Rate Risks:** Changes in interest rates can directly and indirectly impact on investment value or returns. For example, an increase in official interest rates can result in a fall in the value of fixed interest securities.
- **Legal Risks:** Changes in laws and regulations, or the interpretation of these laws and regulations, may have taxation, accounting or legal consequences which adversely impacts on the Fund and/or borrowers or investments of the Fund. In addition, legal costs could be expended to enforce the rights of recovery of assets and costs associated with any recovery action taken over certain Fund assets.
- **Default or Credit Risk:** Commercial loans and other investments (such as notes, debentures, bonds, fixed interest and alternative investments) are subject to default risk (i.e. where a borrower fails to meet its obligations to pay interest and principal when it is due) and recovery risk (the severity of the loss incurred in the event of a default). Changes in credit risk

premium or ratings downgrades by ratings agencies (e.g. where a borrower's financial position has deteriorated) can impact the value of the Fund and cash flow.

- **Prepayment Risk:** Certain debt securities can be prepaid at the option of Millinium. There is no assurance that proceeds received from a prepayment can be invested in similar securities generating the same level of return.
- **Management Risk:** The risk that an investment manager performs poorly. It is possible that Millinium and its investment manager(s) may fail to adequately identify and manage the investment risks in the Fund's investment portfolio. This may affect the Fund's ability to pay distributions to you and/or reduce the value of your investment.
- **Diversification or Concentration Risk:** There is a risk that Fund investments may not be sufficiently diversified and may be concentrated at times. In this event the failure of one or a small number of investments may have a material financial impact on the Fund. This is particularly true if a particular investment option is a "high conviction" or "concentrated" portfolio of assets.
- **Borrowing Risk:** The Fund may borrow money (or gear) at competitive institutional rates, and invest both your money and the borrowed amount to buy assets in an investment option of the Fund. All obligations that arise from borrowing are met by the Fund. The Fund will limit any borrowing to no more than 25% of gross assets of an investment option in the Fund. This means if one of the Fund's investment options has \$100 million in gross assets, it could not borrow more than \$25

million for that investment option. While gearing has the potential to increase the gains from investing it may also magnify your losses.

- **Fund Risk:** There is a risk that the value of the units in the Fund falls because of unexpected changes in the Fund's management, operations or its environment or that the Fund terminates. Further, investing in a managed fund is not like investing directly in the underlying assets. A managed fund takes into consideration all applications and redemptions made by all investors, which may result in different income or capital gains accrued. Therefore, income from the Fund will be different to that of a direct investment.
- **Repayment Risk:** There is a potential risk that commercial loan assets do not generate enough income to fund payments to investors when a payment falls due.
- **Security Risk:** There is a risk that inappropriate security is taken over certain commercial loan assets or some commercial loan assets are incorrectly valued and this affects our rights to successfully undertake any recovery action over such assets or this reduces any recovery proceeds taken for enforcing our rights on behalf of investors.
- **Changes in Asset Valuations:** There is a risk that asset valuations may change over time and the value of security taken over commercial loans or other assets fluctuates given prevailing market conditions. We (and the investment managers we appoint) can use independent valuers to ensure appropriate valuations are made.
- **Insurance Risks:** There is a risk inadequate insurances are acquired or held that do not cover unintended consequences. Additionally, there is risks that

insurers delay or do not admit claims in a timely fashion and cause costs to be incurred.

- **Key Management Risk:** There is a potential risk for us and our investment manager(s) to lose key management over time. We will try to identify and where possible, mitigate this risk.
- **Small Companies Risk:** In general, small ASX listed companies and some unlisted companies operate in limited markets, have fewer financial resources and rely on key personnel when compared to large companies. For listed securities, their shares also tend to be thinly traded which can cause reduced liquidity given the volumes of stock traded and their prices can fluctuate more sharply in price than larger companies. For unlisted securities it can be difficult to trade such securities at all or at prices that reflect inherent value.

Ways to manage risks

We aim to manage the risks associated with investing in the Fund through continual and careful consideration of the investment guidelines and portfolio construction.

You can also help manage risk. You can reduce risk by:

- Spreading risk by diversifying investments within asset classes and across a range of asset classes, since different types of investments perform differently at different points in time.
- Seeking professional advice to assist in setting your investment objectives, understanding your financial situation and particular needs. This PDS does not replace the need for financial product advice.
- Investing for at least the recommended time frame. Investing for a lesser period than the one suggested for each

investment option may not provide the stated investment objective of the relevant investment option.

- Planning your investment strategy (in conjunction with your financial planner) by considering the following:
 - how much risk you feel comfortable with;
 - how long you want to invest for;
 - what level of returns you desire;
 - whether you are looking for income or growth; and
 - your current financial circumstances.

5. Fees and Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

The table shows fees and costs associated with investing in the Fund that you may be charged. These fees and costs may be deducted from the money you invest, from the returns on your investment or from the Fund as a whole.

Taxation information is set out in section 8.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How and When Paid
Fee when your money moves in or out of the Fund¹		
Establishment Fee. The fee to open your investment.	Nil.	Not applicable.
Contribution Fee.^{1,2} The fee on each amount contributed to your investment.	0 to 2% of investment amount.	We may deduct a Contribution Fee from your investment amount before calculating the number of units we issue to you. If you have a licensed financial planner they may negotiate the Contribution Fee with you as outlined in page 15 of the PDS.
Withdrawal Fee. The fee on each amount you take out of your investment.	Nil.	Not applicable.
Termination Fee. The fee to close your Investment.	Nil.	Not applicable.
Management Costs^{3,4}		
The fees and costs for managing your investment. The amount you pay for specific investment options is shown at pages 7 and 9.	Management Fee⁵ The Management Fee for each investment option ranges from 0.10% per annum to 1.20% per annum based on the net assets of the relevant investment option of the Fund.	The Management Fee is accrued daily and payable monthly in arrears from the assets of each investment option of the Fund. Any part of our Management Fee for any investment option may be rebated to an investor at our absolute discretion, including for wholesale investors or other classes of investors. This may mean that investors may receive additional units in an investment option(s).

Type of Fee or Cost	Amount	How and When Paid
	<p>Expense Recovery Fee</p> <p>Our best estimate is a range of 0.05% to 0.25% per annum of the net assets of the relevant investment option. However, depending upon factors such as investor numbers and costs incurred this could be higher.</p>	The Expense Recovery covers all expenses we may incur in properly performing our duties as Responsible Entity for a particular investment option. It is deducted from the net assets of the relevant investment option.
Service Fees		
Switching Fee: The fee for changing between funds.	Nil.	Not applicable.

1. This fee includes an amount payable to an adviser (See “adviser remuneration “ under the heading “Additional explanation of fees and costs” on page 17). 2. A buy/sell spreads applies when you invest money in or redeem from certain investment options in the Fund and, to the extent relevant, when the Fund invests into or divests from other underlying funds (other than the Sub-Trusts) (see “Transaction Costs” under the heading “Additional explanation of fees and costs” on page 15). 3. We may pay a shelf fee and/or ongoing payment to an IDPS Operator to allow indirect investor’s access to this product on an investment menu. These fees will be negotiated with each IDPS Operator and are not an additional cost to an investor. 4. Management Costs do not include any performance fees or expenses charged by the underlying managers of any managed investment schemes the Fund may invest into as we do not currently know what these funds, or their fees, are. Please refer to the section on “Transactional and operational costs” on page 15 for more information. 5. We may rebate part of our Management Fee. See “Differential Fees” (see page 16 for more details). No Management Fee is charged on investments in Millinium’s Income Fund in respect of the Health Care investment option.

