

Optimal Japan Trust

INFORMATION MEMORANDUM

September 2013

PRELIMINARY

If you are in any doubt about the contents of this document, you should consult your professional investment adviser.

This Information Memorandum has been prepared in connection with the offer of Units contained herein. The offer is intended for persons investing within Australia only. No effort has been taken to permit distribution of this Information Memorandum in any other jurisdiction and no such distribution is authorised.

Units may be issued on any Dealing Day at the Subscription Price and may be redeemed on any Dealing Day at the Redemption Price in the manner described below under the section headed "Investing in the Fund". You should also note in this section the circumstances in which the payment of redemption requests may be delayed.

The Investment Manager of the Fund, whose name appears under the section below headed "Investment Manager", accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Investment Manager (who has taken all reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent permitted by law, the Trustee and Manager disclaim all liability that may otherwise arise due to any information contained in this Information Memorandum being inaccurate, or due to information being omitted from this document, whether by way of negligence or otherwise.

The role of the Trustee of the Fund, who is also the Investment Manager acting in a different capacity, in the preparation of this Information Memorandum has been limited to reviewing this Information Memorandum to ensure its contents are consistent with the provisions of the Trust Deed and reviewing the description of its role as trustee of the Fund.

To comply with Australian law, applications for Units must be to the value of at least A\$500,000 unless the applicant can demonstrate that it is otherwise a 'wholesale client' under section 761G of the Corporations Act (the **Act**) – for example, it is a professional investor as defined in section 9 of the Act. The effect of this exclusion is that the Fund is not required to meet many of the Act obligations relating to the disclosure of this offer and the management of a registered managed investment scheme.

The practical effect is that the Fund does not have to: (i) issue a disclosure document complying with Part 7.9 of the Act; or (ii) register the Fund or otherwise comply with Chapter 5C of the Act.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Information Memorandum nor the offer, issue or sale of Units shall, under any circumstances, constitute a representation that the information contained in this Information Memorandum is correct as of any time subsequent to the date hereof.

The Manager recommends that potential investors read and review the material contained in this Information Memorandum before making a decision whether to acquire Units. However, it has been prepared without reference to your particular investment objectives, financial situation or needs and does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund, nor does it contain all the information which would be required in a product disclosure statement prepared in accordance with the requirements of the Act. Prospective investors should conduct their own independent review, investigations and analysis of the Fund and of the information contained in or referred to in this Information Memorandum.

Potential subscribers of Units should inform themselves as to:

- (a) the possible tax consequences and
- (b) the legal requirements which might be relevant to the subscription, holding, or disposal of Units.

This Information Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Units described herein, and is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this Information Memorandum).

In preparing this Information Memorandum, we have not taken into account the individual needs, objectives or financial situation of any investor. You should assess whether this investment is appropriate for you and consider seeking expert advice before making an investment decision.

Any forecast or other forward looking statement contained in this Information Memorandum may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material.

KEY FEATURES

The Fund

The Fund is an investment fund established as a unit trust.

Investment Objective and Strategy

The Investment Manager aims to achieve above average returns through holding long and short positions in quoted securities in Japan, the goal being an absolute increase in Net Asset Value per Unit rather than performance relative to an index.

The Fund's strategic focus is on company specific, bottom-up, value-driven analysis, which is not limited or intentionally weighted by market capitalisation, industry sector or macro theme.

The Fund's bias is likely to be net long in most market conditions, the core strategy being to construct a long portfolio of quoted securities priced at levels that do not adequately reflect their underlying value, whilst seeking to boost returns and limit potential market downside by selective short selling of individual stocks which are priced at levels that exceed their underlying value.

For details see Section 2 - Investment Approach.

Investment Manager

The Investment Manager is Optimal Fund Management Pty Limited, a company established in Australia, and is majority owned by Warwick Johnson.

The Investment Manager and/or its directors, employees, related entities and connected persons may hold Units.

Dealing in the Units

Units are available for subscription, and may be redeemed, on each Dealing Day at prices based on the Net Asset Value per Unit. Redemption proceeds will be paid to redeeming Unitholders as soon as practicable upon the receipt of complete and original redemption documentation by the Trustee's Agent.

Please refer to Section 11 – Redemptions for details on why redemptions may be postponed.

The base currency of the Fund is Australian dollars.

Management Fees

The Investment Manager will receive a fee currently at the rate of one per cent (1%) per annum of the value of the Fund's net assets calculated and accrued on the basis of the net assets as at each Valuation Point and payable monthly in arrears. In addition, the Fund will (if applicable) pay to the Investment Manager a performance fee annually in arrears. In order to ensure that Unitholders bear the performance fee (see below in the section headed "Investment Manager's Fees") according to the actual performance of their Units, having regard to the different times and prices at which such Units were acquired, a new series of Units will be issued on each Dealing Day. Such fee shall be equal to twenty per cent (20%) of the increase in the Net Asset Value per Unit of the relevant series as at the end of the relevant financial year over the Performance Benchmark applicable to such series of Units multiplied by the number of Units of the relevant series in issue as at the last Valuation Point of the relevant financial year.

Leverage

The Fund may obtain leverage by short selling and by borrowing to fund investment.

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DIRECTORY

Trustee:	Optimal Fund Management Pty Limited Level 5 175 Macquarie Street Sydney NSW 2000 Australia
Investment Manager:	Optimal Fund Management Pty Limited Level 5 175 Macquarie Street Sydney NSW 2000 Australia
Prime Broker and Custodian:	Goldman Sachs International Daniel House 133 Fleet Street London EC4A 2BB England
Cash Custodian:	Kredietbank S.A. Luxembourgeoise 43 Boulevard Royal L2955, Luxembourg
Registrar and Trustee's Agent:	European Fund Administration S.A. 2, Rue d'Alsace L-1122 Luxembourg Grand Duchy of Luxembourg
Auditors:	PricewaterhouseCoopers, Société cooperative 400, route d'Esch B.P. 1443 L-1014 Luxembourg
Legal Advisors:	King & Wood Mallesons Level 61 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000

DEFINITIONS

"Administration Agreement"	the agreement referred to in paragraph 1(c) under the section headed "General Information" by which the Fund has appointed the Registrar and Trustee's Agent to act as administrator, registrar, and transfer agent
"Act"	Corporations Act 2001 (Aust)
"Business Day"	any day other than a Saturday on which banks in Luxembourg and Australia are open for normal banking business
"Cash Custodian"	Kredietbank S.A. Luxembourgeoise
"Dealing Day"	the first Business Day in each calendar month or such other Business Day as the Investment Manager may from time to time prescribe
"Dealing Deadline"	4.00 p.m. (Luxembourg time) on the Business Day prior to a Dealing Day
"Dealing Deadline"	4.00 p.m. (Luxembourg time) on the Business Day prior to a Dealing Day
"Fund"	Optimal Japan Trust, a unit trust which was constituted by the Trust Deed
"Investment Manager"	Optimal Fund Management Pty Limited
"Net Asset Value"	the net asset value of the Fund or, as the context may require, of a Unit, or of a Unit of a particular series, calculated in accordance with the Trust Deed
"New Units"	any Unit issued on or after 28 June 2002
"New Series Units"	a New Unit of a particular series
"Old Series Units"	any Unit issued prior to 28 June 2002
"Performance Benchmark"	(i) in relation to Old Series Units, the Net Asset Value per Old Series Unit (after any performance fee) as at the last Valuation Point in the immediately preceding financial year multiplied by 105 per cent; or, if higher, the Net Asset Value per Old Series Unit (after any performance fee) as at the last Valuation Point in any previous financial year, or such greater amount as the Trustee may determine from time to time; or (ii) in relation to New Series Units, the highest Net Asset Value per Unit of the relevant series (after any performance fee) as at the last Valuation Point in any previous financial year or, if higher, the Subscription Price per Unit paid for the Units in question, or such greater amount as the Trustee may determine from time to time
"Prime Broker" or "GSI"	Goldman Sachs International in its capacity as prime broker and custodian in relation to the Fund

"Prime Brokerage Agreement"	the Agreement referred to in paragraph 1(a) under the section headed "General Information" by which the Prime Broker has been appointed as securities custodian and as prime broker in relation to the Fund, as supplemented by a number of product specific supplemental documents
"Qualified Holder"	any person, corporation or entity other than (i) any person, corporation or entity which cannot acquire or hold Units without violating laws or regulations applicable to it or would cause the Fund to be in breach of the laws of regulations which apply to it, or (ii) a custodian, nominee, or trustee for any person described in (i). In particular, investors must be 'wholesale investors' under section 761G of the Act
"Redemption Deadline"	4:00 p.m. (Luxembourg time) on the Dealing Day immediately preceding the relevant Dealing Day
"Redemption Price"	the price, calculated in the manner described in Section 17.3 - Subscription and Redemption Prices at which Units will be redeemed
"Reference Series"	the oldest series of New Units in existence or such other series as the Trustee determines
"Registrar and Trustee's Agent"	European Fund Administration S.A. in its capacity as registrar and trustee's agent in relation to the Fund
"Subscription Price"	the price, calculated in the manner described under Section 17.3 - Subscription and Redemption Prices at which Units will be issued
"Trust Deed"	the trust deed constituting the Fund, dated 12 November 1999 as amended, the parties to which are the Trustee and the Investment Manager
"Trustee"	Optimal Fund Management Pty Limited
"Unit"	a unit in the Fund
"Unitholders"	persons registered as holders of Units
"Valuation Point"	close of business in the last relevant market to close: (i) for weekly valuations, on the last Business Day in each week; (ii) for each Dealing Day, the last Business Day in the proceeding calendar month; and such other time on such day or days as the Investment Manager may from time to time prescribe.

1. INTRODUCTION

The Fund is an investment fund established as a unit trust in Australia.

