

LM Managed Performance Fund

ESTABLISHED IN DECEMBER 2001

Summary Flyer

Intermediary / Adviser Information Only
ABN 68 077 208 461 Responsible Entity & AFSL No. 220281



LM Investment Management Ltd

Australian Specialist Fund Manager

ESTABLISHED IN 1998

SEPTEMBER 2010



united states of america

mexico

british virgin islands

venezuela

south america

united kingdom

ireland england

channel islands

LM LONDON

netherlands

germany

belgium switzerland

luxembourg

france malta

spain

gibraltar

turkey

cyprus

jordan

egypt

saudi arabia

bahrain

qatar

kuwait

united arab

oman

maldives

kenya

LM JOHANNESBURG

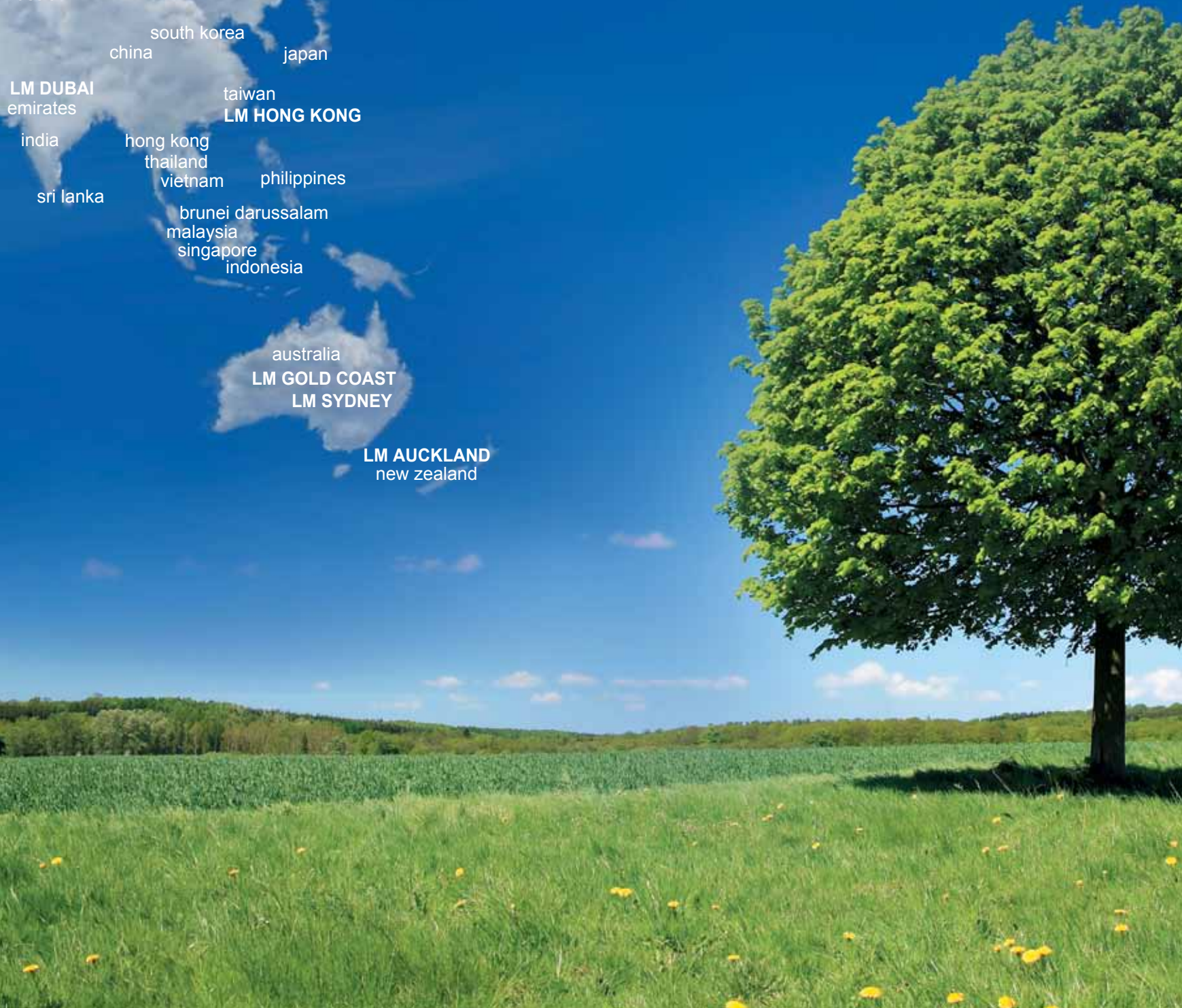
south africa

mauritius

Australian specialist fund manager servicing global markets



Sources of investment for the LM funds



About LM

LM Investment Management Ltd (LM) is a privately owned, Australian specialist fund manager with global product distribution and operations. LM operates from its offices on the Gold Coast and in Sydney Australia, Hong Kong, London, Dubai, Auckland and Johannesburg.

Through the global appeal and niche of its funds, LM enjoys an established presence in the financial services markets throughout Australia, Asia, the Middle East, United Kingdom, United States of America, South America, South Africa, Europe and New Zealand.

As an unlisted public company, LM is 100 per cent Australian owned, with funds under management of approximately AUD\$800 million. The LM income funds invest in property related assets within Australia's diverse and expansive property market.