Additional explanation of fees and costs

Contribution Fee

A Contribution Fee of up to 2% of each amount contributed to your investment may be charged by us if you apply through a licensed financial planner. The Contribution Fee can be paid by us to your financial planner’s licensee for their services. Your financial planner may, at their discretion waive all or part of this remuneration and you will then receive additional units. Whether your financial planner waives this remuneration is part of the arrangement made between you and your financial planner.

Management Costs

The management costs are set out in the table on pages 4, 14 to 17.

Management Fee

We are entitled to a Management Fee outlined on pages 7 and 9 based on the net assets of an investment option of the Fund. The Management Fee is calculated daily and payable monthly in arrears and is deducted from the net

assets of an investment option of the Fund.

We may pay investment managers from 0.10% to 0.55% p.a. of the net asset value of the relevant investment option. For example, if the Management Fee for an investment option is 1.20% p.a. and we pay the investment manager 0.55% p.a. — for every \$50,000 invested in that investment option, you would pay a Management Fee of \$600 per year, of which we would pay \$275 to the investment manager.

Expense Recovery Fee

The Constitution allows us to be reimbursed from the assets of the Fund for any expense incurred by us in relation to our proper performance of duties as Responsible Entity. These expenses include all expenses incurred in managing and administering the Fund (such as custody, administration and registry fees) and transactions costs of the kind used to determine the buy/sell spreads. We will deduct all expenses properly incurred by us or an agent

of us from the assets of the relevant investment option.

We estimate normal expenses to range between 0.05% up to 0.25% of the net assets of the relevant investment option of the Fund (the Expense Recovery) but this could be higher if there is low investor subscriptions. Therefore, if we managed \$50,000, we would pay between \$25 to \$125 to service providers depending upon the investment option(s). For a worked dollar example which includes our Management Fee, please refer to the “Example of Annual Fees and Costs” on page 17.

For the Patient Capital investment option, we may appoint a director(s) to the board of an underlying investee company. If we do so, we will charge a maximum fee of \$175 (plus GST) per hour for their time spent on matters related to their appointment during the life of this PDS. These fees will be paid from the Patient Capital investment option. This cost may be recoverable from the investee company in the future, but this is not certain.

This estimated Expense Recovery does not include any provision for any

abnormal expenses which may be incurred by the Fund, for example the costs of bringing or defending litigious claims or the cost of holding unit holder meetings. For a worked dollar example which includes the Expense Recovery, please refer to the “Example of Annual Fees and Costs” on page 17.

Transactional and Operational Costs (Buy/sell spreads)

Transaction costs are the costs associated with buying and selling the underlying investments of the Fund. Transaction costs include, among other things, brokerage costs, government or bank charges and the buy/sell spreads for the investment option. These costs are usually reflected in the unit price for each investment option.

We may charge a buy/sell spread of up to +/-0.50% on certain investment options (please see page 7 and 9 for more details) or up to \$500.00 on each investment and each withdrawal of \$100,000. The buy/sell spread is reflected in the unit price for the relevant investment option. Please note that the unit price is subject to adjustment (please see the section “Unit pricing and the value of your investment in the Fund” on page 19). Also, if an investment option invests into other managed investment schemes, those managed investment schemes may, in turn, charge buy/ sell spreads, which will be reflected in the unit price for the investment option.

Acquisition Cost Recovery

We are entitled to receive an Acquisition Cost Recovery of up to \$250,000 for each retirement village asset acquired for the Health Care investment option. This Acquisition Cost Recovery is not included in the Management Costs on page 15 as it is a transactional cost — being the costs incurred in the identification,

negotiation, and review of a health care asset, including financial due diligence, review of records, meetings with various parties, including any valuer(s) or legal adviser(s). The Acquisition Cost Recovery has been capped at \$250,000 during the life of this PDS. Our actual costs incurred may be higher.

Differential fees

We may (at our absolute discretion and for certain investment options) rebate part of our Management Fee to a particular investor, such as to wholesale investors, employees or associates, where the Corporations Act or ASIC policy allows this. To see if you are eligible to negotiate fees with us, please contact Investor Services — their contact details are at the front of this PDS.

We may also (at our absolute discretion and for certain investment options) pay part of our Management Fee to an Australian financial services licence (“AFSL”) holder based upon the overall volume of business they generate with us. Such AFSL holders may pass part of this payment onto their affiliates which may include your financial planner.

We may also pay a referral fee of up to 0.25% p.a. from our Management Fee to persons that have an agreement with us to refer investors into the Fund. This equates to \$250.00 on a \$100,000 investment. Any payment made is based on the referred investors remaining in the Fund and the volume of monies invested. This referral fee is payable by us and is not an additional cost to an investor in the Fund.

Can the fees and expenses change?

Yes, fees and expenses can change for various reasons including changing economic conditions and changes in regulation. We will give you 30 days notice of any proposed fee increase or otherwise such notice as is required by law.

Any change in fees and expenses must be within the limits of the Constitution. If we ever wanted to increase the limits in the Constitution, we would need investor approval first.

Please note, we have the ability under the Constitution to charge additional fees to those disclosed in this PDS, including a performance fee. However, we do not intend to charge any additional fees, including a performance fee, as at the date of this PDS or for the duration of this PDS. We would give you notice in accordance with the law if we ever sought to charge these fees.

Maximum Fees

The Constitution* sets out maximum fees (excluding GST) that can be (but are not charged in this PDS) to an investor. These maximum limits are set out below and any fee changes can only be made upon meeting the notification requirements to unit holders set out above.

Fee Type	Maximum Limit
Establishment Fee	\$500.00 to establish each investor’s account.
Contribution Fee	Up to 5% of each contribution made.
Management Fee	Up to 5% per annum on the gross value of the assets.
Performance Fee	50% of any outperformance based on the Fund net assets and the Fund’s benchmark.

Withdrawal Fee	Up to 5% of a withdrawal amount.
Termination Fee	Up to 5% of an investor's total account balance upon closure of their account.
Switching Fee	Up to 5% of the total amount an investor switches between investment options.
Loan administration fee	Up to 3% of the value of each loan held by the Fund.

*The maximum fees shown are those specified in the constitution for Millinium's Multi-Strategy Fund. No fees will be charged under Millinium's Income Fund.

Adviser Service Fee

You and your financial planner may agree a fee structure for their services (which may include a Contribution Fee if you invest in the Health Care investment option). This is generally known as an Adviser Service Fee. You may agree and pay an Adviser Service Fee directly to your financial planner. Your financial planner will provide you

with a Financial Services Guide and/or Statement of Advice, which will set out specific details on remuneration and non-monetary benefits. However, if you and your financial planner agree for us to collect any payments, we require you to complete the section of the Application Form on "Financial Planner Remuneration" to confirm what method of payment you and your financial planner have agreed on. If you do not have a financial planner you do not need to complete this part of the Application Form.

We reserve our rights to exercise our discretion over the payment of fees to an AFSL holder or its financial planners. You may cancel or change your fee arrangement with your financial planner by completing the "Change of Details" form. Any change to your financial planner's remuneration will be actioned as soon as possible but no later than 15 business days after receipt of a fully completed and signed form.

We maintain a register for Alternative Forms of Remuneration. The register,

which is publicly available by contacting us, outlines some alternative forms of remuneration, including incentive payments that we pay to or receive from AFSL holders, fund managers or any representatives (if any is paid or received at all in relation to the Fund).

Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. These fees are included in the fees outlined in the tables on pages 3,14,15, 16 and 17.

Please note that the fees take into account any reduced input tax credits which may be available. Further information on taxation matters can be found on page 21 of this PDS.

Example of Annual Fees and Costs

This table gives an example of how fees and costs of the Fund can affect your investment within a year. You should use this table to compare this product with other managed fund investment products.