2. INVESTMENT APPROACH

2.1 Investment Objective

The investment objective of the Fund is to seek to achieve above average returns through investing in quoted securities in Japan. Investments will predominantly be in equities but may include fixed interest instruments, money market instruments, derivatives and foreign exchange contracts. In addition, up to twenty percent (20%) of the Fund's gross assets may be invested in quoted securities in Korea and Taiwan in aggregate, measured at the time of investment. To date, no such investments in Korea and Taiwan have been made and it is the Investment Manager's intention to notify investors in the Fund before making any such investments in excess of 5% of the Fund's gross assets. The Investment Manager may invest in American Depository Receipts (ADRs) and Global Depository Receipts (GDRs). Where investing in Taiwan, the Investment Manager may use investment facilities offered by third parties.

Whilst the Investment Manager seeks to achieve above average returns, the control of risk is central to the Investment Manager's investment strategies outlined below.

2.2 Investment Strategy

The core strategy is to construct a portfolio of quoted shares of companies priced in the market at levels that do not adequately reflect their underlying value. Because of the importance placed by the Investment Manager on assessing value, a key part of the investment strategy is to sell short equities that the Investment Manager believes are overvalued and are likely to decline in price.

The Fund's strategic focus is on company specific, bottom-up, value-driven analysis, which is not limited or intentionally weighted by market capitalisation, industry sector or macro theme.

The Fund's bias is likely to be net long in most market conditions, the core strategy being to construct a long portfolio of quoted securities priced at levels that do not adequately reflect their underlying value, whilst seeking to boost returns and limit potential market downside by selective short selling of individual stocks which are priced at levels that exceed their underlying value.

2.3 Investment Analysis and Process

The Investment Manager relies principally on a modified discounted cash-flow analysis, testing its own assumptions against the market consensus. Other measures of value, such as price-to-book and price-to-earnings ratios, will also frequently be used in gauging how an equity is priced both relative to its own historical performance and also relative to competing assets, such as bonds and money-market instruments. Breaking down the market's apportionment of value in a stock between earnings from existing assets and those from future investments should also highlight disparities in value.

The Investment Manager seeks to achieve a detailed understanding of the risk factors (such as earnings growth expectations and economic sensitivities) in individual stocks comprising the diversified portfolio and uses a variety of quantitative techniques to further this understanding.

Although the investment decision-making process will incorporate various quantitative valuation methods, the Investment Manager is committed to making regular contact with the management of target companies to help make judgements on their business strategy and prospects. The Investment Manager believes this is particularly relevant in today's Japanese business environment,

as there are great differences between individual companies' responses to competitive pressures and opportunities.

2.4 Investment Tools

In addition to its 'long' positions, the Investment Manager may selectively sell short individual equities where it has a strong expectation of a price decline. In the case of short sales, the Investment Manager's general stance has been and will be to implement a stop-loss policy in the event that there is an adverse movement in the price of the underlying security of ten percent (10%) or more. Additionally, as preservation of investors' assets is a major goal of the Investment Manager, it will seek to reduce the risk of loss by raising liquidity and careful hedging if it anticipates a material market decline.

The Fund may also operate on a geared basis, whether by borrowing money to gain leverage in a rising market or through the implementation of short sale strategies that, in combination with the Fund's long positions, effectively increase the Fund's exposure to price changes in markets.

Foreign exchange contracts have been and will be used solely to preserve the value of the Fund's assets and, as such, it is not the Investment Manager's intention to engage actively in these markets other than for hedging purposes.

2.5 Investment Implementation

Warwick Johnson (the director of the Investment Manager primarily responsible for the day to day implementation of the above investment strategies) is based in Sydney. He spends considerable time in Japan and visits on a regular basis.

The Investment Manager currently has a Tokyo-based research representative who undertakes investment research services. The responsibilities extend to (i) monitoring the market (ii) gathering investment information through contact with industry analysts, independent researchers and individual companies and (iii) conducting research and analysis to augment the Investment Manager's decision-making, both qualitatively and quantitatively.

The Investment Manager believes that by having senior investment staff at a distance from the daily market 'noise', combined with analysis on the ground in Tokyo, it enhances its ability to select and analyse investments more objectively and critically than might be the case if all staff were in one location or the other, with detailed follow-up conducted on the ground in Japan, as appropriate, through face-to-face meetings with company management and with industry analysts.

The Investment Manager believes that by having analysts in both locations in the same time zone monitoring the market 'real-time', in ongoing contact with one another during regular business hours, it has a much greater ability to maintain a reliable sense of the market than if it operated from a different time zone to the Tokyo market.

2.6 Investment Record

Over the period between the Fund's inception in December 1999 and mid-2013, market conditions in Japan underwent a number of phases and provided a testing environment for the Investment Manager. Notwithstanding its strong commitment to finding value when making investments, the Investment Manager was able to produce positive returns in the latter part of 1999 and early 2000 when the market was more thematic and momentum-driven in character. When the market focus broadened from 2003 through 2007, the Fund was well positioned to benefit from increased interest in fundamentally attractive companies. In the four years following the Lehman Crisis in 2008, the Japanese equity market – like many others – was increasingly driven by macro-economic issues which only began to recede in mid-2012. The Fund's return fluctuated considerably during these vastly different periods but over the more than thirteen years since inception, the Fund has offered considerable protection in weaker market periods but has also participated when the market recovered. As a result, the strategy is best judged over the longer term.

Whilst the above approach proved successful under these specific market conditions, the Investment Manager intends always to be flexible in its approach, depending on the valuations, absolute and relative, which the market reflects at any given time. This flexibility extends not only to selecting the particular components from time to time of the long and short side of its portfolio, but also to the adjustment of the Fund's overall gross and net exposure.

2.7 Investment Restrictions

The Investment Manager has determined that the following Investment Restrictions shall be applied in managing the assets of the Fund:

- securities acquired on behalf of the Fund must be listed on an established stock exchange or dealt in on an established over-the-counter market;
- not more than ten percent (10%) of the Fund's latest available value of gross assets may be invested in the securities of any one company or trust;
- the Investment Manager will not acquire on behalf of the Fund more than ten percent (10%) of any class of security issued by a single issuer or cause the Trustee on behalf of the Fund to take legal or management control of any investee company or trust;
- no investment will be made for the account of the Fund in companies or trusts listed or incorporated in Korea or Taiwan if as a result the aggregate value of the Trustee's holdings in such companies or trusts on behalf of the Fund would exceed twenty per cent (20%) of the Fund's latest available value of gross assets;
- no investment will be made in real property or physical commodities.

The above restrictions are measured at the time of acquisition of an investment by the Fund. The limits shall not be treated as being exceeded if exceeded as a result of movements in the relative value of investments of the Fund after their acquisition or the exercise of rights arising in respect of such investments. The Investment Restrictions may be changed by the Investment Manager on giving one month's notice to Unitholders. If there is a breach of any of the Investment Restrictions, the Investment Manager shall as soon as reasonably practicable take such steps to remedy the breach as it considers appropriate, having regard to the interests of Unitholders generally, but shall not be under any further liability in respect of the breach.

2.8 Borrowing

The Trustee is authorised to borrow up to a maximum of one hundred percent (100%) of the latest available Net Asset Value of the Fund prior to the borrowing in order to enhance its investment leverage, and to fund redemption requests, as may be solely determined by the Investment Manager. However, it is not expected that the Trustee's borrowings will be at the maximum level under normal circumstances.

2.9 Short Selling

The Investment Manager may engage in "short sales", that is, the practice of selling securities which are borrowed from a third party. The Investment Manager will be required to return, at the lender's demand, securities equivalent to those borrowed for the short sale. Pending the return of such securities, the Investment Manager will be required to deposit with the lender as collateral the proceeds of the short sale plus additional cash or securities; the amount of the required deposit will be adjusted periodically to reflect any change in the market price of the security which the Investment Manager is required to return to the lender.

The total leverage for the account of the Fund through short selling and borrowing may not exceed one hundred percent (100%) of the latest available Net Asset Value of the Fund.

3. INVESTMENT MANAGER

The Investment Manager is Optimal Fund Management Pty Limited. The Investment Manager is responsible for managing the investment, sale and reinvestment of the Fund's assets.

The Investment Manager is a company incorporated in New South Wales, Australia in 1999 and holds an Australian Financial Services Licence (number 247366) and is regulated by the Australian Securities and Investments Commission. It is majority owned by Warwick Johnson and is a dedicated investment manager with no other business interests except incidental activities such as the Trustee role. The Investment Manager has managed funds investing in Japan and Asian markets since 1999. The managing director and chief investment officer, Warwick Johnson, has extensive experience in managing equity funds benchmarked against an index or of an absolute return nature.

Warwick Johnson, graduated from The University of Melbourne in 1983 with a BA majoring in Japanese studies and economic history. In 1982 he won a scholarship to Keio University in Tokyo where he completed an advanced Japanese language diploma.

He entered funds management in 1984 with GT Management and was based in their Tokyo office undertaking company research and later management of Japanese equity funds. In 1987 he moved to GT's Sydney office and managed portfolios investing in Australian equities. Between 1989 and 1992 he worked for stockbrokers Ord Minnett both in Tokyo and in London, before returning to Tokyo with HSBC Asset Management in 1993. In the following five years there he managed Japanese equity portfolios for both retail and institutional clients and for the last two years, as Investment Director, Japan, had investment responsibility for portfolios valued at over \$2.5bn. He founded and became principal of the Investment Manager 1999.

4. TRUSTEE

Optimal Fund Management Pty Limited has also been appointed as the trustee of the Fund. The assets of the Fund will generally be held by the Trustee, the Prime Broker or through appointed custodians, nominees, agents or delegates. The uninvested cash of the Fund will be held by the Trustee on deposit with the Cash Custodian. GSI has been appointed custodian of the other assets of the Fund.

The Trustee is also responsible for keeping the Fund's register of Unitholders, for arranging the issue, redemption and valuation of Units and for the preparation of audited financial statements.