All of the LM funds are available for investment in a full range of international currencies, with the option for simple hedging to minimise the risk of currency movement in the Australian dollar.

LM provides established investment funds with a range of flexible investment options:-

- > Cash;
- > Capital guaranteed;
- > Conservative income;
- > Enhanced income;
- > Shariah compliant; and
- > ASX tracker fund.

About the Fund

Established in 2001 to meet global demand for a high performance income fund, the LM Managed Performance Fund has delivered competitive, consistent income with a stable unit price, in each and every year since its inception.

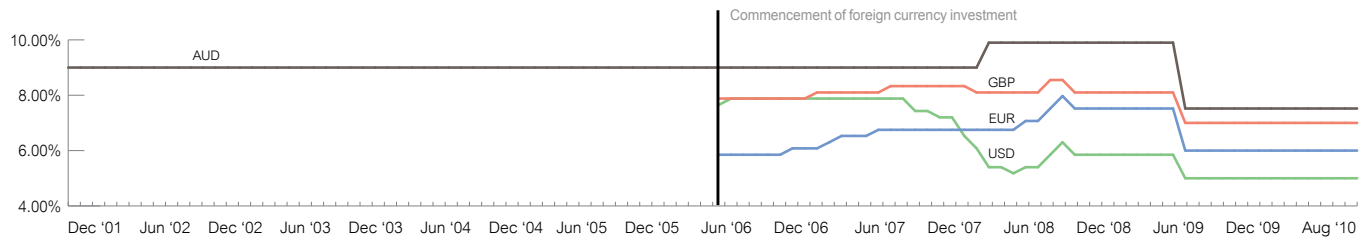
The fund takes advantage of LM's relationships with property development companies and business people from Australia's diverse property sector to select quality, property related assets that comply with the fund's quality and performance requirements. Set up as loans, the fund's assets provide passive income in the hands of the investor. While the assets of the fund are Australian, investment is accepted in a range of currencies, with movements in the Australian dollar eliminated through the use of forward foreign exchange contracts.

Since established in 2001, the LM Managed Performance Fund holds an impeccable track record for delivery of its performance objectives. The fund aims to:-

- > Provide a steady, premium income stream; and
- > Provide an investment with a stable unit price.