Example – Multi-Strategy Income Option		Balance of \$50,000 including a contribution of \$5,000 during the year ⁽ⁱⁱⁱ⁾
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.00.
Plus Management Costs*	0.85% p.a. of net assets.	And , for every \$50,000 you have in the Fund you will be charged \$425.00 each year.
Equals Cost of Fund.		If you invest \$5,000 at the beginning of the year and your balance was \$50,000 over the course of the year, you will be charged \$425.00 [^] What it costs you will depend on the investment option you choose and the fees you negotiate with us or your financial planner.

* See 'Management Costs' on page 15 for a more detailed description of what constitutes management costs and how these fees are calculated. Management Costs are calculated on an Indirect Cost Ratio basis and include all direct and indirect management costs for managing the investment option and relevant Sub-Trust. Please note, however, Management Costs do not include (i) the effect of any abnormal expenses which may be incurred (ii) the impact of any underlying investment manager performance fees or buy/sell spreads that may be deducted from the underlying managed funds – though we do not have any underlying investments that currently charge such performance fees. This Expense Recovery percentage may increase due to low investor subscriptions. [^]This example assumes that (i) no abnormal expenses are incurred (ii) borrowing levels are nil (iii) this assumes that the contribution of \$5000 is made at the beginning of the year and (iv) fees are not individually negotiated with us.

6. Managing your Investment

How to Invest

Initial Investments

The minimum initial investment amount is \$5,000 (which may be spread across several investment options) unless we agree to accept a lesser amount. To make an investment, please complete and sign the Application Form and direct Debit Request Form (if you want to make regular payments) accompanying this PDS and send it, together with your application money, to the address indicated on page 30 of this PDS.

Please also ensure that you complete all relevant sections of the Application Form.

You may remit your application money through any of the methods outlined on page 30 of this PDS.

We will not pay any interest earned on application monies to investors but may apply such interest earned to the benefit of the Fund, for example to pay for expenses of the Fund.

A completed Application Form is required regardless of the method you select for remitting your application money. For information on completing the Application Form, please refer to page 30 of this PDS. A completed Application Form must be received by our Investor Services in the Sydney office by 1:00 p.m. on each business day.

If your Application Form or Direct Debit Request Form has incomplete or erroneous information, we will contact you to arrange how to complete or correct the form(s). The investment will be accepted only if these deficiencies have been resolved.

We may, at our absolute discretion, accept or reject any Application Form in part or in whole. If an Application Form is not complete or not accepted, your Application Form and application money will be returned to you without a distribution within one month from

receipt.

Your investment commences on the day units are allotted to you.

Minimum Balance and Minimum Redemption and/or Additional Investment

You must maintain a minimum balance of \$2,000 (which may be spread across several investment options) to stay invested, and can make a minimum redemption of \$1,000, subject to your minimum balance (see page 3 for details).

Regular Investment Plan

The Regular Investment Plan is available to invest additional amounts. Please see the Application Form and complete the Direct Debit Request Form. The minimum additional amount is \$100 per month. This will be directly debited from your account on the 15th day of each month or the next business day.

Additional investments made under the Regular Investment Plan will attract the same terms as the initial investment with the next available unit price calculated for your additional investment, including after a distribution period(s).

If we receive notice that you wish to elect to have a Regular Investment Plan and we receive your notice by the end of a particular month, your Regular Investment Plan will generally commence on the 15th day of the next month. We note that we do not accept requests that are more than 3 months old.

Cooling-Off Rights

If you decide (during the cooling off period) that you do not want the units in your chosen investment option we have issued in the Fund, we must repay your money to you plus any interest earned as the Corporations Act requires.

We are allowed to make adjustments for market movements, whether upward or downward, as well as any tax and reasonable transaction and administration costs.

Your cooling off period ends 14 days after the earlier of:

- the date we send you confirmation of your investment; or
- the end of the 5th day after we issue the units to you.

This right terminates immediately if you exercise a right or power under the terms of the product, such as selling part of your investment or voting on any unit that you hold. Cooling-off rights do not apply to subsequent investments made under the Distribution Reinvestment Plan, Regular Investment Plan or a switch between investment option(s).

Distributions

Distributions will generally be paid on the 5th business day of the quarter end (or half yearly if you chose the Patient Capital investment option) along with redemption proceeds (if any). Your distribution(s) will be paid into the same account as your redemption proceeds.

Your distribution payment will be directed to your nominated account. We do not accept any responsibility for payments made to joint accounts.

If you do not specify how you want to receive your distribution, this amount will be automatically placed as additional units in your investment. You may change your nomination any time at least 7 days prior to a distribution date.

You may change your distribution payment option at any time by contacting Investor Services by the 3rd business day prior to the quarter end (or half year if you chose the Patient Capital investment option). All requests must be made in writing with

the same authorised signature as your original Application Form. Any request received late, will be processed for the next distribution date.

Switching an investment option(s)

You may nominate to switch investment options by completing a Redemption Form and advising us of your new investment option(s). You may change your investment option(s) at any time. All requests must be made in writing with authorised signatures identical to your original Application Form. All requests will generally be actioned by the 15th of the end of following month. Please note that if you do make a switch you may incur a buy/sell spread (see page 16 for more details). Investors should be aware that changing investment options may trigger capital gains tax (see page 21 for information on taxation).

Unit Transfers

We may approve transfer of your listed ASX shares into the Fund for you, depending upon whether they meet our investment criteria in your chosen investment option. You may ask us or your financial planner about this.

To transfer units in the Fund, you need to complete a standard transfer form and have it stamped at the New South Wales Office of State Revenue. Please contact Investor Services in Sydney for more information on unit transfers. Investors should also consider obtaining advice from a tax adviser given stamp duty and capital gains tax issues may arise upon transfer.

Unit pricing and the value of your investment

A unit represents an interest subject to rights, restrictions and obligations that attach to each unit and class of unit holder of the Fund. Separate unit prices are calculated for each investment option. All unit prices are calculated using the most

recent valuations of the assets and liabilities of the Sub-Trust for that investment option. If required, qualified independent parties may be engaged in accordance with industry standards to value certain types of assets to determine their market value.

For each investment option, the application price is calculated based using the following formula:

$$\frac{\text{net asset value} + \text{spread}}{\text{number of units on issue}}$$

The redemption price of each investment option is calculated using the following formula:

$$\frac{\text{net asset value} - \text{spread}}{\text{number of units on issue}}$$

We will calculate unit prices daily for all investment options except the Health Care and Patient Capital investment option(s). For the Health Care and Patient Capital option, we will calculate unit prices monthly, at the end of each month.

This means that (for all investment options except the Health Care and Patient Capital investment option(s)) every business day is a valuation day. For the Health Care and Patient Capital investment option(s), the last day of each month is a valuation day, unless it is not a business day, in which case, the next business day after the end of the month is the valuation day.

Unit prices are calculated as at the valuation time (generally, by 5pm) on each valuation day.

The unit price for an application is the unit price next calculated after the application for investment is received. The cut off time for applications is 1.00 p.m. All applications that are properly received by our Investor Services in Sydney by 1.00 p.m. on a valuation day will receive the unit price calculated for that valuation day. Any

applications received after 1.00 p.m. on a valuation day (or, on a day that is not a valuation day) will receive the unit price calculated for the next valuation day.

The unit price for a withdraw is the unit price calculated for the redemption time, if it is a valuation day. If the redemption time is not a valuation day, the unit price for the withdraw will be the unit price calculated for the valuation day next following the redemption time. Please see Section 7 of this PDS "Accessing your Investment" below for redemption times).

Please note that unit prices can and do fluctuate over an investment period. Also, after a distribution is made unit prices may fall, and unit holders may receive part of their investment back as income. Similarly, when unit holders withdraw prior to a distribution they may receive income in the unit price in the form of a capital gain or reduce capital losses.