The Trustee is entitled to be indemnified out of the Fund from and against any and all liabilities arising in connection with the performance of its duties other than those liabilities arising from its fraud, negligence or breach of trust or that of any agent, delegate or delegated custodian (other than the Prime Broker or the provider or custodian of any Taiwan investment facility) appointed by it. However, the Trustee will not be liable for the acts or omissions of any agent, delegate or delegated custodian (other than an associate of the Trustee) nor shall the Trustee be liable for any loss suffered by the Fund as a result of the liquidation, bankruptcy or insolvency of any agent, delegate or delegated custodian (other than an associate of the Trustee) appointed by it unless the Trustee failed to exercise reasonable care in the selection of such third party.

5. CASH CUSTODIAN

Kredietbank S.A. Luxembourgeoise has been appointed as the Cash Custodian of the uninvested cash of the Fund.

Kredietbank S.A. Luxembourgeoise is a bank incorporated in Luxembourg as a “Société Anonyme” under the laws of the Grand Duchy with its principal office at 43, boulevard Royal, Luxembourg. As of 31st December 2005, its capital and reserves amounted to approximately €934 million.

The Cash Custodian will not be responsible for any cash or other assets held by the Prime Broker and Custodian or other brokers or intermediaries appointed Company. The Cash Custodian is responsible solely for the safekeeping of the cash of the Company held in its possession.

6. REGISTRAR AND TRUSTEE’S AGENT

European Fund Administration S.A. has been appointed by the Trustee as the Fund’s Registrar and Trustee’s Agent pursuant to the terms of the Administration Agreement. The Registrar and Trustee’s Agent is responsible, under the supervision of the Trustee, for providing administrative, registrar and transfer agency services required in connection with the Fund’s operations, including calculating, compiling and publishing the Net Asset Value of the Fund, providing registrar and transfer agency services in connection with the issue, transfer and redemption of Units and collecting subscription applications and arranging for redemption payments.

European Fund Administration S.A. is an independent specialised fund administration services provider, created in 1996. It is incorporated in the Grand-Duchy of Luxembourg as a stock company, as a joint venture of 3 major Luxembourg banks: Kredietbank Luxembourg, Banque de Luxembourg, and Banque et Caisse d’Epargne de l’Etat. It has an international institutional customer base composed of more than 140 fund promoters, distributors, fund managers, insurance companies, corporate companies and pension funds. It has built up considerable expertise in its specific business area: the provision of administrative services to investment vehicles.

The Fund is not domiciled in Luxembourg and therefore is not supervised or regulated by the Luxembourg authorities, notwithstanding that the Fund is administered there by the Registrar and Trustee’s Agent.

The Registrar and Trustee’s Agent and its agents, officers, directors and employees (together the **Registrar**) are entitled to be indemnified from the assets of the Fund against all costs, liabilities and expenses (other than those resulting from the Registrar’s negligence, wilful default or fraud arising directly from the proper performance by the Registrar of its obligations or duties under the Administration Agreement.

The appointment of the Registrar and Trustee’s Agent may be terminated by not less than three (3) months’ upon written notice.

Neither the Registrar and Trustee’s Agent nor its employees, or agents are directly involved in the business affairs, organisation, sponsorship or management of the Fund; nor are they responsible for the preparation or issue of this Information Memorandum other than the description above.

7. PRIME BROKER AND CUSTODIAN

Goldman Sachs International (“the **Prime Broker**”) has been appointed as a Prime Broker and Custodian to the Fund pursuant to a prime brokerage agreement and a number of product specific supplemental documents (together “the **Prime Brokerage Agreement**”). The Prime Broker is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (“FCA”) and the Prudential Regulation Authority of the United Kingdom in the conduct of its investment business, it has financial resources in excess of US\$200 million and its ultimate parent, The Goldman Sachs Group, Inc., has a Specified Credit Rating. In its capacity as Prime Broker, the Prime Broker may execute purchase and sale orders for the Fund, and clear and settle such orders and orders executed by other brokers. In addition, the Prime Broker may enter into off-exchange contracts with the Fund as principal. The Prime Broker will also provide the Fund with financing lines, and short selling facilities.

As Custodian, the Prime Broker will be responsible for the safekeeping of all the investments and other assets of the Fund delivered to it (the “Custody Assets”) other than those transferred to the Prime Broker as collateral or margin. The Prime Broker will identify, record and hold the Custody Assets in such a manner that the identity and location thereof can be identified at any time and so that the Custody Assets shall be readily identifiable as property belonging to, and held for the benefit of, the Fund and as separate from any of the Prime Broker’s own property.

The Prime Broker may hold the Custody Assets with a sub-custodian, depository or clearing agent, including a person connected with the Prime Broker (each a “sub-custodian”) in a single account that is identified as belonging to customers of the Prime Broker. The Prime Broker will identify in its own books and records that part of the Custody Assets held by a sub-custodian as being held for the Fund. The Custody Assets should thus be unavailable to the creditors of the Prime Broker in the event of its insolvency. However, in the event of an irreconcilable shortfall following the default of any sub-custodian, the Fund may share in that shortfall proportionately with the Prime Broker’s other customers. Assets of the Fund held as collateral or margin are not required to be segregated and in the event of the Prime Broker’s insolvency may not be recoverable in full.

In accordance with the FCA’s Custody Rules, the Prime Broker will exercise reasonable skill, care and diligence in the selection of any sub-custodian and will be responsible to the Fund for the duration of any sub-custody agreement for satisfying itself as to the ongoing suitability of such sub-custodian, for the maintenance of an appropriate level of supervision over such sub-custodian and for confirming by means of appropriate periodic enquiries that the obligations of such sub-custodian continue to be competently discharged.

The Prime Broker will only be responsible for losses suffered by the Fund as a direct result of its negligence or bad faith in the appointment and monitoring of any non-affiliated sub-custodian or nominee. Otherwise the Prime Broker shall not be liable for any act or omission, or for the solvency, of any non-affiliated sub-custodian or nominee. Notwithstanding the foregoing, the Prime Broker accepts the same level of responsibility as it does for itself for companies controlled by the Prime Broker whose business consists solely of acting as a nominee holder of investments or other property in respect of any requirements of the FCA’s Custody Rules. In the case of any act or omission on the part of a sub-custodian or its agent which the Fund considers to involve the negligence, fraud or wilful default on the part of such sub-custodian or agent, the Prime Broker shall, subject to any internal approvals, not to be arbitrarily withheld or delayed, assign to the Fund any rights it may have in respect of such act or omission. In the event that the Fund obtains legal advice that such assignment would be ineffective to enable the Fund to pursue its claim, then the Prime Broker shall, subject to any internal approvals, not to be arbitrarily withheld or delayed, at the Fund’s expense, claim and pursue the appropriate damages or compensation from the sub-custodian or agent on the Fund’s behalf.

The Prime Broker shall be liable for damage or loss only to Fund’s account(s) and only to the extent arising directly from any act or omission by the Prime Broker that constitutes negligence, fraud or wilful default. The Prime Broker shall not be liable under or in connection with the Prime Brokerage Agreement for loss (whether direct or indirect) of business profits, revenue or of data or any indirect, consequential or incidental damages, liabilities, claims, losses, expenses, awards, proceedings and costs, in each case, regardless of whether the possibility of such damages, liabilities, claims, losses,

expenses, awards, proceedings and costs was disclosed to, or could reasonably have been foreseen by, the Prime Broker and whether arising in contract, in tort or otherwise.

The Fund will indemnify the Prime Broker for any and all expenses, losses, damages, liabilities, demands, charges, actions and claims arising out of any act or omission on the part of the Fund or that result from the proper performance of the Prime Broker's obligations under the Prime Brokerage Agreement, except to the extent that the same is due to the negligence, fraud or wilful default of the Prime Broker.

The Fund's obligations to the Prime Broker will be secured by way of a first fixed charge over the Custody Assets. In addition, the Fund's obligations to the Prime Broker in respect of any financing lines and short selling facilities will be secured by transferring to the Prime Broker all rights, title and interest in and to certain of the Custody Assets identified for such purposes by the Prime Broker as collateral. Collateral shall pass from the Fund to the Prime Broker free and clear of any liens, claims, charges or encumbrances or any other interest of the Fund or any third party and accordingly the Prime Broker may deal with, lend, dispose of, pledge, charge or otherwise use all collateral for its own purposes and shall be obliged to redeliver equivalent collateral to the Fund on satisfaction by the Fund of all its obligations to the Prime Broker and its affiliates. The Fund will not be required to post collateral (excluding cash) with a market value in excess of 200 per cent of the value of the Fund's obligations to the Prime Broker.

The Custody Assets may be borrowed, lent, charged or otherwise used by the Prime Broker for its own purposes, whereupon such Custody Assets will become the property of the Prime Broker or become subject to a charge in favour of the Prime Broker, as the case may be. The Fund will have a right against the Prime Broker for the return of equivalent assets and will rank as an unsecured creditor in relation thereto. In the event of the insolvency of the Prime Broker, the Fund may not be able to recover such equivalent assets in full.

Cash held or received for the Fund by or on behalf of the Prime Broker and subject to the first fixed charge would not ordinarily be treated as client money; however, the Fund has requested, and the Prime Broker has agreed that Cash not held as collateral but which is held or received for the Fund by the Prime Broker and subject to the fixed charge will be treated by the Prime Broker as if it were client money and will be subject to the client money protections conferred by the Client Money Rules of the FCA.

The Prime Broker will have no decision-making discretion relating to the Fund's investments. Further, the Prime Broker shall have no obligation to review, monitor or otherwise ensure compliance by the Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund's offering document(s). The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document.

The Fund reserves the right, in its discretion, to change the prime brokerage and custodian arrangements described above including, but not limited to, the appointment of additional prime broker(s) and custodian(s).

The Trustee or the Prime Broker may terminate the Prime Brokerage Agreement at any time upon giving not less than 15 days prior written notice to the other party provided always that the Prime Brokerage Agreement will be deemed still to be in effect as regards any transaction outstanding at the time of such termination. The Prime Broker will be indemnified out of the Fund for any loss (including taxation) incurred in the proper performance of GSI's duties under the Prime Brokerage Agreement save where such loss is caused by the Prime Broker's negligence, fraud, wilful default or breach of the Prime Brokerage Agreement.