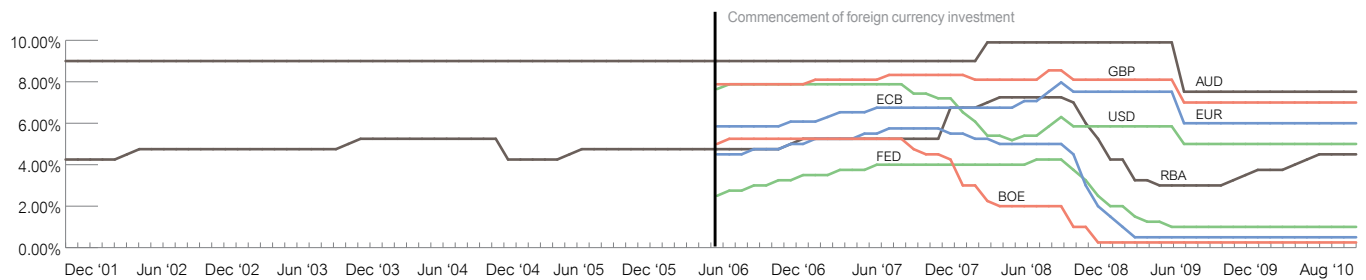
Long Term Performance for the LM Managed Performance Fund

The following two graphs show AUD actual historical performance from fund inception in December 2001. GBP, EUR and USD actual historical performance is shown from the inception of foreign currency investment option in May 2006.



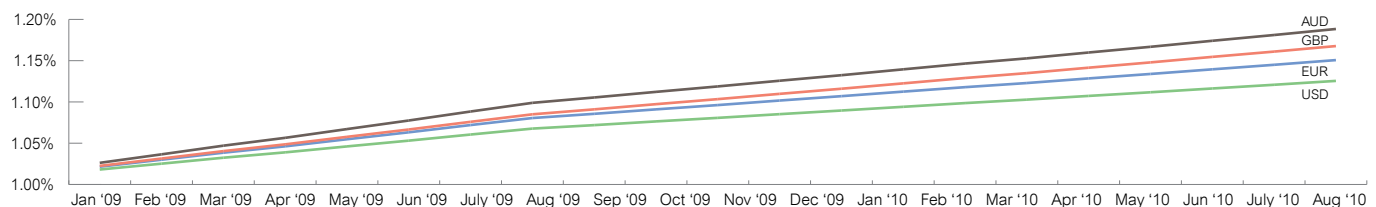
Long Term Performance for the LM Managed Performance Fund Against Reference Cash Rate

The official cash rates are for information purposes and are not a performance benchmark.



Performance for the LM Managed Performance Fund Global Portfolio Bond Rolled Up Unit Price

Fund rolled up unit price commenced in January 2009. Fund return is rolled up and delivered in the unit price. The unit price may vary depending on the performance and value of fund assets.



Investment Strategy

LM utilises its expertise in property and lending, and its business relationships from within the Australian property industry for the selection of LM Managed Performance Fund assets. LM adopts a hands on approach in relation to the selection and management of the fund's assets.

Assets

The LM Managed Performance Fund invests in:-

- > A diversified range of loans as usually provided by property related financial services companies;
- > Direct real property;
- > Other LM funds; and
- > Cash.

A snapshot of investments is updated monthly and available on the LM website at www.LMAustralia.com.

Key Information

The fund takes investments in a range of currencies, eliminating the risk of movements in its underlying Australian dollar investment through the use of Forward Foreign Exchange Contracts (FFEC's).

Key features include:-

- > Investment details are reported in the investment currency;
- > Withdrawal notice at least 90 days prior to the maturity of the investment;
- > Facility to invest directly, or via Portfolio Bonds and international investment platforms;
- > Minimum investment of AUD\$1,000 currency equivalent;
- > Minimum withdrawal of AUD\$1,000 currency equivalent;

- > Minimum balance of AUD\$1,000 currency equivalent;
- > 12, 24, 36, 48 and 60 month fixed investment terms; and
- > Distributions available monthly, quarterly, annually or at the end of the initial investment term.

Committee Based Decisions for Fund Assets

All decision making in relation to the assets of the LM Managed Performance Fund is handled through a collaborative discussion forum of committee structures, rather than resting with one person. This takes maximum advantage of the broad base of inhouse expertise in committee discussions, whilst maintaining objectivity in the decision process. Ultimately, this process ensures the best possible protection of investor funds and is a process adopted by LM in the management of all of its funds.

Committees involved in the asset evaluation and ongoing management of the LM Managed Performance Fund are the:-

- > Property research and analysis committee, which specifically assesses macro-economic information and targets locations offering property growth opportunities and property sectors expected to perform. This information is used by LM in assessing assets for the fund;
- > Funds management committee, responsible for setting the parameters of asset allocation; and the
- > MPF committee, responsible for approving and setting the terms and conditions of fund assets, and driving the ongoing, proactive management of fund assets.

Who Can Invest?

- > Non-Australian resident investors and Australian resident investors can invest directly as personal investors. Australian resident investors must be 'wholesale' or 'sophisticated' investors; and
- > Operators of global platforms, global portfolio bonds, master trusts and wrap accounts.

Currency Choice

- > AUD
- > GBP
- > CAD
- > SGD
- > NZD
- > TRY
- > USD
- > EUR
- > HKD
- > JPY
- > ZAR
- > CHF

Investment in other currencies is available on request.

Interest Distributions

Investor Type	Interest Distributions
Personal Investors	Automatically reinvested monthly, quarterly or annually dependent on investment term chosen. Optional monthly, quarterly or annual payments.
Global Platform and Portfolio Bond Investors	Automatically reinvested and reflected in the daily unit price. Optional monthly or quarterly payments.

How to Invest

Licensed Intermediaries Only

For full details on how to invest, please refer to the section titled 'How to Invest' in the LM Managed Performance Fund Information Memorandum and to the website at <http://www.lmaustralia.com/products/mpf/default.asp>.

Direct Retail Investment

Please submit:-

- > The completed Application Form contained within the current LM Managed Performance Fund Information Memorandum;
- > The completed necessary AML/identification documentation; and
- > Telegraphically transfer/direct credit investment funds to the LM Managed Performance Fund account.

Submit all completed forms and a copy of the telegraphic transfer / direct credit receipt to LM's Investment Services Department by mail, fax, or scan and email to:-

LM Investment Management Ltd
PO Box 485, Surfers Paradise, Qld, 4217 Australia
E investmentservices@LMAustralia.com
F +61 7 5592 4116

Via Global Platform or Portfolio Bond

To obtain the list of bonds and platforms which carry the fund, visit www.LMAustralia.com or contact LM for information.

Please note that the individual requirements of the bond or platform will apply to the investment.

12 Month Global Platform and Portfolio Bond Bloomberg Tickers / ISIN Numbers

Currency	Global Portfolio Bond Investors Bloomberg Ticker	Global Portfolio Bond Investors ISIN Number	Personal Investors Bloomberg Ticker
AUD	LMGPAUD AU	AU60LMI00267	LMMAPEA AU
USD	LMGPUSD AU	AU60LMI00242	LMMAPEU AU
GBP	LMGBGBP AU	AU60LMI00234	LMMAPEG AU
EUR	LMGPEUR AU	AU60LMI00259	LMMAPEE AU
CAD	LMGPCAD AU	-	LMMAPEC AU
HKD	LMGPHKD AU	-	LMMAPEH AU
SGD	LMGPSGD AU	-	LMMAPES AU
JPY	LMGPJPY AU	-	LMMAPEJ AU
NZD	LMGPNZD AU	-	LMMAPEN AU
ZAR	LMGPZAR AU	-	-
TRY	LMGPTRY AU	-	-
CHF	LMGPCHF AU	-	-

Investment Opportunity

Strong fundamentals within Australia's property market, and the resilience and performance of Australia's macroeconomic framework create quality asset opportunities for the LM Managed Performance Fund.

Australian Property Market

The Australian property market is one of the largest in the world. It offers diverse investment opportunity, across several well performing geographic locations and property types experiencing strong and continuing demand.

In a May 2010 survey of 47 countries, Knight Frank declared the Australian property market one of the best performing in the world.

Property market commentators expect Australia to continue to perform well as it grows to meet the

demands of an increased population, benefits from low unemployment rates and China's continued need for our resources, as well as a strong and well diversified economy.

Some interesting statistics on the Australian property market:-

- > Commercial assets in Australia owned for investment total over AUD\$500 billion;
- > Aggregate value of retail assets in Australia total over AUD\$350 billion;
- > Australia is the second largest Real Estate Investment Trust market globally;
- > The Property Council of Australia forecasts a residential housing shortage of over 200,000 homes in 2010;
- > Total lending in Australia to homeowners totals AUD\$455 billion; and

- > Total lending in Australia to residential property investors totals AUD\$222 billion.

For comprehensive, up to date information on Australia's dynamic economy and property market, please access the LM Australian Quarterly Economic Property Outlook at <http://www.LMaustralia.com/newsletters/default.asp>.

Australia's Strong and Diverse Economy

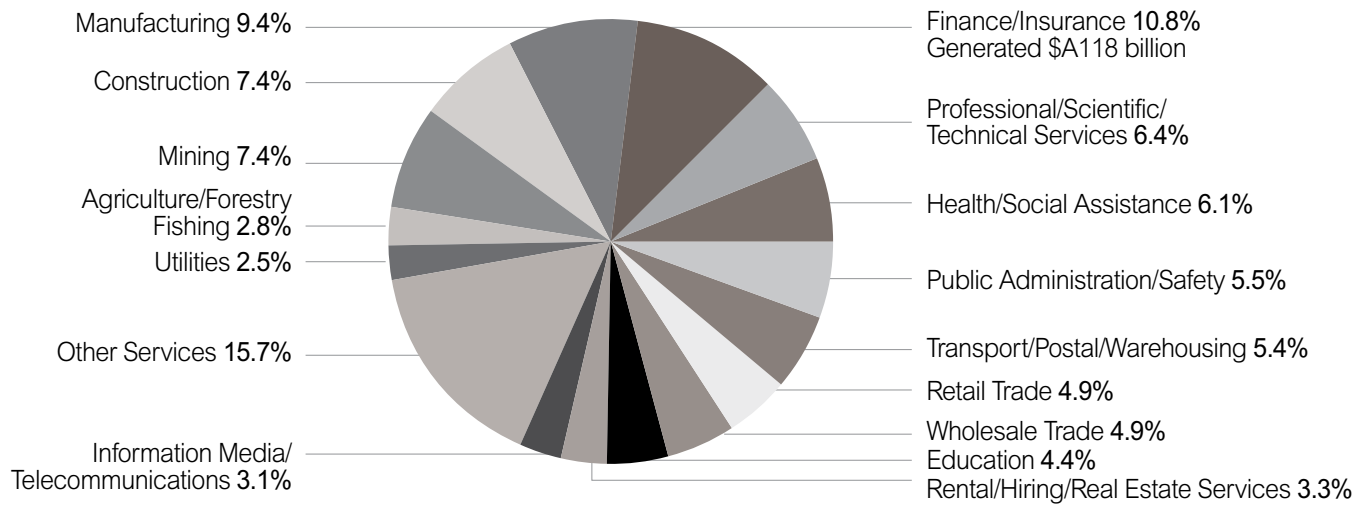
Australia is distinguished by the strength and resilience of its economy, the size, depth and liquidity of its financial markets and the sophisticated and innovative nature of its funds management sector, underpinned by its mandatory retirement income policy. This, together with an open, transparent, best practice regulatory environment, favourable changes in its taxation system and skilled multilingual financial professionals makes Australia an attractive destination for investment.

Australia's economy continues to perform, underpinned by the soundness of its financial system, low unemployment, strong government and continuing trade relations with China and other countries which are industrialising at a rapid pace.

According to the International Monetary Fund's April 2010 World Economic Outlook, Australia has the best economic prospects in the developed world.

- > Australia's private banking industry has benefited from almost 20 years of sustained economic growth to become the third largest private wealth market in the Asia Pacific, and the tenth largest in the world.
- > Australia's banking sector is sound, with all four major Australian banks rated AA. Of the top 100 banks in the world, only eight are AA rated.
- > In April 2010, Australia was rated equal first as the safest country in which to invest alongside Canada, Norway and Switzerland.

- > In 2010 and 2011 respectively, Australia's economy is expected to grow by 3 per cent and 3.5 per cent, well ahead of the US at 3.1 per cent and 2.6 per cent, Britain at 1.3 per cent and 2.5 per cent, and Japan at 1.9 per cent and 2 per cent. Mainland Europe is predicted to grow at just 1 per cent and 1.5 per cent.
- > Australia's economic growth is expected to be back to its long term trend by 2011.
- > Australia's unemployment rate peaked at only 5.9 per cent, is currently 5.1 per cent and is set to fall towards 5 per cent in 2011. This is far below the 8 per cent expected in the US and in Britain, and the 10 per cent expected in mainland Europe.
- > Australia was the first developed economy to raise interest rates following the worldwide financial crisis.
- > Further interest rate rises implemented by the Reserve Bank of Australia since October 2009 demonstrate widespread consumer and business confidence in Australia.
- > Domestic housing loan rates remain around the lowest Australia has seen in decades.
- > No government bailouts have been required in any sector in Australia.
- > In April 2010, the International Monetary Fund singled out Australia as one the best managed economies, stating that only Denmark, Korea, Norway, Australia and Sweden are among advanced economies requiring little or no medium term adjustment to keep government debt at safe levels.
- > Australia's population growth is at historic highs, the result of a combination of strong and effective immigration and natural growth.
- > The following graph shows the diversity of the Australian economy. This diversity extends beyond Australia's natural resource sector, providing strength and resilience as reflected in the preceding data.



Source: www.austrade.gov.au/invest; Data Alert: Financial sector - the largest contributor to Australia's economy; 19 January 2010

Australian Managed Funds Industry

Positioned as the fourth largest managed funds industry worldwide, the Australian government actively attracts global funds management groups to take advantage of Australia's mature, developed economy.

Australian legislation governing those involved in the wealth management and financial services industry is recognised as amongst the best in the world. It has the third largest private wealth market in the Asia Pacific, and the tenth largest in the world.

Under this legislation, LM is a Responsible Entity holding an Australian financial services license to offer managed investments. LM is accountable in the management of its investments, and continues to demonstrate the necessary funds management experience to hold its license. LM is accountable to investors, its board of directors, its compliance committee and the Australian Securities and Investment Commission, the regulator, which is responsible for policing and enforcing the law. In addition, independent external audit checks LM's financials to ensure all systems are in place to comply with legislation.

Segregated Assets

As a Responsible Entity, LM's primary responsibility is to operate and manage its investments in accordance with the Corporations Act 2001, with a first and demonstrable priority to protect investors.

The assets of the funds are totally separate and segregated by law from the assets of LM Investment Management Ltd and the assets of other LM funds. Investors, through their purchase of units in the unit trust structure of the fund, own an interest in the assets of the LM Managed Performance Fund.

Specialist Provider of Property Related Financial Services

LM is recognised as a professional and leading provider of property related financial services across the business and property sectors of Australia. In selecting and managing the property related assets of its investment funds, LM utilises the significant breadth of Australian property and lending expertise provided by its inhouse team. The depth of knowledge and experience offered by each member of LM's team, and its collaborative and proactive approach sees repeat business from listed and unlisted multinational and smaller Australian property companies.

LM has lent approximately AUD\$5 billion within the commercial, industrial, retail, residential, aged care and construction sectors of Australia's property markets.

All assets of the LM funds are in Australia.

Asset Management

LM boasts a competent team of professionals, appointed for their experience in due diligence and management expertise, on property and loan assets from within Australia's diverse property market.

Risk management is a priority that is adopted throughout LM's due diligence and evaluation phase, and is utilised in a proactive, ongoing asset management style.

The collaborative and collective expertise of LM's team drives the process in accordance with LM's and the fund's structured policies and guidelines.

Distribution

The global niche for LM's range of funds is reflected in their broad distribution. LM has carefully developed diversity in the distribution of its range of investment products. The LM products are recommended through an international network of licensed financial advisers, intermediaries, wholesale platforms, private banks,

superannuation funds, corporate and institutional investment consultants spanning some 50 countries/regions.

Investments are currently received from:-

- | | |
|--------------------------|----------------------------|
| > Australia | > Hong Kong |
| > Bahrain | > India |
| > Belgium | > Indonesia |
| > British Virgin Islands | > Ireland |
| > Brunei Darussalam | > Japan |
| > Channel Islands | > Jordan |
| > China | > Kenya |
| > Cyprus | > Kuwait |
| > Egypt | > Luxembourg |
| > England | > Malaysia |
| > France | > Maldives |
| > Germany | > Malta |
| > Gibraltar | > Mauritius |
| > Mexico | > Spain |
| > Netherlands | > Sri Lanka |
| > New Zealand | > Switzerland |
| > Oman | > Taiwan |
| > Philippines | > Thailand |
| > Qatar | > Turkey |
| > Russia | > United Arab Emirates |
| > Saudi Arabia | > United Kingdom |
| > Singapore | > United States of America |
| > South Africa | > Vietnam |
| > South America | > Venezuela |
| > South Korea | |

Strong Management

Since its incorporation some 12 years ago, LM has strategically grown all aspects of its business to uphold the underlying strength of its investment funds, whilst delivering those funds to market with a genuine service ethos for financial intermediaries and investors.

LM believes the success of its funds is directly attributable to:-

- > Adopting a hands on, direct approach to the selection, evaluation and ongoing management of the assets of the fund;
- > Proper and thorough due diligence for asset selection;
- > Having an investment team with a broad base of experience and expertise which relates directly to the assets of the fund, leading to a qualified and informed understanding of those assets;
- > Utilising a collaborative team approach for the selection and ongoing management of the assets of the fund;
- > Having structured investment policies and lending criteria;
- > Adopting a long term vision for the fund;
- > Utilising effective portfolio management;
- > A diversified distribution strategy through licensed financial advisers and intermediaries only, and not directly to retail investors. This means the product is selected as part of a long term, planned investment portfolio; and
- > Transparency. LM holds regular research forums for the benefit of finance professionals who wish to undertake research for a comprehensive understanding of the fund, its investment policies, and LM's management style prior to recommending investment.

Team Experience

Throughout its Australian and international offices, LM employs a professional team who possess knowledge and experience that enhance LM's capabilities as an Australian specialist fund manager, and who contribute to the global distribution of its products.

Inhouse business units include funds management, portfolio management, arrears management, information technology, administrative excellence, legal, accounting and financial control, asset management, property asset management, property research and analysis, client relations, business standards and compliance, communication, product design and marketing.

LM ensures it is easily accessible to its clients, and is committed to providing a prompt, professional and trusted service.

Global Service

Through its global service network, LM is able to offer personalised service to its clients during business hours across international timezones. To speak to us, simply dial +61 7 5584 4500.

People at LM

LM adopts a direct, hands on approach in relation to all aspects of management. Processes, policies and people have been developed inhouse to ensure optimum selection and ongoing management of assets and administration. LM's transparent, flat management style and continuous professional development encourages employee participation in process development and leads to an intelligent, engaged and stable workforce.

LM has:-

- > A company commitment to a professional relationship with financial advisers and intermediaries, brokers, borrowers, wholesale clients, private banks, superannuation funds and institutional clients worldwide;
- > Active property research and analysis;
- > A strong investment committee and property asset management team experienced in all levels of evaluation and management processes;
- > Specialist personnel that enables LM to excel in the income sector;
- > A marketing and treasury group for establishment and maintenance of client relationships;
- > A client relations department to support the group with efficient turnaround time on client queries;
- > An investment services department responsible for efficient administration and reporting;
- > A business standards and compliance team which ensures compliance and best business practices;
- > An IT department delivering leading edge IT solutions to aid company growth and to bring online services to financial advisers and intermediaries; and
- > An experienced portfolio and funds management team.

Management Principles

LM's corporate vision is to be recognised as a leading, innovative and prudential funds manager, and specialist provider of Australian financial services. Its management team shares a common understanding of business principles to ensure its corporate vision is upheld. These principles include:-

- > Delivering a high level of service with clear communication and genuine empathy for clients;
- > Offering qualitative and innovative investment and lending products;
- > Using a research driven approach to anticipate market changes and seek new opportunities;
- > Protecting the delivery of declared income; and
- > Protecting the delivery of a stable unit price.