Unit Pricing Policy

We may exercise certain discretions when determining application and redemption prices. If we exercise our discretion or depart from our usual policy, we will keep a record of this, and reasons why we consider it appropriate. Our Unit Pricing Policy set out how units are calculated and may be found on our website in Unit Pricing at www.millinium.com.au. A copy of this policy is available free of charge on written request. You may also ask your financial planner for a copy.

7. Accessing your Investment

When you invest in the Fund, your money can only be withdrawn upon written notice to us and receipt of a properly completed Withdrawal Form and timing period(s) set out in the table below. This Withdrawal Form can be obtained from the website at www.millinium.com.au or by contacting Investor Services. The following redemption timings apply:

Full or partial withdrawal during an investment term:

Investment Option	Redemption Periods	Redemption Times
Cash	Monthly	End of next month from date of redemption notice.
Health Care	Half Yearly	30 June or 31 December each year.
Multi-Strategy Income	Quarterly	31 March, 30 June, 30 September and 31 December.
Dividend Income	Quarterly	31 March, 30 June, 30 September and 31 December.
Patient Capital	Half Yearly	30 June or 31 December each year.

You must return your properly completed Redemption Form to us by the 15th of the month preceding the redemption time (or current month in the case of the Cash investment option). For example, this means if you decide to withdraw in September 2012 you will not be able to withdraw your investment before the end of 31 December 2012. If your Withdrawal Form is late or incomplete you may withdraw at the next redemption time only if we consent.

For IDPS Operators, we may shorten a redemption period to 5 business days from the time we accept your redemption request for certain investment option(s), subject to the terms of the Constitution outlined under "Payment of withdrawal proceeds" below.

We may (at our absolute discretion) also shorten redemption periods in certain circumstances (for example, to rebalance investments or pay expenses).

Payment of withdrawal proceeds

Millinium can delay withdrawal of your money for 180 days or such a longer or shorter period as considered reasonable in our view of all the circumstances if (relevantly):

- There is a breakdown in communications or information systems used to ascertain the value of the Fund such that the distributable income of the Fund

cannot be promptly or accurately ascertained;

- An emergency or similar state of affairs occurs which, in our reasonable opinion makes it impractical to redeem units or which may prejudice the remaining investors;
- There is a closure or material restriction on trading on any exchange on which assets may be traded;
- A moratorium has been declared;
- The realisation of assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market;
- Assets cannot be disposed of or withdrawn;
- The Fund's cash reserves fall and remain below 5% for 10 consecutive business days;
- Millinium receives withdrawal requests equal to 10% or more of the Fund's issued units;
- There is insufficient cash reserves available to meet withdrawals and pay the operating expenses of the Fund; or
- Millinium considers it is in the interests of the investors to delay withdrawal of units.

When determining the appropriate period to delay payment of monies, we will have regard to the length of time the relevant event persists and will act in the best interests of investors as a whole in accordance with the law and the Fund's Constitution.

8. Taxation Information

Taxation Information

The tax information provided here is of a general nature only and based on tax laws and administrative practice as at 23 February 2012.

Investing, switching, exiting and other dealings with investments have tax implications which are invariably particular to an investor's circumstances. It is important to seek professional advice in respect of your own particular personal circumstances before you invest in or deal with your investment.

Tax liabilities are the responsibility of each investor and Millinium is not responsible for taxation or penalties incurred by the investor. The analysis provided here is relevant where an investor that is a resident for Australian tax purposes (unless specific reference is made to investors that are not residents for Australian tax purposes) acquires and holds their investment in the Fund as a capital asset and not in connection with the conduct of a business or profit making scheme.

Investors, such as those engaged in a trading business or investment business, those who acquire their investment as part of a profit making scheme, and those which are banks, insurance companies, tax exempt organisations and superannuation funds, will or may be subject to special or different tax consequences peculiar to their circumstances. Investors who are not residents for Australian tax purposes should take into account not only the Australian tax consequences of their investment in the Fund but also the tax consequences of such an investment in their country of residence.

Public unit trusts

Millinium's Multi-Strategy Fund and the Millinium's Income Fund should be public unit trusts for tax law purposes. This is on the basis that:

- units in Millinium's Multi-Strategy Fund and the Millinium's Income

Fund are to be offered to the public; and

- it will not be the case that 20 or fewer persons held, or had the right to acquire or become the holder of, units that entitle the holder to at least 75% of the beneficial interests in the trust.

Millinium Multi-Strategy Fund

The net taxable income of the Multi-Strategy Fund will include the net income from the sub trusts and will be reduced by allowable deductions incurred by the Multi-Strategy Fund in deriving the income from the sub trusts. An investor's share of the Multi-Strategy Fund's net taxable income, calculated by reference to the portion of the Multi-Strategy Fund's distributable income to which the investor is entitled during a financial year (including income which is not actually distributed to the investor but instead is reinvested) should be included in the investor's assessable income for that year.

The Multi-Strategy Fund should not be taxed on its taxable income. This is on the basis that the Multi-Strategy Fund is not a trading trust as defined for Australian income tax purposes. This conclusion is reached on the understanding that the income in the Multi-Strategy Fund, its wholly owned sub trusts and any other entity that it, directly or indirectly, controls or is able to control, is limited to rent (from renting property on arm's length market value terms), interest and dividend income.

You will receive an annual tax statement to assist in the completion of your tax return.

If you have acquired units by way of transfer from another investor, you may be assessed on gains that relate to an appreciation in the value of the Multi-Strategy Fund's assets prior to your acquisition. This is an issue you should review with your tax adviser.

If the Multi-Strategy Fund or a sub trust invests in overseas securities

during the term of the Multi-Strategy Fund, there may be implications under the controlled foreign company (CFC) rules if the relevant entities (and their associates) acquire, or hold the right to acquire, directly or indirectly more than 10% of the shares in the foreign company (determined by reference to rights to vote, income or capital on winding up or otherwise). If the CFC rules apply, the net taxable income of the Multi-Strategy Fund could include a portion of the attributable income of the CFC for a financial year, even though that income has not been distributed by the CFC.

The Australian Government confirmed as part of its 2010/2011 Federal Budget that it intends to legislate a new set of anti avoidance provisions entitled the foreign accumulation fund (FAF) rules that will replace the recently repealed foreign investment fund (FIF) rules. These rules will apply to certain offshore investments to prevent the tax deferral of offshore accumulated income. As these provisions are currently in exposure draft form, investors should discuss the progress of these provisions with their professional tax adviser.

Capital gains derived by the Multi-Strategy Fund

Where an investor becomes entitled to a net capital gain of the Multi-Strategy Fund that gain should be included in the investor's calculation of their overall net capital gain or loss for the financial year. Capital gains received from the Multi-Strategy Fund may be offset by available capital losses incurred by an investor. Investors will be taxed on any net gain which they make for the financial year at their own individual marginal tax rate.

Where the Multi-Strategy Fund or a sub-trust has owned a capital asset for more than 12 months before the capital gains tax (CGT) event (i.e. a disposal or other ending of the capital asset), the gain may qualify for a CGT discount

to reduce the net capital gain by 50%. Investors who receive a distribution of a discounted capital gain are required to include the gross (non-discounted) distribution in their assessable income before applying any available capital losses. If the investor is an individual or a trust (other than a “FHSA Trust” as defined in the First Home Savers Accounts Act 2008 (Cth)), they may qualify for the CGT discount of 50% of the resulting net capital gain. Investors that are complying superannuation funds are generally entitled to a CGT discount of 33.33% of the resulting net capital gain. Investor companies are not entitled to claim the CGT discount and the CGT discount claimed by the Multi-Strategy Fund at trust level is effectively clawed back.