8. INVESTING IN THE FUND

Units may be issued or redeemed once a month.

8.1 Issue of Units

Units may be issued by the Investment Manager on any Dealing Day in respect of applications which are received by the Dealing Deadline. The Valuation Point in relation to a Dealing Day is close of business in the last relevant market to close on the Business Day prior to the Dealing Day in each month or such other time on such day or days as the Investment Manager may from time to time determine. Dealing Days are the first Business Day in each calendar month. Applications should be sent to the Registrar and Trustee's Agent in Luxembourg. Applications received after the Dealing Deadline in relation to a Dealing Day will be held over until the next Dealing Day.

Applications may be sent by facsimile provided that the original follows promptly. Investors should note that none of the Investment Manager, the Trustee or the Registrar and Trustee's Agent accept responsibility for any loss caused as a result of non-receipt of any application sent by facsimile.

The price at which Units will be issued on any particular Dealing Day will be the Subscription Price per Unit calculated in the manner described in Section 17.3 - Subscription and Redemption Prices. The minimum subscription for each applicant is A\$500,000. The minimum addition to any holding is A\$100,000 unless the applicant can otherwise demonstrate that it is a wholesale client under section 761G of the Act. Fractions of not less than one-thousandth of a Unit will be issued. Application monies representing smaller fractions of a Unit will be retained by the Trustee for the benefit of the Fund.

No units will be issued unless and until the relevant monies have been received in cleared funds or behalf of the Fund. Application monies will be paid in Australian dollars.

Units will not be issued during the period of any suspension of the determination of the Net Asset Value of the Fund (for details see Section 17 - Valuation and Prices).

Application monies must be made in Australian dollars by telegraphic transfer to:

National Australia Bank
SWIFT Code: NATAAU3303M

For further credit to:
Kredietbank S.A. Luxembourgeoise
43 Boulevard Royal
L-2955 Luxembourg
SWIFT Address: KBLXLULL

A/C Name: Optimal Japan Trust
A/C No.: LU 85 7050 5227 8058 0500

quoting as reference the full name of the applicant under advice to Kredietbank S.A. Luxembourgeoise and that such application relates to investment in the Optimal Japan Trust.

In the event that payment in cleared funds is not received on the Business Day immediately after any subsequent Dealing Day, the Investment Manager may (and must if the Trustee so requires) consider the application void and cancelled. In such circumstances the Trustee is entitled to charge the applicant an administration charge to cover the administrative costs involved in processing the application. The applicant may also be required to pay the Trustee a cancellation fee (for the account of the Fund) in respect of each cancelled Unit of the amount (if any) by which the issue price of such cancelled Units exceeds the realisation price of Units on the date of cancellation.

In order to ensure that Unitholders bear any performance fee payable to the Investment Manager according to the actual performance of their Units, a new series of Units will be issued on each Dealing Day. A Unit shall represent such number of undivided units or such fraction of an undivided unit in the Fund (calculated to eight decimal places) as is determined in accordance with the following provisions:

- (i) where there is only one series of Units in issue, each Unit of such series shall represent one undivided unit in the Fund;
- (ii) where there are two or more series of Units in issue:
 - (a) each Unit of the initial series of New Units in issue (the "**Reference Series**") shall on the first issue of such Units represent one undivided unit in the Fund;
 - (b) New Units of a series in issue other than the Reference Series ("**New Series Units**") shall initially be issued at a Subscription Price equal to the Redemption Price of the Reference Series (before the deduction of any performance fee except where the New Series Units are issued on the first Dealing Day in July where they will be issued by reference to the Net Asset Value per Unit of the Reference Series as at the last Valuation Point in June) at the time of the initial issue of the New Series Units and shall represent the same number of undivided units in the Fund as a Unit of the Reference Series;
 - (c) on each valuation day, the number of undivided units of the Fund represented by a Unit of a series other than the Reference Series then in issue or deemed to be in issue shall (unless such series shall be consolidated with another series of Units in issue on such valuation day) be decreased or increased to take into account different performance fees and any other fees, outlays, costs or expenses borne by each series; and
 - (d) if all Units of the initial series of New Units are redeemed, the Trustee may substitute another series of Units as the Reference Series and may make such adjustments to the number of undivided units of the Fund represented by a Unit of each other series as it shall in its absolute discretion deem necessary in order to ensure that each series bears its proper proportion of the Fund's liabilities.

Unit certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application monies.

8.2 Restrictions on Issue

The Investment Manager reserves the right to reject any application for Units in whole or in part. If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest and net of bank charges) in Australian dollars by telegraphic transfer to the bank account from which the application was received.

8.3 Consolidation of Units

As soon as practicable after the last Valuation Point in June in each year, all New Units in all series which shall have borne a performance fee in respect of the relevant year will normally be consolidated into a single series, being the oldest series to have borne a performance fee in respect of the relevant year and the Performance Benchmark for all New Units of the consolidated series will be the Net Asset Value per Unit of the consolidated series as at the last Valuation Point in June, after payment of the performance fee. All Old Series Units will remain as a separate series.

The Trustee has broader powers to consolidate series in circumstances where the consolidation will not result in a reduction of the relevant Performance Benchmark.

9. ANTI-MONEY LAUNDERTING REGULATIONS

As part of the Cash Custodian, Investment Manager, Registrar and Trustee's Agent's responsibility to prevent money laundering, they may require detailed verification of an investor's identity and the source of payment of the application monies. The Cash Custodian, Investment Manager, Trustee and the Registrar and Trustee's Agent reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Trustee, Cash Custodian, Investment Manager or the Registrar and Trustee's Agent may refuse to accept the application and the application monies relating to such application.

If any person involved in the business of the Fund has a suspicion or belief that a payment to the Company (by way of subscription or otherwise) is derived from or represents the proceeds of criminal conduct, that person may report suspicion to the relevant regulatory authority.

Whilst the Fund is not domiciled in the Grand-Duchy of Luxembourg, it is being administered there and as such, must comply with Luxembourg anti-money laundering regulations.

10. ELIGIBLE INVESTORS

Each investor must represent and warrant that, among other things, it is able to acquire Units without violating applicable laws. The Trustee will not knowingly offer or sell Units to any investor to whom such offer or sale would be unlawful. In particular, Units will not be offered or sold to any person other than a Qualified Holder.

11. REDEMPTIONS

Unitholders may redeem their Units on any Dealing Day by giving notice (a "Redemption Notice") to the Registrar and Trustee's Agent in Luxembourg no later than 4:00 pm (Luxembourg time) on the Dealing Day immediately preceding the relevant Dealing Day. Any Redemption Notice received after the Dealing Deadline will be held over until the next Dealing Day and Units may then be redeemed at the Redemption Price applicable on that day.

Redemption notices must be in writing to the Registrar and Trustee's Agent (and, if sent by facsimile, the original must follow promptly by mail), must state the number of Units to be redeemed and give payment instructions for the redemption proceeds.

Where a Unitholder has acquired Units at different times and subsequently redeems part of its holding, such Unitholder shall be deemed to have redeemed such Units on a "first acquired, first redeemed" basis in determining the date of acquisition and acquisition price of the remaining Units in its holding for purposes of the foregoing provisions.

Unitholders should note that if they choose to send Redemption Notices by facsimile, they bear their own risk of such notices not being received. None of the Investment Manager, the Trustee or the Registrar and Trustee's Agent accept responsibility for any loss caused as a result of non-receipt of any facsimile notice.

Subject to the postponement and suspension procedures outlined below, redemption proceeds will be as soon as practicable following receipt by the Registrar and Trustee's Agent of complete and original redemption documentation, either by transfer to the pre-designated bank account or by cheque posted to the Unitholder (at its risk) at their registered address.

Where redemption proceeds are to be paid to a party other than the registered Unitholder, the Registrar and Trustee's Agent will require the signature of the Unitholder on the relevant Redemption Notice to be independently verified to its satisfaction.

The Fund's obligation to redeem Units is subject to postponement if requests are received in respect of any one Dealing Day for redemptions aggregating more than ten percent (10%) of the Units in issue. In such case, the Investment Manager may reduce all, but not some, of these requests pro rata so that they cover no more than the relevant percentage of the Units issued. Any part of a Redemption Notice to which effect is not given by reason of the exercise of this power by the Investment Manager will be treated as if the request had been made with priority in respect of the next Dealing Day and all following Dealing Days (in relation to which the Investment Manager has the same power) until the original request has been satisfied in full.

The right of any Unitholder to require the redemption of Units will be suspended during any period when the calculation of the Net Asset Value is suspended by the Investment Manager. Redemption Notices will be irrevocable except in the event of a suspension of redemptions.

Partial redemptions of a holding of Units may be effected provided that such redemptions will not result in the Unitholder holding less than 10,000 Units or Units to the value of A\$100,000 (whichever is the lesser) or such minimum number or value of Units as may from time to time be specified by the Investment Manager.

Units will be redeemed in Australian dollars at the Redemption Price calculated for the relevant Dealing Day in the manner described in Section 17.3 - Subscription and Redemption Prices.

The Directors have power to satisfy redemption requests by transferring assets in specie to the redeeming Shareholder.

The Trustee has the right to redeem compulsorily any outstanding Units if the Net Asset Value of the Fund falls below A\$5,000,000.

12. RISK FACTORS

Prospective investors should be aware of the following risk factors, when contemplating whether or not to invest in the Fund. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Fund.

Investment Objective

There is no guarantee that in any time period, particularly in the short term, the Fund's portfolio will achieve any particular level of return and investors should be aware that the value of Units may fall as well as rise.

Investment in the Fund involves significant risks. Whilst it is the intention of the Investment Manager to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in the Fund. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Fund.

Leverage

The Fund may be leveraged by borrowing and, as outlined earlier, the Investment Manager may also engage in investment strategies that constitute leverage should the Investment Manager consider this necessary or desirable. Such strategies may include the borrowing and short selling of securities and the acquisition and disposal of certain types of derivative securities and instruments, such as swaps, futures and options.