Company wide, LM has an unequivocal commitment to ongoing compliance, corporate governance, ethics and risk management best practice principles.

www.LMaustralia.com LM Website Tailored for Advisers and Intermediaries

The LM website, www.LMaustralia.com and LM Information Exchange are designed to complement the personal service offered to LM's licensed financial intermediary, adviser, platform and bond clients worldwide.

By following the prompts on www.LMaustralia.com, licensed intermediaries can gain access to updated industry and Australian property research reports, LM product information, rate sheets, comprehensive fund overviews and updates, as well as LM regional contact details.

Registered licensed intermediaries can access LM Information Exchange, to provide up to the minute reporting on their respective clients' investment portfolios.

Under Australian legislation, and as regulated by the Australian Securities and Investment Commission (ASIC), fund managers of investment funds such as the LM funds must provide specific disclosures relating to fund information, to minimise the risk of misleading investors, or investor misunderstanding. As a Responsible Entity and manager of the LM income funds, LM is required to display the following disclosures relating to the content of this document.

As LM is not licensed to give advice, full investment details are provided in the Information Memorandum issued by LM Investment Management Ltd, available at www.LMAustralia.com or by contacting an LM regional manager. LM recommends investors consult a financial adviser, and read and consider the Information Memorandum prior to investment.

Performance of the LM Managed Performance Fund is not guaranteed and this investment is not a bank deposit. Past performance is not a reliable indication of future performance, and returns could vary and will depend on income earned and expenses paid by the fund from time to time, commission payable to advisers, and on the type of investment chosen.

UK Advisers / Intermediaries. LM Investment Management UK Ltd (LM UK) is a wholly owned subsidiary of LM. LM and LM UK are not authorised or regulated by the Financial Services Authority (FSA). The LM Managed Performance Fund can be offered and recommended by FSA authorised intermediaries to a range of potential investors, including clients and newly accepted clients of authorised intermediaries, where reasonable steps have been taken to ensure that investment in the LM Managed Performance Fund is suitable for such clients. Subscriptions for units in the LM Managed Performance Fund can only be accepted on the basis of the full Information Memorandum.

This document was produced in September 2010 and drawn from a variety of sources external to LM including www.rba.gov.au, www.austrade.gov.au, www.imf.org, www.bloomberg.com.au, Merrill Lynch 2010 World Wealth Report, and Dunn & Bradstreet Economic Risk Outlook April 2010.

Not for distribution to Hong Kong public.





Leading, innovative and prudential funds manager,
and specialist provider of Australian financial services

> **AUSTRALIA HEAD OFFICE**

Level 4 9 Beach Rd
Surfers Paradise Qld 4217 Australia
T +61 7 5584 4500 Freecall 1800 062 919
F +61 7 5592 4116
E mail@LMaustralia.com

> **SYDNEY**

LM House 333 Sussex St
Sydney NSW 2000 Australia
T +61 2 8268 0100 F +61 2 8268 0199
E sydney@LMaustralia.com

> **HONG KONG**

Suites 3807 - 3808 38F Two International Finance Centre
8 Finance St Hong Kong
T +852 2501 0262 F +852 2530 1076
E hongkong@LMaustralia.com

> **LONDON**

64 Knightsbridge London SW1X 7JF
T +44 20 7590 9624 F +44 20 7590 9626
E london@LMaustralia.com

> **AUCKLAND**

Level 27 PWC Tower
188 Quay St Auckland 1010 New Zealand
T +64 9 363 2901 Free Phone 0800 255 628
F +64 9 363 2938
E newzealand@LMaustralia.com

> **DUBAI**

LM FZE Level 42 Emirates Towers Dubai UAE
T +971 4 313 2330 F +971 4 313 2385
E dubai@LMaustralia.com

> **JOHANNESBURG**

94 St Andrews Jackal Creek
North Riding Gauteng South Africa
T +27 82 743 4482 F +27 11 469 1606
E southafrica@LMaustralia.com

www.LMaustralia.com