Treatment of Losses

Where the net income of a sub trust for a financial year is a loss, that loss will not flow through to the Multi-Strategy Fund (or investors) and will be carried forward by the relevant sub trust for recoupment in future income years, subject to the relevant sub trust satisfying the trust loss recoupment measures (including rules that may deny the recoupment of tax losses where a majority beneficial ownership of the trust has not been maintained within a certain test period).

The trust loss measures do not apply to capital losses. Any capital losses cannot be offset against ordinary income but may be applied against a current or future capital gain (if any).

Tax-free and tax-deferred distributions

The Multi-Strategy Fund may distribute amounts to investors in excess of the net taxable income of the fund. When investors receive a distribution of non-assessable amounts, they are required to reduce the cost base of their investment in the Multi-Strategy Fund by an amount equal to the non-assessable distribution. This reduction

in the cost base will later impact on the CGT consequences for the investors when they redeem or otherwise dispose of their investment in the Multi-Strategy Fund.

If the amount of the distribution exceeds the cost base of the investment in the Multi-Strategy Fund, the cost base is reduced to nil and the excess is taxable to the investor as a capital gain. Where investors have held their investment in the Multi-Strategy Fund for more than 12 months and are individuals, trusts or complying superannuation entities, they may claim the benefit of the CGT discount (the rates are as noted above under “Capital gains derived by the Multi-Strategy Fund”).

Dividends

The Multi-Strategy Fund may receive franked dividends (through a sub-trust) from Australian resident companies included in the Dividend Income option. Where a dividend is fully or partly franked, the taxable income of the Multi-Strategy Fund is grossed up to include the imputation credits attached to the dividends. Investors will generally include their share of the dividends and imputation credits (forming part of the trust distribution they receive from the Multi-Strategy Fund) in their assessable income and be taxed on that amount at their individual marginal tax rate.

If certain anti avoidance requirements are satisfied, including a 45-day holding period rule (that is, if an investor has held the units ‘at risk’ for 45 days or more where the relevant shares are ordinary shares, or 90 days or more where the relevant shares are preference shares), investors may claim a tax offset equal to their share of the imputation credit attached to the dividend. This tax offset reduces the investor’s income tax liability in the relevant financial year. Where the investor’s share of imputation credits exceeds the amount of their income tax

liability for the financial year, they may be entitled to a refund of the excess imputation credits. The investor’s personal situation and circumstances as regards the Multi-Strategy Fund will be relevant in determining whether the holding period rule is satisfied.

The Multi-Strategy Fund may be required to withhold dividend withholding tax in relation to distributions of dividends made offshore to non-resident investors if the dividends are not fully franked. Distributions of fully franked dividends made to non-resident investors are not subject to dividend withholding tax.

Redemption or disposal of units

The redemption or disposal of investment units should generally be a taxable event for investors. Broadly, the investors’ capital gain from the redemption or disposal of their investment in the Fund is equal to the amount by which the capital proceeds they receive from the redemption or disposal exceeds the cost base of the investment. If the capital proceeds are less than the reduced cost base of the units, then a capital loss will arise. Broadly speaking, the capital proceeds on sale or redemption will be the money or other property the investor receives or is entitled to receive in respect of the sale or redemption of the units. In the case of redemption, the redemption proceeds will exclude any taxable income of the fund distributed to the investor at that time (to ensure the same amount is not taxed twice).

Investors that are individuals, trusts or complying superannuation entities and have held their investment in the Fund for more than 12 months prior to disposal or redemption thereof may claim the benefit of the CGT discount (the rates are as noted above under “Capital gains derived by the Fund”). Investor companies cannot claim the CGT discount.

Investors who are not residents for Australian tax purposes (and do not have a permanent establishment in Australia) will generally be subject to Australian CGT on the disposal of their investment in the Fund only if the units are held in carrying on the business of a permanent establishment in Australia, or they and their associates hold 10% or more of the interests in the Fund at the time they dispose of their investment or throughout a 12 month period that begins no earlier than 24 months before the time of disposal, and more than half of the market value of the Fund's assets represents freehold or leasehold interests in Australian real property or mining, quarrying or prospecting rights in land in Australia (note this test traces through interposed entities).

Millinium's Income Fund

Investors in the Health Care investment option will be issued units in both the Multi-Strategy Fund and Millinium's Income Fund. The structure is set out in the diagram on this page.

Millinium's Income Fund will be a public unit trust and, due to the business carried on, a public trading trust. As such, it will be deemed to be a company for various income tax purposes. The Millinium's Income Fund will form a tax consolidated group, consisting of the Millinium's Income Fund as the head company of the group along with wholly-owned subsidiary companies that operate and manage the Health Care assets.

The Millinium's Income Fund consolidated group will be subject to income tax on its taxable income at the corporate income tax rate of 30%.

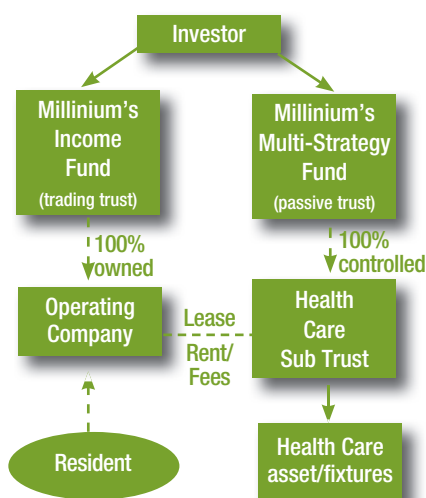
Distributions from the Millinium's Income Fund will be deemed to be dividends for income tax purposes. The Millinium's Income Fund may frank distributions from the Millinium's Income Fund with franking credits for the tax paid by the Millinium's Income Fund on the profits from which the Millinium's Income Fund

distributions are paid.

Where a dividend is fully or partly franked, investors will generally include their share of the dividends and imputation credits in their assessable income and be taxed on that amount at their individual marginal tax rate.

If certain anti avoidance requirements are satisfied, including a 45-day holding period rule discussed above, investors may claim a tax offset equal to their share of the imputation credit attached to the dividend. This tax offset reduces the investor's income tax liability in the relevant financial year. Where the investor's share of imputation credits exceeds the amount of their income tax liability for the financial year, they may be entitled to a refund of the excess imputation credits.

Millinium's Income Fund may be required to withhold dividend withholding tax in relation to distributions of dividends made offshore to non-resident investors if the dividends are not fully franked. Distributions of fully franked dividends made to non-resident investors are not subject to dividend withholding tax.



Providing your TFN or ABN

You are not required by law to provide us with your Australian Tax File Number (TFN) or Australian Business Number (ABN), but we recommend that you do. Please use the Application Form.

If you choose not to provide us with your TFN or ABN and do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details.

GST and Stamp Duty

The issue, redemption or disposal of units in the Fund and receipt of distributions will not be subject to GST.

The issue, redemption or disposal of units in the Fund may trigger stamp duty for an investor and investors should seek their own advice on this issue.

Overseas Investors

If an investor is not a resident for Australian tax purposes, distributions of certain types of income by the Fund to the foreign resident are subject to special withholding tax rules. If you are not a resident for Australian tax purposes, we recommend that you obtain independent tax advice in respect of your investment in the Fund. Investors are required to complete page one of the Application Form to indicate whether they are a resident for Australian tax purposes.

Changes to Managed Investment Trust rules

Since 7 May 2010, the Government announced that it would introduce reforms to the tax arrangements for managed investment trusts, some of which may take effect during the term of the Fund. On 8 April 2011, the Government announced that it would defer the start date of the new laws from 1 July 2011 to 1 July 2012. You should obtain your own tax advice in respect of the proposed reforms prior to investing in Fund. Millinium will of course update

you on material tax changes to your investment.