Whilst leveraging creates an opportunity for greater total returns it also exposes the Fund to a greater risk of loss arising from adverse price changes. For a further explanation of the risks involved in entering into certain leveraged transactions see the paragraph below headed "Derivatives".

Repurchase Agreements

The Investment Manager may enter into repurchase agreements with respect to securities for the account of the Fund. Repurchase agreements involve credit risk to the extent that the Investment Manager's counterparties may avoid such obligations in bankruptcy or insolvency proceedings, thereby exposing the Fund to unanticipated losses. The amount of credit risk incurred with respect to a particular repurchase agreement will depend in part on the extent to which the obligation of the Investment Manager's counterparty is secured by sufficient collateral.

Stock Borrowing

The Investment Manager may borrow securities for the account of the Fund on terms that such securities may be recalled by the lender at short notice. If the securities are recalled, the Investment Manager may be required to unwind a strategy early, which may result in losses. The Investment Manager will endeavour to borrow non-recallable stock where possible.

Liquidity of Investment Portfolio

The market for some securities in which the Investment Manager may invest may be relatively illiquid. Liquidity relates to the ability of the Investment Manager to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investment of the Fund's assets in relatively illiquid securities and loans may restrict the ability of the Investment Manager to dispose of its investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

Foreign Currency Markets

The Fund will have exposure to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than Australian dollars. The Investment Manager may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Derivatives

Derivatives include instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not only in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested.

Custody Risks

In relation to the Fund's rights to the return of assets equivalent to those of the Fund's investments which have been transferred to the Prime Broker as collateral or margin, the Fund will rank as one of the Prime Broker and security custodian's unsecured creditors and, in the event of the insolvency of the Prime Broker and custodian, the Fund might not be able to recover such equivalent assets in full.

Where the Fund invests in Taiwan it may do so through investment facilities of third parties, including those of a related entity of the Trustee, and by utilising third party custodians other than the Prime Broker. By utilising third party custodians other than the Prime Broker such investments may be pooled with the investments of others and held other than in the name of, or for the account of the Fund.

Short Selling

The Investment Manager may sell securities of an issuer short. If the price of the issuer's securities declines the Investment Manager may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale.

The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges, which restrictions could limit the investment activities of the Investment Manager.

Reliance on Management

Although Optimal Fund Management Pty Limited in its capacity as Trustee has the ultimate authority and responsibility for many aspects of the Fund, all decisions relating to the day to day investment of the Fund's assets have been delegated to, and will be made by, Optimal Fund Management Pty Limited in its capacity as the Investment Manager. The Fund's performance is therefore largely dependent on the continuation of an agreement with the Investment Manager and the services and skills of its officers and employees. The loss of the Investment Manager's services (or that of one of its key personnel) could materially and negatively impact the value of the Fund.

Performance Fee

The performance fee payable to the Investment Manager may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Prospective investors should note that the management fee and performance fee payable to the Investment Manager are based in part upon unrealised gains (as well as unrealised losses), and that such unrealised gains and losses may never be realised by the Fund.

In order to ensure that Unitholders bear the performance fee according to the actual performance of their Units, having regard to the different times and prices at which such Units were acquired, a new series of Units will be issued on each Dealing Day. For more detail on this, see section entitled Issue of Units.

Conflicts of Interest

There will be no limitation with respect to the Investment Manager's other activities and investments or with respect to the activities of other investment portfolios managed by the Investment Manager. Accordingly, conflicts of interest may occur.

While it has procedures in place to manage the conflict of interest, investors should also note that Optimal Fund Management Pty Limited acts as both the trustee and investment manager of the Fund.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS SHOULD READ THE ENTIRE INFORMATION MEMORANDUM AND SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS BEFORE DECIDING TO INVEST IN THE FUND.

13. ACCOUNTS AND NAV INFORMATION

The Fund's financial year end is 30th June. Copies of the audited accounts of the Fund are sent to Unitholders within four months of the end of each financial year. Copies of the unaudited interim accounts made up to the last Valuation Point in December are sent to Unitholders within two months of the period to which they relate.

In addition, the estimated Redemption Price per Unit of each series in issue will be available from the Registrar and Trustee's Agent on a weekly basis and the final Redemption Price per Unit of each series will be available on a monthly basis.

14. DISTRIBUTION POLICY

All income available for distribution to Unitholders will be distributed to Unitholders.

15. TAXATION

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming Units under the laws of Australia and (if different) of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The following is based on the law and practice currently in force in Australia and, accordingly, is subject to changes therein.

A prospective Unitholder should seek their own taxation advice that takes into account their particular circumstances before making any investment or other decision in relation to the Units.

15.1 Taxation of the Fund

The Fund has been established as a unit trust and, for the purposes of the income tax law generally and capital gains tax (the "CGT") particularly, the Fund is a resident unit trust. The Investment Manager's intention is that the Fund's investments will conform with Australian tax law requirements so that the Fund will not be taxed as a public trading trust.

It is intended that all of the Fund's taxable income will be distributed to Unitholders so that no taxation liability is expected to accrue to the Trustee. In the event that the Fund makes a loss for tax purposes in a financial year, the loss is not distributed to Unitholders and is carried forward in the Fund, subject to the satisfaction of certain tests.

The Fund expects to derive predominantly foreign source income which would generally not be subject to Australian withholding tax when distributed by the Fund to non-resident Unitholders. However, the Fund would be required to withhold Australian tax from distributions to non-resident Unitholders for certain types of Australian sourced taxable income. The rate of tax deducted will depend on whether or not the Fund qualifies as a managed investment trust ("MIT"), the type of income distributed, and, where the Fund qualifies as an MIT, the country of residence of the Unitholder.

Under current Australian tax legislation, the Investment Manager may be liable to pay withholding tax on certain taxable income to which non-resident investors are presently entitled.

Otherwise, the Fund should not generally be liable to pay Australian income tax under existing legislation.

The comments below are only general in nature and are based on current legislation applying to Australian residents except where otherwise noted. As the impact of taxation laws may vary, depending on your particular circumstances, you should seek advice from your tax advisers specific to your own affairs. In particular, if you are not a resident of Australia you are advised to consult your tax advisers in relation to your Australian and home country tax position. Also, taxation laws are subject to change which could impact the future tax treatment of an investment in the Fund.

15.2 Disposal of investments by the Fund

The disposal of investments by the Fund may result in taxable income for the Fund. Generally, an amount of income or gain arising on the disposal of investments will be included in the Fund's distribution amount.

15.3 Capital/revenue election for MITs

The Government has enacted legislation which enables eligible MITs to make an irrevocable election to apply the CGT regime as the primary code of taxing certain asset disposals from the 2008/09 income year.

Eligible MITs (which include Australian managed investment schemes that are widely held or that are taken to be widely held) can irrevocably elect (in an approved form) to apply the CGT provisions as the primary code to tax gains and losses on certain eligible assets (primarily, shares, units and real property), subject to certain integrity rules. However, where a MIT is eligible to make an election and it does not do so, any gains and losses on the disposal of those otherwise eligible assets (excluding land or certain interests in land) will be taxed on revenue account.

Where the Fund qualifies as an eligible MIT and elects to treat the Fund's eligible assets on capital account, Unitholders may obtain the benefit of the CGT discount and other tax concessions (where applicable) on distributions of capital gains they may receive. The Trustee will assess whether the Fund will benefit from making this election.

The capital account election will not apply in relation to the disposal of assets covered by that election in any year that the Fund fails to qualify as an eligible MIT. The ordinary tax rules will generally apply in relation to those years.

15.4 Foreign Investments

The Fund will invest in foreign entities which could mean the Fund becomes subject to Australia's current or proposed foreign accruals tax regimes.

If required under the taxation laws, the Fund will determine the income to be recognised under the applicable foreign accruals tax regimes and keep any special records and may undertake investment actions necessary to comply with the requirements. Generally, all attributable income will be included within the taxable income of the Fund (even if unrealised) and will be taxed in the hands of the Unitholder.

However, there have been a number changes to Australia's foreign accruals tax regimes to simplify those regimes and narrow the circumstances of when they will apply. Further changes are currently proposed.

To the extent the Fund invests in foreign entities which are not accumulating debt funds (which is expected to be the case), the intention underlying the proposed changes is that Unitholders will no longer be exposed to accruals taxation, provided the Fund holds a non-controlling interest in those foreign entities. It is also proposed that certain Unitholders (e.g. Australian superannuation entities and life insurance companies) will be excluded from the foreign accruals tax regimes under the reforms.

As the taxation implications for each Unitholder may be different, each prospective Unitholder should obtain their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

15.6 Taxation of Unitholders

Unitholders are assessed on their share of the taxable income of the Fund. The taxable income will include dividends, interest and gains from trading in shares. For income tax purposes, a Unitholder's share of the taxable income is assessable to the Unitholder in the year of entitlement to such share of the taxable income and not the year the income is physically paid or reinvested in further Units. Unitholders will receive from the Fund the relevant information for their own income tax reporting at the expense of the Fund.

15.7 Source of Income

The Fund will derive income from different sources some of which may be foreign source and may be subject to foreign tax by way of withholding tax. In particular, dividends from foreign companies should be foreign source income.

15.8 Foreign Tax Credits

To the extent that foreign tax (such as a withholding tax on dividends) is paid on income derived by the Fund, the foreign tax will generally flow through to the Unitholders and a Unitholder may be allowed a foreign income tax offset (foreign tax credit) against any Australian tax payable by that Unitholder on their share of the taxable income of the Fund.

15.9 Tax File Number

Unitholders are not obliged to supply their tax file number or an exemption certificate to the Investment Manager. However, if a resident Unitholder does not provide their TFN or ABN or claim an exemption, the Investment Manager may be required to deduct tax from any income paid to a Unitholder at the highest marginal rate plus the Medicare Levy.

15.10 Goods and Services Tax

The Investment Manager fees are stated exclusive of the 10% Goods and Services Tax (GST) which applies to a taxable supply or provision of goods and services within Australia or imported into Australia. The issue or redemption of Units in the Fund and receipt of distributions are unlikely to be subject to GST. The Investment Manager fees paid by the Fund will be subject to GST (which the Fund will pay) but the Fund may be able to claim a reduced input tax credit in respect of the GST paid. We recommend that you seek your own professional advice on how GST will impact your investment in the Fund.

15.11 Taxation treatment of Unitholder's unitholding

Unitholders will generally realise a capital gain or loss on disposal, transfer or redemption of Units. (This assumes that Unitholders hold their Units on capital account. If not, other tax consequences will apply). If a Unitholder is an individual, trust or complying superannuation entity and has held Units for at least 12 months prior to disposal or redemption, they may be entitled to discount capital gains treatment. The CGT discount is 50% for a Unitholder that is an individual or trust, and 33% for a Unitholder that is a complying superannuation fund. The CGT discount does not apply to a Unitholder that is a company.

It is also possible for Unitholders to receive a tax deferred amount in relation to their distribution from the Fund. This would arise when the distribution received from the Fund exceeds the share of the taxable income of the Fund which is to be included in the assessable income of a Unitholder. In

relation to these amounts, the CGT rules may require the cost base which is held by Unitholders in their Units to be reduced. Where such tax deferred amounts received by the Unitholders exceed the cost base of the Units, the excess is treated as a capital gain.

15.12 Stamp duty

The issue or redemption of Units should not attract any stamp duty (assuming no landholder duty applies). Stamp duty may be payable on the transfer of Units. A Unitholder should confirm the stamp duty consequences of transferring Units with their taxation adviser.

15.13 Tax reform

The Australian Government has announced that it intends to implement a proposed new tax system for MITs from 1 July 2014 and has taken steps towards updating the Australian trust income tax provisions.

Unitholders should seek their own advice on the potential impact of any of the above announcements and proposed legislative changes. Unitholders should monitor the progress of all relevant legislation and any further legislation introduced as a result of the announced or recommended reforms.

16. CHARGES AND EXPENSES

16.1 Investment Manager's Fees

The Investment Manager will receive a management fee currently at the rate of one percent (1%) per annum of the value of the Fund's net assets as at each Valuation Point and payable monthly in arrears. In addition, the Fund will (if applicable) pay to the Investment Manager a performance fee payable annually in arrears or upon redemption of Units part way through a year.

In order to ensure that Unitholders bear the performance fee according to the actual performance of their investment, a separate series of Units will be issued on each Dealing Day and the performance fee payable will be calculated by reference to the increase in the redemption price per Unit of the relevant series. The performance fee for each series will be calculated as at the last Valuation Point in June in each year and paid as soon as practicable thereafter. Where Units are redeemed part way through a year, the performance fee payable in respect of the Units redeemed will be calculated as at the Valuation Point relating to the date of redemption.

The performance fee shall be equal to twenty percent (20%) of the increase in the redemption price per Unit of the relevant series over the Performance Benchmark applicable to that series during the period in question.

16.2 Cash Custodian's Fees

The Cash Custodian will receive fees at commercial rates as agreed with the Directors from time to time.

16.3 Prime Brokerage Fees

The Prime Broker is entitled, in its capacity as Prime Broker, to interest on any advances which it makes to the Fund and such fees as may be agreed with the Trustee from time to time in relation to any other facilities the Prime Broker provides to the Fund. The Prime Broker will not charge any additional fees for acting as custodian of assets it holds as Prime Broker or custodian.

16.4 Registrar and Trustee's Agent's Fees

The Trustee has appointed the European Fund Administration S.A. as Registrar and Trustee's Agent. The Trustee is liable to pay the expenses and fees of the Registrar and Trustee's Agent. These expenses and fees will be paid by the Trustee from the Fund's assets.

In addition, the Registrar and Trustee's Agent is entitled to recover reasonable out-of-pocket expenses in performing its services.

16.5 General Expenses

The Fund will bear the costs incurred of all brokerage (if any) payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, the fees and expenses of the auditors and legal advisers to the Investment Manager and the Trustee, the cost of printing and distributing the annual and semi-annual reports and statements and all other operating and administrative expenses.

The Trustee is entitled to be indemnified out of the Fund for any liability incurred by the Trustee in properly performing or exercising any of its powers or duties in relation to the Fund, except for liabilities arising from fraud, breach of trust or negligence by the Trustee.

16.6 Transactions with Investment Manager

The Investment Manager and/or any company associated with it may enter into portfolio transactions for or with the Fund either as agent, or with the approval of the Trustee, deal as a principal with the Fund in accordance with normal market practice.

16.7 Soft Commissions

The Investment Manager, the Trustee and/or any company associated with them reserve the right to effect transactions by or through the agency of another person with whom the Investment Manager, the Trustee and/or any company associated with them have an arrangement under which that party will from time to time provide to or procure for the Investment Manager, the Trustee and/or any company associated with them goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures). The nature of these arrangements is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund or of the Investment Manager, the Trustee and/or any company associated with them in providing services to the Fund. However, no direct payment is made for the services but instead the Investment Manager, the Trustee and/or any company associated with them undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. A maximum of ten percent (10%) of total commissions paid or received will be in soft commissions of this type.

17. VALUATION AND PRICES

17.1 Calculation of Net Asset Value of the Fund

The Net Asset Value of the Fund will be determined as at each Valuation Point, in accordance with the Trust Deed and will be the market value of the assets of the Fund, and will include any amounts owing to the Fund, any prepayments of expenditure adjusted for such amounts as the Trustee in consultation with the auditor reasonably decides, less any liabilities of the Fund.

The Trustee (or any person to whom it has delegated responsibility for calculating the value of the net assets of the Fund) shall be entitled to rely on any electronic price feed, and the price provided by any such electronic price feed shall be deemed to be the last traded price.

The Fund adopts International Financial Reporting Standards ("IFRS") in the preparation of its annual financial statements.

17.2 Calculation of Net Asset Value for a Unit in a Series

The Net Asset Value for a Unit in a series on a Dealing Day shall be determined in accordance with the Trust Deed (except when determination of the Net Asset Value has been suspended). Such Net Asset Value of a unit shall be determined by apportioning the Net Asset Value of the Fund between each series, having regard to the number of Units in each series on issue. That amount is then adjusted to reflect, amongst other things, the assets and liabilities referable to the particular series as at that time, divided by the total number of Units in the series immediately prior to the Dealing Day.

The Trust Deed provides that the Investment Manager may, after giving notice to the Trustee, declare a suspension of the determination of the Net Asset Value of the Fund and/or redemptions of Units for the whole or any part of any period during which:

- (i) there is a closure of or the restriction or suspension of trading on any securities market on which a substantial part of the investments of the Fund is normally traded or a breakdown in any of the means normally employed by the Investment Manager or the Trustee (as the case may be) in ascertaining the prices of investments or the Net Asset Value of the Fund or in determining the subscription price or redemption price of a Unit; or
- (ii) for any other reason, the prices of investments held or contracted for by the Investment Manager for the account of the Fund cannot, in the opinion of the Investment Manager, reasonably be ascertained; or
- (iii) circumstances exist as a result of which, in the opinion of the Investment Manager, it is not reasonably practicable to realise any investments held or contracted for the account of the Fund; or
- (iv) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of the Fund or the subscription realisation of Units is delayed or cannot, in the opinion of the Investment Manager, be carried out promptly at normal rates of exchange.

Such suspension shall take effect immediately upon the declaration by the Investment Manager of such suspension and thereafter there shall be no determination of the Net Asset Value of the Fund and/or redemptions of Units until the Investment Manager shall, after giving notice to the Trustee, declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which:

- (i) the condition giving rise to the suspension shall have ceased to exist; and
- (ii) no other condition under which suspension is authorised shall exist.

Whenever the Investment Manager shall declare such a suspension of the determination of the Net Asset Value of the Fund and/or redemptions of Units it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, cause a notice, stating that such declaration has been made, to be given to Unitholders and to all those (whether Unitholders or not) whose applications to subscribe for or redeem Units shall have been affected by such suspension.

No Units may be issued or redeemed during such a period of suspension. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

17.3 Subscription and Redemption Prices

In order to ensure that Unitholders bear the performance fee (see Section 16.1 - Investment Manager's Fees) according to the actual performance of their Units, a new series of Units will be issued on each Dealing Day. Units of each series will carry identical rights save that the number of undivided Units in the Fund represented by Units of each series will differ. This system has been adopted to facilitate the calculation and allocation of the performance fee by reference to the performance of Units, having regard to the different times and prices at which such Units were acquired.

The Redemption Price of Units of each series for any relevant Dealing Day will, subject as provided below, be determined by (i) determining the Net Asset Value of the Fund as at the relevant Valuation Point before deducting any liabilities which are specifically attributable to any particular series; (ii) apportioning the resulting amount between each series by reference to the numbers of undivided Units in the Fund represented by the aggregate number of Units of each series; (iii) deducting the liabilities and adding any assets specifically attributable to the relevant series from or to such apportioned amount; and (iv) dividing the resulting amount by the number of Units of the relevant series, the resulting amount being rounded to the nearest cent. (0.5 of a cent being rounded up for the benefit of the Fund).

The Units in each new series issued shall be issued at a Subscription Price equal to the Redemption Price (before any deduction for the performance fee, except where such Units are issued by reference to the Net Asset Value per Unit as at the last Valuation Point in June in each year) calculated as at the relevant Dealing Day of the oldest series of New Units in issue on such day.