Part IVA – general anti-avoidance

Australia has a comprehensive anti-avoidance regime under its tax laws which can apply to any tax benefit obtained under a scheme where any party to the scheme has entered into it for the dominant purpose of enabling a tax payer to obtain a tax benefit in connection with the scheme. The application of the anti-avoidance regime will depend upon your relevant circumstances and you should discuss these rules with your own tax adviser.

9. Additional Information

Keeping you informed

We or our agents will:

- Confirm transactions you make (including each acquisition or disposal of units in your investment option in the Fund (other than via the Regular Investment Plan or the Distribution Reinvestment Plan) and any variation to the terms of the units while you hold the units);
- Send you a report soon after June each year to help you with your tax return;
- Send you the accounts of the Fund around September each year. You may use the Application Form to tell us that you don't want these; it is available on our website in any case; and
- Notify you of any material changes to this PDS and any other significant event.

Where the Fund has 100 investors or more, the Fund is considered to be a "disclosing entity" for the purposes of the Corporations Act. As at the date of this PDS, the Fund is not a disclosing entity. If it becomes a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. You have the right to obtain a copy of the following documents from us free of charge:

- Annual financial report most recently lodged with ASIC for the Fund;
- Any half year financial report lodged with ASIC for the Fund after the lodgment of the annual financial report; and
- Any continuous disclosure notices given for the Fund.

We follow ASIC's good practice

guidance in providing continuous disclosure notices on our website. For information concerning recent performance history, the investment options including current investments of the Fund and continuous disclosure notices for the Fund, go to www.millinium.com.au and click on "Product Performance" "Investments" or "News" Tabs respectively or call us on 02 8012 8650.

Privacy and personal information

We use your personal information to administer your investment and to conduct research.

We will not disclose this information to anyone unless:

- The law so requires;
- We consider that your financial planner or our auditors need the information; or
- We or someone from our group or other party we approve of needs it to send you promotional material – if you don't want this, tell us in the Application Form or just contact us anytime.

If you think our records are wrong or out of date – particularly your address, email address or financial planner, contact us and we will correct them. If your information is wrong or out of date we will send you a Change of Details Form for your completion. You can access the personal information we hold about you by contacting us.

Enquiries and complaints

In any case where you have a complaint about the financial services provided to you, you should first contact the person who provided the service to you. If the complaint cannot be settled in the first instance, you should contact us via the contact details as set out:

In writing

Dispute Resolution Officer,
Millinium Capital Managers Limited,
GPO Box 5090
Brisbane, Qld, 4001

When your complaint is received by us it will be entered onto our complaints register. All details of the complaint will be sent to our Dispute Resolution Officer who will investigate the circumstances of the complaint. If our Dispute Resolution Officer is unable to reach a satisfactory resolution of the complaint within forty five (45) business days of receipt, you should contact the Financial Ombudsman Service ("FOS"). The details are:

Telephone

1300 780 808 (free call from Australia)

Email

info@fos.org.au

Post

Financial Ombudsman Service
GPO Box 3, Melbourne, Victoria, 3001

Website

www.fos.org.au

Please note the FOS Panel can currently only deal with claims for compensation up to \$500,000. However the FOS Panel can decide to consider a claim above \$500,000 if the parties to a claim together with FOS reach an agreement under the FOS Rules. FOS is only able to make a determination of up to \$280,000 per managed investment claim (excluding compensation for costs and interest payments). The monetary limits and the FOS terms of reference do change from time to time. Current details can be obtained from the FOS website listed above.

You can also make a complaint to ASIC at any time by contacting them on 1300 300 630. There is no charge to you for accessing the services offered by ASIC.

The Constitution

The Constitution establishes the Fund and sets out the rules. Together with the PDS and the law it governs our relationship with you. It gives us the right to be paid fees and expenses and be indemnified from the Fund. It governs (among other things)

our powers (which are very broad), investor meetings and unit issue, pricing and withdrawal, what happens if the Fund's assets cannot be easily converted to cash (i.e., it becomes illiquid), and what happens if the Fund terminates.

The Constitution limits our need to compensate you if things go wrong. Generally, subject to liability the Corporations Act imposes on us, if we act in good faith and without gross negligence, we are not held liable in regard to equity, contract, and tort or otherwise to investors for any loss suffered in any way relating to the Fund. You may obtain a free copy of the Fund's Constitution by calling us.

We must have investor approval to make changes to the Constitution which are adverse to the rights of investors.

The Responsible Entity

Millinium is the Responsible Entity of the Fund. Thus, we are, among other things, responsible for protecting the rights and interests of our investors as set out in the Constitution and the law. We may also use the services of external companies to perform our duties.

We have appointed a custodian, Perpetual Corporate Trust Limited to hold and maintain the assets of the Fund as agent of the Responsible Entity. We reserve the right to change the custodian at our discretion.

We must retire as Responsible Entity under the circumstances set out in the Corporations Act, including where investors who hold the required number of units in the Fund pass a resolution requiring us to retire. We may also retire voluntarily, but only in accordance with the requirements of the Corporations Act. We also reserve the right to deregister the Fund as a registered managed investment scheme where the law or ASIC policy no longer requires its registration or we consider it prudent to no longer be registered.

Compliance plan

A compliance plan has been established for the Fund, setting out the measures applicable in operating the Fund to ensure compliance with the Constitution and the law. We and our compliance committee are responsible for overseeing the compliance plan and our legal obligations arising from it.

Rights of investors

Subject to the Constitution, investors are generally entitled to:

- Receive a share of the Fund's distributable income;
- Redeem units;
- Transfer units;
- Receive confirmation of investment;
- Receive acknowledgement of units held;
- Receive annual audited accounts;
- Inspect the Constitution; and
- Requisition, attend and vote at investors' meetings for the Fund in which they hold units. An investor is bound by a resolution of investors, whether or not they attend the meeting at which it is passed.

Anti money laundering / counter terrorism financing laws

The rules

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF Act") regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Act is regulated by the Australian Transaction Reports and Analysis Centre ("AUSTRAC"). Under the AML/CTF Act, Millinium is required:

- to verify our clients' identities before providing services to them, and to re-identify them if we

consider it necessary to do so;

- where a client supplies documentation relating to the verification of their identity, we must keep a record of this documentation for 7 years.

To ensure we comply with our obligations under the law, Millinium will be implementing a number of measures and controls including carefully identifying and monitoring investors.

Consequences of compliance

As a result of the implementation of our compliance programs:

- transactions may be delayed, blocked, frozen or refused where Millinium has reasonable grounds to believe that the transaction breaches Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, Millinium is not liable for any loss an investor suffers (including consequential loss) as a result of our compliance with the AML/CTF Act as it applies to the Fund; and
- Millinium may from time to time require additional information from an investor or indirect investor to assist us in this process.

Reporting Obligations to AUSTRAC

Millinium has certain reporting obligations pursuant to the AML/CTF Act. The legislation prevents us from informing an investor or indirect investor that any such reporting has taken place. Where legally obliged to do so, we may disclose the information gathered to regulatory and/or law enforcement agencies, including AUSTRAC and to other bodies, if required by law.

Completion of an application for investment

The application form for an investment, once signed by an investor, holds that investor to a number of representations and warranties, among other things, relating to matters which we must seek confirmation of in order to comply with the provisions of the AML/CTF Act. Please read these statements carefully before applying for interests in the Fund.

Our agreement with any operator will require the operator to comply with AML/CTF legislative requirements (please see page 29 on “Investing through an IDPS Operator”).

Note: It may be a criminal offence to knowingly provide false or misleading information or documents when completing an application for investment form.

Related parties and disclosure of interests

Our directors and/or their associates may hold shares in us and provide their specialist services including in investment management, structured finance and lending arrangements to us and our funds in accordance with the terms of the Corporations Act. For related party transactions for the Fund, we have set the following terms:

- The Fund’s investment manager(s) and administrators will be appointed on arms length terms;
- The Fund will not invest in companies owned by or controlled by our officers or associates;
- We and our associates may hold units in the Fund and act as responsible entity in relation to any other funds in accordance with ASIC policy and relevant law;
- If we invest into other funds operated by us, investors will not pay twice. We will rebate fees for our other funds the Fund invests into and as at the date of this PDS, the Multi-Strategy Income Option has approximately an 8% unit holding within the Patient

Capital Option for investment in longer generation assets but investors do not pay additional fees for this investment. The Multi-Strategy Income option can (but has not done this to date) hold a percentage in other separate investment options and we will update investors on this under the Investments tab on our website to confirm investment holdings on a regular basis for material changes.

- Millinium’s Income Fund will invest in conjunction with the Health Care investment option as outlined on page 23 of the PDS.
- We may appoint an associated company officer to an underlying investee company(ies) of the Patient Capital investment option, subject to the relevant law. An hourly fee is payable for the performance of such duties (see page 15).
- We and any associated companies, officers or personnel may receive a partial rebate on fees, subject to ASIC policy and relevant law.
- The operations manager for the Health Care investment option will also from its own assets additionally acquire an approximate 5% unit holding within the Health Care investment option on similar terms to other investors. For details of the operational manager see our website at www.millinium.com.au under the “Health Care investment option” tab in “Investments” section.
- Millinium has a right to acquire (on arms length terms) retirement villages (other than those acquired for the Health Care investment option) in which the operations manager may have an interest.

All related party transactions are recorded in the Conflicts Register. As required by law, these transactions are also disclosed in the financial statements for the Fund.

We currently use Millinium Asset Services Pty Limited, being a corporate authorised representative, no. 374382 to act as trustee of the Sub-Trusts for the investment options offered through the Fund. They do not charge a fee for this service.

Our related entity, Millinium Asset Services Pty Limited will appoint an operations manager for any retirement village which is an asset of the Sub-Trust for the Health Care investment option (please see details of the operations manager on our website at www.millinium.com.au under the Health Care option tab in Investments section for more details about their expertise). The operations manager will receive a fee of \$150,000 (indexed at CPI) for services, including providing day to day operational management of a retirement village asset and monthly reports on activities — including compliance with applicable aged care laws. Millinium has put in place service levels and has a right to terminate this appointment for non-performance. The operations manager will also receive a real estate agent’s commission for any sale of retirement village units to tenants, in accordance with standard market rates of up to 2.5% on the unit’s sale value.

We may also hold units in the Fund (called “Manager Units”) in our personal capacity. Manager Units are only issued to us. Manager Units are a separate class of units offered on similar terms to the other classes of units issued pursuant to this PDS. For more information on Manager Units, and why we hold them, please refer to “Different class(es) of units” on this page.

Different class(es) of units

The Constitution allows us to issue multiple classes of units with different rights and restrictions to other classes of units. Each unit in the Fund provides an investor with an entitlement to share all assets of the

Fund but no entitlement to any one particular asset.

Within a class, all units have the same rights and restrictions. However, when compared with one another, different unit classes have different rights and restrictions. As an example, the underlying assets for one unit class may differ from another unit class.

We issue a different class of units for each investment option. We also issue difference classes of units within each investment option.

Each separate unit class may have differing investment terms and separate rights to the Fund's distributions. They may have different fees, distribution entitlements rights and different redemption times. The classes for each investment option for investment including for Manager units in this PDS are set out on pages 6 and 8.

A retail investor or "wholesale or sophisticated investor" (as defined by section 761G or 761GA of the Corporations Act and ASIC policy) may have different fee arrangements compared with other unit classes.

Manager Class Units are issued only to Millinium. They are issued instead of Millinium taking all or part of its Management Fee for one or more of the investment option(s). Manager Units are intended to assist with the liquidity of the relevant investment option(s), if required. The issue and redemption price of Manager Units is calculated in the same manner to the classes of unit holders above (see also page 19 on "Unit Pricing"). Manager Units are not a fee for the purposes of the Corporations Act and do not reduce returns for any unit holders.

The Corporations Act requires us to treat all investors within a class of units equally and to treat the different classes of units fairly when comparing one with

another.

Sub-Trusts

The Fund's investment options will invest into Sub-Trusts operated by Millinium Asset Services Pty Limited a wholly owned subsidiary of Millinium. Each Sub-Trust will calculate unit prices for the Sub-Trust and these will be reflected in the unit price for the relevant investment option in the Fund. Each Sub-Trust will hold the assets and/or liabilities of each investment option (some assets may be allocated between two or more Sub-Trusts). Additionally, each Sub-Trust can, as a general rule, carry forward losses to offset any gains made in later years of income that relate to that Sub-Trust (as opposed to being offset against income and gains from all the assets of the Fund).

We note that it may not be possible in all circumstances to quarantine the investment options from one another where there is a redemption or disposal of units by a foreign resident investor, and this should be discussed with your tax adviser should this be applicable to you.

Health Care investment option structure

If you invest in the Health Care option, you will be issued with two units: a Health Care investment option unit in Millinium's Multi-Strategy Fund (ARSN 125 878 015) ("Health Care Unit") and a unit in Millinium's Income Fund (ARSN 127 686 257) ("Income Unit"). The Health Care Unit is an interest in the Health Care Sub-Trust which will acquire health care assets (including fixtures and fittings). Millinium's Income Fund will solely own the operating company established to operate the health care assets. Millinium (as responsibly entity for each of these Funds) and Millinium Asset Services Pty Limited (as trustee for the Health Care Sub-Trust) will enter into an agreement to adopt the same investment strategy

and appoint the same operational manager for day to day operational and management matters of any property related asset held for the Health Care investment option (please see page 9 for more investment details).

As an investor in the Health Care investment option you agree:

- Your Health Care Unit and your Income Unit together comprise your interest in the Health Care investment option.
- You may transfer, redeem or otherwise deal in your interest in the Health Care investment option only in accordance with this PDS.
- Your Health Care Unit and your Income Unit are bound, or stapled, together and together comprise one interest so that neither may be severed from the other or dealt with separately in any way.
- If you deal with your Health Care Units or Income Units separately, then, without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding Income Unit or Health Care Unit, (as applicable).
- If you purport to deal with your Health Care Units or Income Units without an equivalent dealing in the corresponding Income Units or Health Care Units, or purport to contract out of this obligation in any way, any such dealing will be void and the Health Care Units and the Income Units will remain as recorded on the register of unit holders.

Please see page 23 for the taxation implications of this structure for the Health Care investment option.

Sub-Trusts' Custodian

The Custodian of the Sub-Trusts is Australian Executor Trustees Limited ("Australian Executor Trustees"). Australian Executor Trustees is one of Australia's largest and oldest statutory trustee companies. It has a wealth of experience in acting as either trustee or custodian. Australian Executor Trustees is a subsidiary of Australian Wealth Management Limited, who in turn is part of IOOF Holdings Limited (IOOF Group), a leading provider of wealth management products and services in Australia, and is listed on the Australian Securities Exchange Limited.

The Trustee of the Sub-Trusts has appointed Australian Executor Trustees Limited under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Trustee of the Sub-Trusts to effect certain transactions under the Trustee's direction. Australian Executor Trustees has no supervisory role in relation to the operation of the Fund or any Sub-Trust and has no liability or responsibility to any unit holder for any act done or omission made in accordance with a Custodian Agreement.

Investing through an IDPS Operator

We will allow investors to access the Fund through an IDPS Operator (as defined on page 2 of this PDS).

When an investor gains exposure to the Fund through an IDPS Operator they do not themselves become an investor in the Fund. Instead, that IDPS Operator becomes the investor and has the rights of the investor. This means that investors should access reports on the Fund through their IDPS Operator and direct any enquiries or complaints to them. For example, an investor who gains exposure to the Fund through an IDPS Operator will not have certain rights, such as voting at meetings or transferring units of the

Fund. Additional fees may be charged by an IDPS Operator – you should check the agreement you have with them as to fees.

Agent instructions

If we receive instructions from your financial planner we will act upon them for you. You remain responsible at all times for your financial planner's action(s) or omission(s) and we accept no responsibility for them. If you change your financial planner or the way you pay them you will need to let us know this. In addition, if your financial planner requests us to send all your correspondence to their offices, we will not accept this instruction under any circumstances. We will however remit to them a copy of this information upon your instructions.

10. Completing the Application Form

1. Please carefully complete the Application Form and Direct Debit Request Form (if required) accompanying this PDS before investing. If you have any questions, please consult your financial planner or contact us on:

Prospective New Client Inquiries:

02 8012 8650

New Client Processing:

02 8012 8650

Existing Clients:

02 8012 8650

2. You will generally need to complete all relevant sections outlined in the accompanying Application Form to make an investment in the Fund. If you have selected the direct debit and/or Regular Investment Plan option (see page 18 for further information on the Regular Investment Plan option) then in addition to completing Section 1 of the Application Form please complete, sign and return the Direct Debit Request Form found accompanying this PDS. Please make sure that you attach a copy of your most recent account statement so we can verify your account details and that you have read the Direct Debit Customer Service Agreement.

3. Your application monies to invest in the Fund can be provided via the following methods:

- **Cheque** – Please make cheque(s) payable to: 'Millinium's Multi-Strategy Fund Application A/C.'
- **Direct Credit/Electronic Transfer** Please go to the Investment Options section to obtain account details from your Application Form or contact Investor Services to obtain the Fund's account details and an identification code. To avoid delay in processing your investment please ensure your financial institution include this identification code when they make the deposit and include a

copy of your stamped deposit slip when you send your Application Form.

- **Direct Debit** – Please read the Direct Debit Customer Service Agreement and complete the Direct Debit Request Form accompanying this PDS. The Unit Registrar will apply a direct debit to your account, as specified on the Direct Debit Request Form, once your completed Application Form and Direct Debit Request Form have been received.
4. To lodge your application, forward the Application Form and cheque (unless you choose another method of payment outlined above) to your financial planner, who will forward them to:

FundBPO Pty Limited
GPO Box 4968
Sydney, NSW, 2001

Your completed Application Form must be received by Investor Services at the Sydney office by 1:00 p.m. on a business day to be processed by the end of that day. Otherwise, your completed Application Form will be processed by the end of the next business day. A completed Application Form is required regardless of the method you select for paying your application money. In addition, we will send you a written confirmation once we accept your application.

Facsimile applications and withdrawals

We will accept application and withdrawal requests made through facsimile, provided there is no reason to believe that the request is not genuine. However, we will not accept facsimile requests for a cheque(s) to be made to third parties or for deposits to be made to a financial institution that is not reflected in our records. A facsimile application should be sent to our Investor Services on 02 9251 3525.

Status of Investor

When you complete the Application Form you need to tell us what type of investor you are so we can determine which category below best describes you (please see table on page 31 for assistance) and how we set up your nominated account and if we need to obtain any extra information from you. For example, if you are a Trustee, we may require a copy of your trust deed or if you're acting under a power of attorney we may request to see that.

We reserve the right to reject the application of an investor under any circumstances and without reason.

Who should complete your Application Form?

Your type of investor	How to name your account?	Who must sign?
Individual		
Mark Smith.	Mark Smith.	Mark Smith.
Joint Tenants		
Mark Smith and Jane Smith.	Mark Smith and Jane Smith.	Mark Smith and Jane Smith.
Several Tenants in Common		
Mark Smith, James Smith and Jane Smith jointly.	Mark Smith, James Smith and Jane Smith jointly.	Mark Smith, James Smith and Jane Smith jointly.
Company		
Smith Pty Limited.	Smith Pty Limited.	<ul style="list-style-type: none"> • 2 directors; or • a company secretary and a director; • or sole director.
Trust/ Individual trustees		
Mark Smith and Jane Smith as trustees for the Smith Family Super Trust.	Mark Smith and Jane Smith as trustees for the Smith Family Super Trust.	Mark Smith and Jane Smith.
Trust/Corporate trustee		
Smith Pty Limited as trustee for the Smith Family Super Trust.	Smith Pty Limited as trustee for the Smith Family Super Trust.	Mark Smith and Jane Smith.
Deceased estate		
Jane Smith as trustee for the estate of the late Mark Smith.	Jane Smith as trustee for the estate of the late Mark Smith.	Executor plus witness.
Investing for a child under 18		
Jane Smith for Johnny Smith (minor).	Parent/guardian details.	Parent/guardian.
Attorney or agent		
Mark Smith as attorney for Jane Smith.	Mark Smith.	Mark Smith.

Direct Debit Service Agreement

Definitions

account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Request Service Agreement between you and us.

business day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by you to us is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the Direct Debit Request between us and you.

us or we means Millinium Capital Managers Limited, (the Debit User) you have authorised by signing a direct debit request.

you means the customer who signed the direct debit request.

your financial institution is the financial institution where you hold the account that you have authorised us to arrange to debit.

Debiting your account

By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between us and you.

We will only arrange for funds to be debited from your account only when this is authorised in the direct debit request.

If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day.

If you are unsure about which day your account has or will be debited you should ask your financial institution.

Changes by us

We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days' written notice.

Changes by you

You may change the arrangements under a direct debit request by writing to us.

If you wish to stop or defer a debit payment you must notify us in writing with at least 14 days' notice before the next debit day. This notice should be given to us in the first instance.

You may also cancel your authority for us to debit your account at any time by giving us 14 days' notice in writing before the next debit day. This notice should be given to us in the first instance.

Your obligations

It is your responsibility to ensure that there are sufficient cleared funds available in your account to allow a debit payment to be made in accordance with the direct debit request.

If there are insufficient cleared funds in your account to meet a debit payment:

1. you may be charged a fee and/or interest by your financial institution;
2. you may also incur fees or charges imposed or incurred by us;
3. you must arrange for another method of making the debit payment or for sufficient cleared funds to be placed in your account at an agreed-on time so that we can process the debit payment.

You should check your account statement to verify that the amounts debited from your account are correct.

If we are liable to pay Goods and Services Tax (GST) on a supply made in connection with this agreement, then you agree to pay us on demand

an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

Dispute

If you believe there has been an error in debiting your account, notify us directly at (02) 8012 8650 and confirm that notice in writing with us as soon as possible so that we can attend to your concern more quickly.

If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.

Any queries you may have about an error made in debiting your account should be directed to us in the first instance so that we can attempt to resolve the matter between us and you. If we cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

Accounts

You should check:

1. with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions;
2. your account details which you have provided to us are correct by checking them against a recent account statement;

-
3. with your financial institution before completing the direct debit request if you have any queries about how to complete the direct debit request.

Confidentiality

We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

We will only disclose information that we have about you:

1. to the extent specifically required by law;
2. for the purposes of this agreement (including disclosing information in connection with any query or claim).

Notice

If you wish to notify us in writing about anything related to this agreement, write us at c/- GPO Box 5090, Brisbane, Queensland, 4001.

We will notify you as required by this PDS and the Constitution by sending a notice in the ordinary post to the address you have indicated on the direct debit request.

Any notice will be deemed received two business days after it is posted.