The Trustee has the power, in determining the Subscription Price of a Unit, to add to the Net Asset Value per Unit (before making any rounding adjustment) an amount, for the account of the Fund which the Investment Manager considers to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available asked price of such investments and (b) fiscal and purchase charges which would be incurred for the account of the Fund in investing an amount equal to that Net Asset Value per Unit. Similarly, the Trustee may, when determining the Redemption Price of a Unit, deduct for the account of the Fund from the Net Asset Value per Unit (before making any rounding adjustment) an amount which the Investment Manager considers to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available asked price of such investments, and (b) fiscal and sale charges which would be incurred for the account of the Fund in realising assets or closing out positions to provide funds to meet any redemption request. Further, the Trustee may arrange for a revaluation of Units if the Investment Manager considers that the Subscription Price or Redemption Price calculated in relation to any Dealing Day does not accurately reflect the true value of the Units.

GENERAL INFORMATION

1. Material Contracts

The following contract (not being contracts in the ordinary course of business) have been entered into by the Trustee and is, or may be, material:

- (a) an Agreement of June 2002 between Optimal Fund Management Pty Limited in its capacity as the Trustee, Optimal Fund Management Pty Limited in its capacity as the Investment Manager and the Prime Broker pursuant to which the Prime Broker was appointed to act as prime broker and securities custodian in relation to the Fund.
- (b) account opening documentation dated 29 May 2006 between Optimal Fund Management Pty Limited in its capacity as the Trustee and the Cash Custodian pursuant to which the Cash Custodian was appointed to act as Cash Custodian of the uninvested cash of the Fund.
- (c) an Administration Agreement dated July 2006 between Optimal Fund Management Pty Limited in its capacity as the Trustee and the Registrar and Trustee's Agent pursuant to which the Registrar and Trustee's Agent was appointed to act as registrar and trustee's agent for the Fund.

2. Inspection of Documents

Copies of the following documents are available for inspection free of charge at any time during normal business hours on any day (excluding Saturday, Sundays and public holidays) at the offices of the Trustee and copies may be obtained from the Trustee at that address on payment of a reasonable fee:

- (a) the Trust Deed; and
- (b) the Agreements referred to in paragraph 1 above.

3. Conflicts of Interest

Optimal Fund Management Pty Limited, the Cash Custodian, the Registrar and Trustee's Agent and the Prime Broker may from time to time act as directors, Registrar and Trustee's Agent, registrar, secretary, manager, custodian, prime broker or investment manager or carry out other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly.

In addition, any of the foregoing may deal, as principal or agent, with the Fund provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Where the Investment Manager is managing or advising other funds or accounts with similar investment policies to the Fund, it will ensure that appropriate investment opportunities are allocated on a fair and equitable basis between the Fund and such other funds or accounts.

The Investment Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it may be entitled out of the Fund. The Investment Manager and any person connected with it, including any employee of the Investment Manager or its associated companies, may invest in the Fund, and the Investment Manager may allow to any such person a reduction in the initial charge and/or a rebate of any fees to which the Investment Manager may be entitled out of the Fund.

4. Trust Deed

The Trust Deed governs the relationship between the Trustee and Unitholders. It provides that the Trustee has all the powers that it is possible to confer on a trustee and has all the powers that are incidental to ownership of the assets of the Fund as though it were the absolute and beneficial owner of those assets.

The Trust Deed also provides that the Trustee will act on the direction of the Investment Manager, with the exception of the removal of the Investment Manager and the exercise of the Trustee's right of indemnity.

5. Termination

The Trust Deed provides, inter alia that the Fund may be wound up:

- (a) by the Investment Manager;
- (b) if required by law;
- (c) at the direction of the Trustee where the Investment Manager has retired or has been removed and the Trustee has been unable to secure the appointment of a new Investment Manager after 3 months; or
- (d) at the direction of the Trustee where the Trustee wishes to retire and the Trustee has been unable to secure the appointment of a new Trustee after 3 months.

On a winding up, the Investment Manager or the Trustee (as appropriate) will sell and realise all realisable assets of the Fund and distribute to Unitholders, in proportion to the number of Units they hold at that time, all net cash proceeds derived from the realisation which are available for distribution and any other cash of the Trust.

The Investment Manager may compulsorily redeem all outstanding Units if the Net Asset Value of the Fund falls below A\$5,000,000.

APPLICATION FORM

OPTIMAL JAPAN TRUST ("the Fund")

To: European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg
Grand Duchy of Luxembourg

Attention: Investor Services Department
Olivier MOTTET
Tel.: 352 48 48 80 831
E-mail: register.prod.2@efa.eu
Facsimile: 352 48 65 61 8002

with a copy to: Optimal Fund Management Pty Limited
Level 5
175 Macquarie Street
Sydney NSW 2000
Australia

E-mail: optimal@optimalasia.com
Facsimile: 61 2 8239 3333

I/We hereby apply to purchase Units ("**Units**") in Optimal Japan Trust ("**the Fund**").

1. **SUBSCRIPTION DETAILS:**

Please indicate the amount you wish to invest A\$_____.

Note: the minimum investment in the Fund is A\$500,000 unless the applicant can demonstrate that in subscribing for a lesser amount, the applicant would be a wholesale investor under section 761G of the Corporations Act 2001 (Aust). The minimum addition to any existing holding is A\$100,000.

2. PAYMENT DETAILS:

I/We have instructed/undertake to instruct my/our bank

(State name of bank and branch)

to remit by telegraphic transfer for value (net of all bank charges) by

_____ A\$_____.

(State value date) (State amount)

to:

National Australia Bank

SWIFT Code: NATAAU3303M

For further credit to:

Kredietbank S.A. Luxembourgeoise

43 Boulevard Royal

L-2955 Luxembourg

SWIFT: KBLXLULL

A/C Name: Optimal Japan Trust

A/C No: LU 85 7050 5227 8058 0500

For credit to: Optimal Japan Trust

The remitter should instruct the remitting bank to send a SWIFT advice (format MT103) to Kredietbank S.A. Luxembourgeoise (SWIFT Address: KBLXLULL) advising details of remittance, including the name of applicant(s), for ease of identification.

3. REGISTRATION DETAILS

A. APPLICANT DETAILS

SINGLE APPLICANT

Name:

(in full)

Address:

(No PO Box or c/o are accepted)

Mailing Address

I.D./Passport No:

Nationality:

Telephone No:

Fax No:

Email Address:

Contact Person/(s) Name/(s):

Position:

Fax Number:

Phone:

Email:

JOINT APPLICANTS

Name:

(in full)

Address:

(Only the first-named applicant's address will be used for registration purposes)

I.D./Passport No:

Nationality:

Telephone No.:

Fax No:

Email Address:

FINAL BENEFICIARY

The applicant is the beneficial owner of the Units registered in the investors' name YES NO

DISTRIBUTIONS

Distributions will be made by telegraphic transfer to your bank account.

Financial Institution: _____

Bank Address: _____

SWIFT Code: _____

Account Name: _____

Account Number: _____

If you intend to reinvest distributions by subscribing for further Units, please tick the box. YES

REPORTING

1. EFA should provide you with a Confirmation for each transaction:

1.1. To the Applicant: YES NO

1.2. To a third entity: YES NO

Company name: _____

Company link: _____

Contact Person: _____ Email Address: _____

Telephone No: _____ Fax No: _____

Address: _____

Instructions of joint holder:

In the case of a joint application, until further notice in writing, the Trustee and the Registrar and Trustee's Agent are authorised to rely upon and act in accordance with the instructions, communications and requests and to deal with instruments purporting to be made, drawn accepted, endorsed or given by post or facsimile from:

- any of the joint holders (the joint holders hereby undertake that any instructions, communications, requests and instruments purporting to be made, drawn accepted, endorsed or given by any one joint holder is binding on each joint holder);* or
- all of the joint holders.*

* Tick whichever box is applicable. Where no indication is made, all of the joint holders will be required to sign any instructions.

B. DECLARATIONS

1. I/We acknowledge that I/we have received and considered the Information Memorandum relating to the Fund and that this application is based thereon. Further, I/we confirm that I am not/we are not a US Person (as defined in Regulation S under the United States Securities Act of 1933, as amended).
2. I/We undertake to observe and be bound by the provisions of the Trust Deed (as amended from time to time) of the Fund.
3. I/We acknowledge that this application is made at a price determined in accordance with the Trust Deed and that the Investment Manager reserves the right to reject any application in whole or in part, including if to accept the application would prejudice the Fund's or Investment Manager's compliance with any relevant law or would affect the taxation treatment of the Fund.
4. I/We declare that I am/we are of full legal age and capacity.
5. For investors who are natural persons only:

I/We agree that:

- (i) information supplied on this Application Form and otherwise in connection with my/our subscription for Units may be held by the Registrar and Trustee's Agent and will be used for the purposes of processing my/our subscription and investment in the Fund and completion of information on the Register of Unitholders of the Fund by the Registrar and Trustee's Agent, and may also be used for the purpose of carrying out my/our instructions or responding to any enquiry purporting to be given by me/us or on my/our behalf, dealing in any other matters relating to my/our holding of Units (including the mailing of reports or notices), forming part of the records of the recipient as to the business carried on by it, observing any legal, governmental or regulatory requirements of any relevant jurisdiction (including any disclosure or notification requirements to which any recipient of the data is subject) and to provide a marketing database for product and market research or to provide information for the despatch of information on other products or services to me/us from the Investment Manager or any connected person of the Investment Manager. All such information may be retained after my/our Units have been redeemed.
- (ii) The Trustee or the Registrar and Trustee's Agent may disclose and transfer such information to the Auditors and the Investment Manager, including any of their employees, officers, directors and agents and/or to the ultimate holding company of the Investment Manager and the Registrar and Trustee's Agent and/or their subsidiaries and/or affiliates or to any third party employed to provide administrative, computer or other services or facilities to any person to whom data is provided or may be transferred as aforesaid and/or to any regulatory authority entitled thereto by law or regulation (whether statutory or not) in connection with

my/our investment in the Fund, which persons may be persons outside Australia or the European Economic Area.

- (iii) due to money laundering requirements operating within their respective jurisdictions, the Fund, the Investment Manager, the Registrar and Trustee's Agent and/or their agents may require further identification of the applicant(s) before applications can be processed. The Fund, the Investment Manager, the Registrar and Trustee's Agent and their agents shall be held harmless and indemnified by the applicant(s) against any loss arising from the failure to process this application if such information as has been required from the applicant(s) has not been provided by the applicant(s).
6. Without prejudice to the provisions of Clause 5 above, I/we acknowledge that the Fund and the Registrar and Trustee's Agent may supply any all information relating to me/us and my/our investments in the Fund to the Investment Manager. Further I/we acknowledge that the Investment Manager and the Registrar and Trustee's Agent may be required to and shall be entitled to reveal any information relating to the Fund and my/our investment in the Fund including my/our identity to any regulators or government entities which the Investment Manager or the Registrar and Trustee's Agent (as applicable) may consider appropriate. The Registrar and Trustee's Agent may share any information relating to me/us with its affiliate entities and such information may be collated, centralised, shared or transferred amongst such affiliate entities of the Registrar and Trustee's Agent regardless of the jurisdiction in which such entities are situate.
7. I/We represent that I am not/we are not a "Prohibited Person" (generally defined to mean a person involved in money laundering or terrorist activities, including those persons or entities that are included on any relevant lists maintained by the U.S. Treasury Department's Office of Foreign Assets Control, any senior foreign political figures, their immediate family members and close associates, and any foreign shell bank), and neither is any entity controlling, controlled by or under common control with me/us, a Prohibited Person.
8. (i) I/We will not transfer directly or indirectly any of my/our Units or any interest therein (including, without limitation, any right to receive dividends or other distributions) to a "**U.S. Person**" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Act")) or to any other person or entity (i) unless the proposed transferee has made representations and warranties similar to those contained herein (including, without limitation, those relating to the Act) and such representations and warranties have been approved by the Trustee, (ii) unless such Units are registered pursuant to the provisions of the Act or an exemption from registration is available and (iii) unless the Fund has consented to such transfer;
- (ii) If the Units purchased under this Application Form are being acquired by me / us as nominee or custodian for another person or entity, I / we will not permit the beneficial owners of such Units to transfer any beneficial interest in the Units, directly or indirectly, to any person or entity unless the representations made by me / us in this Application Form will continue to be true;
 - (iii) I/We did not acquire (except as specifically authorised by the Trustee) and will not transfer any of my/our Units within the **United States**;
 - (iv) The Units are being acquired by me/us (or, if I am/we are acting as a nominee or custodian for another person or entity, by such person or entity) solely for my/our own account for investment and not with a view to distribution or resale;
 - (v) I/We will supply the Fund with such other facts as from time to time are deemed necessary or desirable in order to avoid the loss of a contemplated tax benefit to the Fund or any of its respective Unitholders and in order to ascertain that no violation by the Fund shall occur of any securities laws of the United States or any other relevant jurisdiction, including the Act, the U.S. Investment Company Act of 1940, as amended, and the U.S. Investment Advisers Act of 1940, as amended.

9. I/We agree that the foregoing representations will be deemed to be reaffirmed by me/us at any time I/we purchase or otherwise acquire additional Units and such purchase or acquisition will be evidence of such reaffirmation, if any of the foregoing representations cease to be true, I/we will promptly notify the Trustee of the facts pertaining to such changed circumstances.
10. I/We consent to the recording of telephone conversations between the Registrar and Trustee's Agent and myself/ourselves and I/we acknowledge that any such tape recordings may be submitted in evidence in any proceedings relating to this application or the service agreements between the Registrar and Trustee's Agent and the Fund.
11. I am/we are a wholesale investor for the purposes of Section 761G of the *Corporations Act 2001 (Aust)*.
12. I/We represent that the Units are to be purchased with funds that are from legitimate sources in connection with my/our regular business activities and which do not constitute the proceeds of criminal conduct.
13. Due to money laundering requirements operating within their respective jurisdictions, the Fund, the Investment Manager, the Registrar and Trustee's Agent and / or their agents may require further identification of the applicant(s) before applications can be processed. The Fund, the Investment Manager, the Registrar and Trustee's Agent and its agents shall be held harmless and indemnified by the applicant(s) against any loss arising from the failure to process this application or delaying the payment of redemption proceeds if such information as has been required from the applicant(s) has not been provided by the applicant(s).
14. In the case of Joint Applicants, all must sign and supply names and addresses using "Registration Details" above. A corporation should sign under the hand of a duly authorised official who should state his representative capacity. If this form is signed under a power of attorney, such power or a duly certified copy thereof must accompany this form. All applicants are requested to provide the documents listed below, depending on the type of investor applicable to them. Please note that the Fund, the Registrar and Trustee's Agent and the Investment Manager reserve the right to request further information as is necessary to verify the identity of an applicant and the source of the payment.
15. Where the applicant is a financial institution, broker or other person applying to acquire Units on behalf of its individual client(s) the applicant represents and warrants that it has full power and authority on behalf of the individual investor to subscribe for Units and to execute any necessary subscription documentation, including this Application Form and, in particular but without limitation to the aforesaid, to make the representations above on behalf of such individual investor as to the agreement of such individual investor regarding the use of personal data. In addition, the applicant represents and warrants that (i) it has carried out thorough due diligence to establish the identities of any beneficial owners of the Units, (ii) it reasonably believes that no beneficial owner is a "Prohibited Person" (as defined above), (iii) it holds the evidence of such identities and status and will maintain such information for at least five years from the date of its complete redemption from the Fund, and (iv) it will make available such information and any additional information that the Fund may require upon request that is required under applicable regulations. Where this application is made as trustee, custodian, nominee or otherwise on behalf of another person or persons, the applicant warrants that it has carried out reasonable verification checks on and obtained sufficient evidence as to the identity of such person or persons on whose behalf the applicant shall be holding the Units so as to satisfy the applicant of the provenance and legitimacy of the source of funds used to subscribe for the Units and have otherwise complied with the laws and regulations relating to anti-money laundering procedures that are applicable in the jurisdiction where such Units are offered or distributed and the applicant acknowledges that in applying to be registered owner of the Units on such person's or persons' behalf the applicant is confirming that it is satisfied as to the identity of the underlying beneficial holder(s) and the provenance and legitimacy of the funds being used to subscribe for these Units.

If you are an Individual / joint subscribers:

- (1) certified copy of a passport
- (2) certified copy of a document evidencing permanent address (e.g. a recent bank statement or a utility bill)
- (3) bank reference letter
- (4) confirmation of the subscription payment from bank account under the applicant's name - initial subscription only.

If you are a Corporate Subscriber:

- (1) certified copy of the list of authorised signatories
- (2) certified copy of the certificate of incorporation (and any certificate of incorporation on change of name) or its equivalent
- (3) certified copy of memorandum and articles of association or its equivalent
- (4) certified extract of the register of directors / excerpt from the trade register held at the relevant chamber of commerce/ certificate of incumbency or a certified list of directors showing names and residential addresses
- (5) copy of the latest audited financial statements, if available
- (6) evidence of investor's authority to make the investment (a certified copy of the relevant board resolution)
- (7) certified copy of (i) the passport and (ii) a document evidencing permanent address of all directors, authorised signatories and each shareholder with an interest of 10% or more (controlling beneficial owner)
- (8) complete list of shareholders showing the percentage interest held by each shareholder.

If you are a Partnership:

- (1) certified copy of the partnership agreement
- (2) certified copy of the certificate of registration, if any
- (3) list of general partners showing names and residential addresses
- (4) certified copy of the list of authorised signatories
- (5) copy of the latest audited financial statements, if available
- (6) evidence of investor's authority to make the investment
- (7) certified copy of (i) the passport and (ii) a document evidencing permanent address of all general partners, authorised signatories and for each limited partner with an interest of 10% or more (controlling beneficial owner)
- (8) complete list of partners showing the percentage held by each partner.

If you are a Trust:

- (1) certified copy of the trust deed or declaration of trust or its equivalent
- (2) certified copy of the certificate of registration of trust, if any
- (3) list of trustees, showing names and residential addresses, and a certified copy of the licence of the trustee(s) (if applicable)
- (4) certified copy of the list of authorised signatories
- (5) copy of the latest audited financial statements, if available
- (6) evidence of investor's authority to make the investment (a certified copy of the relevant trustee resolution)
- (7) certified copy of (i) the passport and (ii) a document evidencing permanent address of all trustees, authorised signatories and for each beneficiary with an interest of 10% or more
- (8) complete list of beneficiaries showing the percentage interest held by each of them.

** Additional documentation may be requested, if deemed necessary by the Registrar and Trustee's Agent.

If you are a Regulated Financial Institution:

- (1) a certified authorised signatory list.

NOTE: A regulated financial institution regulated by the Financial Authority of a FATF, EU or EEA country or a subsidiary thereof may submit a written confirmation of registration (and the subsidiary/parent relationship, if applicable) in lieu of the items required pursuant to paragraphs (2) to (7) above under the heading "if you are a Corporate Subscriber". Please identify the regulator's name, address and contact details (including website) and the investor's regulation/reference number in the written confirmation or submit a copy of the certificate of registration.

16. All individual investors have the right of access to, and to update, all their records (whether held on computer files or manually) held by the Registrar and Trustee's Agent. A copy of such record will be provided to an investor who requests it, upon the payment of a modest administration charge to cover the costs of complying with such request. Requests should be made in writing to Registrar and Trustee's Agent at the address set out in the Information Memorandum relating to the Fund.
17. Where this application form is sent by fax, you must also send the original signed application to the address specified above. Neither the Registrar and Trustee's Agent, the Investment Manager nor its respective duly appointed agents will be responsible to an applicant for any loss resulting from the non-receipt or illegibility of any application sent by fax save where due to the negligence, wilful default or fraud of the Registrar and Trustee's Agent, the Investment Manager nor its respective duly appointed agents.

SIGNATURES

	Signature(s) of applicant(s):
(Applicant 1) As trustee / authorised signatory for (if applicable)	 Date:
(Applicant 2)	 Date: