Important notices

About this Product Disclosure Statement (PDS)

This document provides information to help investors assess the merits of investing in the Life Settlements Wholesale Fund ARSN 110 346 695 (Fund) and compare the Fund to other investment opportunities. Investors are encouraged to read this document before making an investment decision. The information in this PDS is general information only and does not take into account investor’s personal financial situation or needs. Investors should consider their investment objectives, financial situations or needs before making an investment decision and consider whether they should obtain independent advice, taking into account their individual circumstances relating to taxation, retirement planning and investment risk.

This PDS is dated 30th January 2014 and issued by GI Asset Management Limited ACN 161 434 779 AFSL 432510 as Responsible Entity of the Fund.

Disclaimer

No person is authorised to give any information or make any representation in relation to the Responsible Entity or the Fund other than as contained in this PDS. Any information or representations given which are not consistent with the PDS should not be relied upon as being authorised by the Responsible Entity. This PDS does not constitute an offer to any one in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make an offer. The distribution of this PDS outside of Australia may be restricted by law and persons who come into possession of this PDS outside Australia should seek advice on and observe such laws as apply in their own jurisdiction.

Neither the Responsible Entity nor the Fund Custodian guarantees the performance of a Fund, the repayment of capital or any particular rate of return.

By investing in the Fund, you confirm that you have received a copy of the current PDS to which the offer relates, that you have read it and agree to the terms contained in it and that you agree to be bound by the terms of the current PDS and Constitution (each as amended from time to time).

The Fund Custodian has not been involved in the preparation of this PDS and make no representations about the accuracy or completeness of the contents of the PDS. The Fund Custodian’s role is limited to holding the assets of the Fund. The Fund Custodian has no supervisory role in the operation of the Fund and is not responsible for protecting Investor’s interests. The Fund Custodian has no liability or responsibility to Investors for any act done or omission made in accordance with the terms of their appointment.

Updated information

The information in this PDS is subject to change from time to time. Information that is not materially adverse can be updated by the Responsible Entity. Updated information can be obtained free of charge by going to our website at www.lifesettlementsfund.com or calling us on +61 7 5557 4700.
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1 Executive summary

The Life Settlements Wholesale Fund is offering investors the opportunity to participate in a pooled fund providing them access to investments in life settlements.

Life Settlements involve an investor (in this case a Fund) acquiring a life insurance policy (Life Policy) from a US citizen, paying all future premiums and receiving the proceeds of the Life Policy after the death of the insured.

1.1 Life settlements market

There is a secondary market for Life Settlements in USA. In 1911, the US Supreme Court found that a Life Policy was an asset that could be freely transferred.

Through a Life Settlement transaction, insureds can sell their Life Policy to an investor for more than the Life Policy’s surrender value. Investors profit by receiving the much larger death benefit.

1.2 Overview of investment structure

The Fund was established in 2004 by the Responsible Entity’s holding company, Life Settlements Funds Limited (LSFL) with the primary objective of acquiring Life Policies in the USA through Life Settlements’ transactions. On 1st May 2013, LSFL retired in its role as responsible entity and GI Asset Management Limited was appointed in its place. GI Asset Management Limited is a wholly owned subsidiary of LSFL.

In 2011, LSFL established Global Insurance Settlements Funds PLC (Offshore Fund) to invest in Life Policies sourced from the world’s largest Life Settlements market, the USA. The Offshore Fund is able to take advantage of the greater international recognition of European structures. As well as, the tax clarity provided under the Irish tax treaty.

Consequently the Life Settlements Wholesale Fund will invest directly into the Offshore Fund, with that entity owning the policies.
Investment Structure

Investors
(AUD ORD and USD ORD Units)

AUSTRALIA

Fund Custodian
Perpetual Trustee Company Limited

Life Settlements Wholesale Fund
(Responsible Entity: GI Asset Management Limited)

IRELAND

Offshore Custodian
Caceis Bank Luxembourg
Dublin Branch

Offshore Fund
Global Insurance Settlements Funds PLC

USA

Offshore Sub Custodian
Wells Fargo Bank, NA

Pool of Policies
1.3 Composition of Fund

The following is a composition of assets held by the Fund as at 30 June 2013:

| Shares in the Offshore Fund | USD$21,744,912 |
| Cash & Cash equivalents      | USD$46,363     |

1.4 Key benefits and risk

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uncorrelated returns</strong> - Generally, the performance of other more traditional financial investments will correlate with the performance of equity, property and the interest rate markets. The performance of the Fund will be based on the characteristics of the pool of the insured lives.</td>
<td><strong>Investment risk</strong> - All investments carry risks. The value of an investment in the Fund and the level of returns may vary. The repayment of Investors' capital is not guaranteed.</td>
</tr>
<tr>
<td><strong>Growing market</strong> – The Life Settlements market is currently valued at approximately USD$31 billion in Life Policy Face Value. By 2016, the size of the Life Settlements market is estimated to be approximately USD$136 billion in Face Value.</td>
<td><strong>Operational risk</strong> – There is a risk that Life Policies could be incorrectly valued or that the insured may live beyond their life expectancy and thereby reduce the returns paid to Fund. The realisation of either of these risks could have a negative affect on the value of Units and the financial performance of the Fund.</td>
</tr>
<tr>
<td><strong>Benefit amount assured</strong> - The benefit payable on each Life Policy is contractually fixed at the time of purchase.</td>
<td><strong>Taxation</strong> - There is a risk that if the Offshore Fund does not fall within certain tax exemptions under the laws of the USA and Ireland, then tax could be applied in accordance with the laws of those jurisdictions. This could significantly affect the performance of the Fund.</td>
</tr>
<tr>
<td><strong>Financial strength of insurers</strong> – The Offshore Fund only buys Policies underwritten by insurance companies that are rated 'secure' or better by A.M. Best, a leading rating agency of US insurance companies.</td>
<td><strong>Insolvency of an insurer</strong> - If an insurer becomes insolvent, then there is a risk the proceeds from a Life Policy may not be able to be realised by the Fund.</td>
</tr>
<tr>
<td><strong>Government guarantees</strong> - Most States in the USA operate a US State Government 'Guarantee Fund', which guarantees the payment of death benefits, usually up to US$300,000 per life insured, in the event of insurance company insolvency.</td>
<td><strong>Currency risk</strong> – Life Policies are purchased in USD. Accordingly, there is a risk that adverse movements in USD and AUD exchange rates could adversely affect the value of the Fund and decrease distributions paid to Investors.</td>
</tr>
</tbody>
</table>
## 2 Summary of key features

<table>
<thead>
<tr>
<th>Investment structure</th>
<th>PDS reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsible Entity</strong></td>
<td>GI Asset Management Limited</td>
</tr>
<tr>
<td><strong>Fund</strong></td>
<td>The Fund is structured as a unit trust. Investors may subscribe for Units which represent a beneficial interest in the Fund’s assets.</td>
</tr>
<tr>
<td><strong>Offshore Fund</strong></td>
<td>Life Policies will be acquired by the Global Insurance Settlements Funds PLC (Offshore Fund), an investment company governed by the laws of Ireland. The Fund will invest solely in Shares in the Offshore Fund in order to acquire an indirect interest in life policies.</td>
</tr>
<tr>
<td><strong>Custodians</strong></td>
<td>The Custodian of the Offshore Fund is CACEIS Bank Luxembourg – Dublin Branch (Offshore Custodian). The Offshore Custodian has appointed Wells Fargo Bank NA (Offshore Sub Custodian) to hold Life Policies on its behalf. The Custodian of the Fund is Perpetual Trustee Company Limited.</td>
</tr>
<tr>
<td><strong>Funds Under Management</strong></td>
<td>The Funds Under Management attributable to unit holders currently have a value of approximately AUD18.94 million.</td>
</tr>
</tbody>
</table>

### Investment overview

<table>
<thead>
<tr>
<th>Eligible Investors</th>
<th>Applicants must qualify as Wholesale Clients in order to participate in the Offer.</th>
<th>Section 11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>The Responsible Entity aims to generate attractive risk adjusted returns over time by investing in the Offshore Fund, which will actively manage a large and diversified portfolio of Life Policies through Life Settlement transactions.</td>
<td>Section 3.4</td>
</tr>
<tr>
<td><strong>Investment Strategy</strong></td>
<td>The Offshore Fund’s investment strategy is research driven. Individual Life Policies are analysed and assessed based on various factors including the credit rating of the issuing insurance company, life expectancy and medical impairments of the insured, the expected future premiums and the expected return to be generated by the Life Policy.</td>
<td></td>
</tr>
</tbody>
</table>

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1 As at 31st December 2013
| **Minimum Suggested Investment Time Frame** | Six years. |
| **Minimum Initial Investment** | AUD Ordinary Units – AUD$30,000 | Section 5.2 |
| **Minimum Additional Investments** | AUD Ordinary Units – AUD$5,000 | Section 5.2 |
| **Unit Pricing** | Unit Prices are generally calculated monthly and are published on the Responsible Entity’s website at www.lifesettlementsfund.com. | Section 5.3 |

**Key terms**

<p>| <strong>Distributions</strong> | Distributions are paid from any income received by the Fund over time through the gradual maturation of Life Policies. Due to the nature of the Fund’s investments, the Fund does not make regular distributions to Investors. | Section 5.4 |
| <strong>Applications</strong> | When you make an investment in the Fund, we will allocate Units to you based on the prevailing Unit Price. You will be issued/allocated Ordinary Units (AUD) if you reside in Australia or New Zealand. | Section 12 |
| <strong>Withdrawals</strong> | The Fund has been declared as a Non-Liquid managed investment scheme effective 3rd December 2013. When the Fund is not Liquid, investors have no right to withdraw from the Fund unless there is a withdrawal offer currently open for acceptance by investors. Withdrawal offers to Fund investors will be made on a periodic basis and will specify: • the period during which the offer will remain open (this period must be at least 21 days after the offer is made); • the assets that will be used to satisfy withdrawal requests. An amount available to satisfy withdrawal requests will be stated; and • the method for dealing with withdrawal requests if the money available is insufficient to satisfy all requests Payment on the withdrawal requests received will be paid within 21 days of close of the withdrawal offer. The Withdrawal Price will be based on the prevailing Unit Price less transaction costs of 0.5%. The transaction costs represent your contribution to the costs associated with realising assets in order to fund the redemption of Units. | Section 5.6 |</p>
<table>
<thead>
<tr>
<th><strong>Restrictions on Withdrawals</strong></th>
<th>The Responsible Entity may suspend withdrawals from the Fund, at its discretion, where the Responsible Entity considers it in the best interests of Investors to do so. Suspension may continue for any period the Responsible Entity determines.</th>
<th>Section 5.9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fees</strong></td>
<td>There are fees and costs associated with investment in the Fund.</td>
<td>Section 7</td>
</tr>
</tbody>
</table>
3 Life settlements industry

3.1 Overview of life settlements industry

Life Settlements provide a secondary market for Life Policies to be sold by Life Policy holders who no longer need or want their Life Policy. The USA has the world’s largest Life Settlements market with approximately USD$36 billion of policies sold through the secondary market which are still in force.

3.2 What is a life settlement

Life Settlements involve an investor acquiring a Life Policy from a living person in the US, paying all future premiums and receiving the proceeds payable under the Life Policy after the death of the insured.

3.3 Why do people sell their life insurance policies

Prior to the establishment of a secondary market for Life Policies, if a Life Policy holder could no longer afford or no longer wanted a Life Policy, their only options were to let the Life Policy lapse for no value or surrender the Life Policy back to the insurer for a minimal surrender value. Life Settlements provide a mechanism for Life Policy holders to sell their Life Policy to a third party investor for more than the Life Policy’s surrender value.

There are a variety of reasons why an insured may choose to sell their life policy. Some of the common reasons for this include:

(a) the Life Policy holder can no longer afford to pay the premiums;
(b) the Life Policy holder may have outlived their nominated beneficiaries;
(c) the Life Policy holder may need to realise the value of the Life Policy to fund other activities;
(d) financial independence of beneficiaries;
(e) the onset of illness or disability;
(f) sudden decline in economic conditions;
(g) divorce;
(h) pursuit of investment opportunities; and
(i) lifestyle changes.

3.4 How a life settlement transaction works

The secondary market for these Life Policies involves a number of key participants. Similar to other secondary markets, it includes buyers, sellers, brokers and investors (who fund the purchase of Life Policies). Other participants include medical examiners, attorneys and life insurance companies. The diagram below helps demonstrate the life settlement process as it applies to the Fund.
**Stage 1 – Sourcing of Life Settlements**

Licensed Life Settlement Providers in the USA will be used to identify and recommend potential Life Policies for purchase by the Offshore Fund.

The Providers supply a number of services to the Offshore Fund with respect to Life Policy origination, analysis, underwriting, pricing, verification, and acquisition.

The Providers are also responsible for:

(a) arranging for an independent medical evaluation of the insured’s life expectancy, or ensuring one is undertaken (as required); and

(b) verification that there are no encumbrances attaching to Life Policies, so as to ensure the payment of full entitlements on maturity, except in cases where the Offshore Fund may agree to acquire a Life Policy subject to an existing loan.

**Stage 2— Offshore Fund Servicer refers policies to the Investment Manager**

The Providers source Life Policies and refer them to the Offshore Fund Servicer, LSI Fund Services Limited (LSIFSL). LSIFSL receives and reviews Life Policy information submitted by the Providers in order to determine whether the Life Policies:

(a) are suitable for a Life Settlement transaction;

(b) are likely to meet the Offshore Fund’s Policy Purchase Criteria; and

(c) are sourced through Providers licensed to operate in the relevant USA State.

The Offshore Fund’s Policy Purchase Criteria is summarised below:

(a) Life Policies must be issued by life insurance companies rated ‘secure’ by A.M. Best or an equivalent insurance rating organisation;

(b) Life Policies must be beyond their ‘contestability period’, that is, the insurance company must be contractually obligated to honour any claim against the Life Policy, regardless of the circumstances of death (including suicide) or whether the insured committed fraud in the Life Policy application process;

(c) the Life Policy must relate to persons aged 65 years or older with health impairment/s and a medically evaluated life expectancy of ten years or less;

(d) the Life Policy must relate to persons who have entered into a contract to provide updated medical records periodically; and

(e) if the insured is the current Life Policy holder, the insured must sign a beneficiary waiver or affidavit, confirming the insured’s intent to dispossess the current beneficiary of the Life Policy. A ‘sound mind statement’ from the insured’s attending physician may be required as applicable.

Those Life Policies that LSIFSL considers suitable for purchase by the Offshore Fund are presented to the Investment Manager for approval.
Stage 3—Consideration by the Investment Manager

The Manager of the Offshore Fund has engaged the Investment Manager to provide investment management services.

The Investment Manager will review referred Life Policies to assess whether they fit into the overall portfolio of Life Policies held by the Offshore Fund.

Before making a final recommendation, the Investment Manager will consider the information provided to it, the price to be paid for the Life Policy, and will take into account a range of issues, that may include the following:

(a) a review of the life expectancy estimation received from the Medical Assessors;
(b) an assessment of future premiums payable for a period in excess of the insured’s life expectancy;
(c) confirmation the Life Policy is beyond its Contestability Period;
(d) compliance with the Policy Purchase Criteria; and
(e) portfolio exposure issues, such as spread of insureds and diversity of Life Policy underwriters.

The Investment Manager reviews the performance of all Life Policies on an ongoing basis.
Stage 4—Life Policy Purchase

Most Life Policies are offered in the Life Settlements market through a ‘competitive bidding’ process. The bid price (total outlay including fees and costs) is computed using the information provided in the Life Policy contract, the medical underwriting report and the insurance company premium illustration, in order to estimate an acceptable internal rate of return from the Life Policy.

The Investment Manager will be advised of the bids received from competitors and will be asked to review its bid should the original bid not be successful. The Investment Manager regularly monitors its bidding strategies to ensure Life Policies are purchased at the lowest possible prices. The Investment Manager maintains a database of all bids, both successful and unsuccessful, in order to monitor trends.

When the Investment Manager approves the acquisition of a Life Policy, it authorises the preparation of a Life Policy purchase and sales agreement. When this agreement is finalised, a copy is forwarded to the Offshore Sub Custodian or escrow agent.

The Provider is responsible for administering the purchase process and maintaining comprehensive documentation for the transaction. Once the relevant documentation is settled, the Offshore Fund will instruct the Offshore Custodian to transfer the money required to settle the Life Policy purchase to the Offshore Sub Custodian or in some cases an escrow agent’s bank account.

Prior to the release of funds at settlement of Life Policy purchases, the Offshore Sub Custodian or the escrow agent satisfies itself that Wells Fargo Bank NA as the Offshore Sub Custodian for the Offshore Fund has been recorded by the insurance companies as the registered owner and sole beneficiary of the Life Policies purchased.

Once the escrow agent is satisfied that the Life Policy purchase documents are in order, it then:

(a) lodges the change of beneficial ownership forms with the insurance company; and

(b) upon confirmation by the insurance company that the change of beneficial ownership (to Wells Fargo Bank NA as Offshore Sub Custodian) has been registered, settles the transaction and disburses the funds held on trust for the Offshore Fund and forwards the Life Policy title documents to the Offshore Sub Custodian.

The Offshore Sub Custodian confirms receipt of the Life Policy documents and holds, for safekeeping, the original copies of the Life Policies and assignment documents.
Stage 4
Life Policy Purchase

Manager of the Offshore Fund
- Accepts Investment Manager’s recommendation to purchase life policy

Investment Manager
- Approves purchase when the bid is successful. Authorises Life Settlement Provider to prepare the Life Policy Purchase and Sales Agreement

Life Settlement Provider
- Forwards completed Documents to Offshore Custodian and notifies Investment Manager

Offshore Custodian
- Issues instructions to Offshore Sub Custodian to lodge beneficial ownership forms with insurance company

Offshore Sub Custodian
- Upon receipt of confirmation of change of ownership, Offshore Custodian releases funds held on trust, confirms settlement and holds for safekeeping the original copies of Life Policies and assignment documents

Stage 5—Premium Payments

After settlement, the Offshore Fund is responsible for the ongoing payment of Life Policy premiums. The Investment Manager in coordination with the Provider will review at least one premium illustration on these policies and prepare optimised premiums to be paid to the Insurance Companies.

The Offshore Fund, from time to time, requests the Offshore Custodian or the Offshore Sub Custodian to transfer money to enable the Offshore Fund to make premium payments periodically to the insurance companies, on behalf of the Offshore Fund.

Stage 5
Premium Payments

Provider
- Review premium illustration on policies and prepare optimised premiums to be paid to the the insurance companies

Investment Manager
- Check premiums to be paid against Notices from insurance companies and optimised premium payment schedule

Offshore Custodian/Sub Custodian
- Advise Offshore Custodian/Sub Custodian of premium payments

- Remit premiums to insurance companies according to the schedule and provide confirmation on completion of payments
**Stage 6 – Collection of Death Benefits**

The Provider will act, on a continuing basis, as liaison between the Offshore Fund and Tracking Agents responsible for tracking the life of the insured, and collecting the death benefit at maturity of the Life Policy.

When an insured person dies, the Tracking Agent will advise the relevant Provider, who will in turn notify the Offshore Fund and the Offshore Sub Custodian, and will obtain the documentation required for lodgement of the claim with the insurance company.

The Offshore Fund will track the timely receipt of the Life Policy benefits. The funds from death benefits will be held in trust by the Offshore Sub Custodian, pending instructions from the Offshore Fund. These funds will then be either:

(a) remitted to the Offshore Fund Custodian; or

(b) retained in trust to fund the acquisition of further Life Policies; or

(c) retained in trust for the payment of Life Policy premiums.
Ongoing portfolio management

The Investment Manager continuously monitors the Offshore Fund’s portfolio of Life Policies. This process includes:

(a) ensuring all Life Policies continue to remain suitable in the Life Policy pool;
(b) reviewing insurer exposure and diversity, limiting the volume of policies purchased from any one insurance company;
(c) credit monitoring of insurance companies within the portfolio;
(d) monitoring the life expectancy profile of the total Life Policy pool;
(e) mortality tracking and timely lodgement of claims with insurance companies;
(f) tracking claim proceeds;
(g) monitoring the performance of the medical underwriters in providing life expectancy estimates;
(h) health reassessment of insureds living beyond the original life expectancy dates; and
(i) evaluation of Life Policies after review, on a sell or continue to hold basis, and adjustment of carrying value if required.

The Investment Manager may determine to resell Life Policies back into the secondary market to maximise returns to the Offshore Fund. This may be done where the Investment Manager determines a Life Policy no longer fits the pool or may exceed its life expectancy. However, in most cases, Life Policies will be held to maturity, whereupon the Offshore Sub Custodian will receive the proceeds from the matured Life Policy.
4 Responsible Entity and other key parties

GI Asset Management Limited was incorporated on 28 November 2012. The Responsible Entity holds Australian Financial Services Licence No. 432510 which allows it, amongst other things, to operate the Fund.

4.1 Directors of the Responsible Entity

Ian Sidney Cotton

Ian has been a member of the Australian Institute of Chartered Accountants and a Fellow from 1969 to 2008. Until his retirement in August 1993, Ian had spent his entire professional life since 1956 with the international firm of accountants, Deloitte Touche Tohmatsu. During his professional career he has also been a director of several public companies listed on the Australian Stock Exchange, one of which he was the Chairman.

Ian is also a Non-Executive Director of Global Insurance Settlements Funds PLC (the Offshore Fund) and LSI Management Limited, the Manager of the Offshore Fund.

Stephen George Knott

Stephen Knott has worked in the Australian financial services industry for over 30 years holding management positions in banking, funds management and financial services corporations, and has eight years’ experience in the life settlements industry.

For eight years Stephen worked in the international division of a major Australian bank and for five years was in a senior position in the investment division of a Queensland-based trustee corporation. This included overseeing the operations of retail managed investment funds totalling $400 million.

In 2003 he was appointed Director of an Australian Financial Services Licensee, with responsibilities for compliance and adviser services.

Stephen holds a Diploma of Financial Planning from Deakin University in Victoria.

Stephen is also a Non-Executive Director of LSI Fund Services Limited, the Offshore Fund’s life policy acquisition adviser or Fund Servicer.

Richard Laken Mitchell III

Laken is President and Director of CMG Surety, LLC and CMG Life Services Inc (CMG group) based in the USA and is a securities and corporate attorney who has been involved in the securities and investment brokerage industry since 1981. CMG Surety, LLC is a Provider who source policies and receive fees from the Offshore Fund.

Laken is also a Non-Executive Director of Global Insurance Settlements Funds PLC (the Offshore Fund) and LSI Management Limited, the Manager of the Offshore Fund.

Stephanie Nolan

Stephanie is the Chief Operating Officer and is a member of the Risk Management Committee and Investment Committee for Life Settlements Wholesale Fund, the Australian based fund managed by GI Asset Management Limited. Stephanie is a chartered accountant and has spent her career in investment banking and fund management.
Stephanie is also a Non-Executive Director and General Manager of Global Insurance Settlements Funds PLC (the Offshore Fund) and LSI Management Limited, the Manager of the Offshore Fund.

Robert Dwyane White

Robert D. White has served as Chief Operating Officer of the CMG group since March of 2003. He is also President of CMG Advisory Services, a Registered Investment Advisor. In addition to his ownership in CMG group, Rob is Director of Compliance for Sovereign-American Securities, Inc., a member of the American Financial Industry Regulatory Authority, and is responsible for supervising all registered representatives in the firm. His experience in the investment industry gives him a complete perspective on the vast array of different financial products and how the Fund’s investors are uniquely positioned to benefit from this unique and alternative asset class.

4.2 Compliance Committee

A Compliance Committee has been appointed to monitor the Fund’s compliance with the Compliance Plan. The Compliance Committee meets monthly and reports on its findings to the Responsible Entity; and also to ASIC if the Compliance Committee is of the view the Responsible Entity has not taken, or does not propose to take, appropriate action to deal with any matter reported.

The Compliance Committee comprises three people, two of whom are independent of the Responsible Entity.

It should be noted that the Compliance Committee does not fulfil the role of a regulator of the Fund. The Compliance Committee and its members do not guarantee either the performance of the Fund or the payment of any returns to Investors and do not make any representations about tax consequences for Investors.

4.3 Offshore Fund

The Offshore Fund is an investment company with variable capital and limited liability which has been authorised by the Central Bank of Ireland under Part XIII of the Companies Act 1990. The Offshore Fund was incorporated in Ireland as a public limited company on 14 September 2010 with registered number 489049 under the Companies Acts, 1963 to 2009.

The Offshore Fund is structured as an umbrella fund/company with segregated liability between its Sub Funds. The Sub Funds may be open-ended, closed-ended or provide for limited liquidity. The Fund will have direct access to one of these Sub Funds and the assets of the Sub Fund will be the Life Policies currently held by the Offshore Sub Custodian.

The Offshore Fund has the following features:

(a) All Shareholders (one of whom will be the Fund), have limited liability under Irish law.

(b) The umbrella fund structure allows for the segregation of liability between Sub Funds so that the assets of one Sub Fund cannot be used to satisfy the debts of another Sub Fund, therefore each Sub Fund operates as an independent economic entity. The Life Policies will be all allocated to one Sub Fund and Shares issued to the Fund will relate to those Life Policies.

(c) The base currency of all investments will be USD.

(d) Dividends may be declared by the Offshore Fund on Shares in each Sub Fund. These dividends will be reinvested in the relevant Sub Fund.
(e) Shares in the Sub Fund may be sold or redeemed at their net asset value on the relevant Dealing Day.

The Fund will hold Shares issued by the Offshore Fund and those Shares will be linked directly to an open-ended Sub Fund which is expected to grow over time. The initial assets of the Sub Fund will be the Life Policies transferred from the Fund.

Money raised in the Fund will be used to acquire additional Shares in the Offshore Fund. The Offshore Fund will then use that money to acquire more Life Policies.

Subscription amounts and withdrawal proceeds in respect of Shares are payable in USD.

**Investment objective of the Offshore Fund**

The Offshore Fund’s investment objective is the same as the Fund’s, which is to generate attractive risk-adjusted returns over time, by actively managing a portfolio of Life Policies and cash investments.

The Offshore Fund will seek to achieve its investment objective by actively managing a large and diversified portfolio of Life Policies. Any change in the investment objective of a Sub Fund or a material change in the investment policy of a Sub Fund will only be made with the consent of the Shareholders of the relevant Sub Fund by way of ordinary resolution on the basis of a simple majority of votes cast at a general meeting of the Shareholders of the relevant Sub Fund.

**Liquidity**

To ensure sufficient liquidity within the Sub Fund for the purposes of financing withdrawals and Life Policy premium payments, the Offshore Fund may hold ancillary liquid assets in currency or term deposit accounts or in regularly traded short term money market instruments issued or guaranteed by highly rated institutions and having a remaining maturity of less than twelve months.

**Dividend policy**

Due to the particular nature of its investments, the Offshore Fund does not currently receive income on a regular basis and accordingly, the Offshore Fund will not make regular distributions to Shareholders.

Any dividends payable from Shares are only payable out of profits available for distribution, which profits shall consist of:

(a) the net income attributable to the Life Policies;

(b) the net income and realised gains (less realised losses) of the Life Policies; or

(c) net income and net realised and unrealised gains (less realised and unrealised losses) attributable to the Life Policies.

**Share dealings on the Irish Stock Exchange**

The Shares may be traded on the Irish Stock Exchange through arrangements that the Offshore Fund has in place with a broker. This will be over-the-counter trading, based on the net asset valuation of the underlying assets of the Sub Fund, as determined by independent actuaries. The Shares are traded over-the-counter and as such, the Shares are not subject to the fluctuations of the open share market.
Borrowings

The Offshore Fund can borrow money and use the assets of the Sub Fund as security. The maximum level of borrowings is 50% of the value of the investments in the Sub Fund. Any borrowings will be limited to meeting:

(a) redemptions;
(b) payment of distributions;
(c) acquiring further Life Policies, and
(d) financing of premiums.

The objective of the management of the Offshore Fund is not to gear the Life Policies for ongoing performance, but rather to occasionally use borrowings for short term cash flow management.

4.4 Other Key Parties

Fund Custodian

Perpetual Trustee Company Limited is the Custodian in Australia. The role of the Fund Custodian is limited to receiving and holding all application money and investment funds, and distributing income to Investors under the direction of the Responsible Entity.

Offshore Fund Sub Custodian

Wells Fargo Bank NA acts as the Offshore Fund Sub Custodian in the USA. The role of the Offshore Fund Sub Custodian is to receive funds from the Offshore Custodian for the purchase of Life Policies and for the payment of Life Policy premiums, and to receive the proceeds of Life Policies upon the death of the insureds. Funds are deposited in a trust account and maintained at the office of the Offshore Fund Sub Custodian, to be held in trust until specific direction is received from the Offshore Fund. The Offshore Fund Sub Custodian holds the original copies of Life Policies and assignment documents, subject to any pledge and delivery of policies as collateral to secure any funds borrowed for the purchase of Life Policies or to pay premiums.

Manager of the Offshore Fund

LSI Management Limited, an Irish company, has been appointed as Manager of the Offshore Fund pursuant to the Management Agreement dated 4th November 2011 between the Offshore Fund and LSIM. Under the terms of the agreement, LSIM, as the Manager of the Offshore Fund has the responsibility for the management and administration of the Offshore Fund’s affairs. LSIM may delegate the performance of some of its functions as it sees fit.

Rating Agencies

One of the Policy Purchase Criteria is for policies to have been issued by an insurer with a suitable A.M. Best rating. A.M. Best provides ratings of the financial strength of insurance companies. Ratings provide an opinion of an insurance company’s ability to meet long-term obligations to its Life Policy holders arising from an analysis of the insurance company’s balance sheet strength, operating performance and business profile.

A.M. Best describes a ‘secure’ insurer as having either ‘superior’ or ‘excellent’ or ‘good’ balance sheet strength, operating performance and business profile. These companies are considered to have either a very strong or strong ability to meet their long-term financial obligations to Life Policy holders. The Investment Manager intends only to purchase Life Policies issued by
insurance companies rated secure or better by A.M. Best or similar rating agencies such as Moody's Investor Services, Fitch or Standard & Poor’s.

**Medical Assessors**

The Investment Manager has approved a number of Medical Assessors, who provide life expectancy evaluations on insured persons whose Life Policies are offered to the Offshore Fund for purchase. Medical Assessors are selected based on qualifications, experience, life evaluation methodologies and independence from insurance companies. Accurate assessment of the life expectancy of an insured is crucial to the valuation process, which will impact the performance of the Offshore Fund.
5 Investing in the Fund

5.1 The Offer

Under this PDS, Applicants are invited to subscribe for AUD Ordinary Units in the Fund.

Funds raised under this PDS will primarily be used to invest in Shares in the Offshore Fund which will invest in Life Policies.

5.2 Subscription Details

The minimum initial investment amount for an application under this PDS is:

AUD Ordinary Units – AUD$30,000 and in further increments of AUD$5,000.

The Responsible Entity may accept amounts lower than this, at its absolute discretion.

5.3 Unit Price

Units offered under this PDS will be issued at the prevailing Unit Price. AUD Ordinary Units are denominated in AUD.

The Unit Price is calculated by determining the Net Asset Value of the Fund and dividing this amount by the total number of Units on Issue. The Net Asset Value of the Fund will largely correspond with the value of the Fund’s investment in the Offshore Fund and therefore is affected by the underlying value of the Life Policies, which may fluctuate, from time to time.

The Net Asset Value of the Fund at any time is calculated by subtracting all liabilities of the Fund (including any provisions the Responsible Entity considers should be taken into account) from the value of the Fund’s Assets. Amounts subscribed by Investors for Units are excluded from this calculation of the Fund’s liabilities.

The Responsible Entity calculates the value of the Assets on at least a monthly basis, at the close of the last Business Day of the calendar month. The Unit Price, once struck, is effective for all investment applications from the 1st Business Day of the new month and remains in force until a new Unit Price is struck, usually at the beginning of the next month.

Valid investment applications received after cut-off time (currently 3.00 pm) on the last Business Day of the month will normally be held over until the new month and accordingly, will be processed at the new Unit Price struck for that new month.

Therefore, Applicants should be aware that if they lodge an investment application after the end of month cut-off time, this may result in their application being processed using a different Unit Price than that which applied when they lodged their application.

Where there is any distributable income accrued in the Fund at the time the Unit Price is struck, then the Unit Price will include a share of that accrued distributable income.

The current Unit Price can be obtained by contacting the Responsible Entity by telephone or accessing the Fund’s website at www.lifesettlementsfund.com.
5.4 **Income Distribution Calculation**

As noted earlier in this PDS, the Fund does not receive regular income and therefore (at present) does not make regular distributions to Investors. However, where in a given Distribution Period (currently each financial year, ending 30 June), the Fund has received income from the Offshore Fund, the Responsible Entity will determine the distributable income of the Fund. Unless the Responsible Entity determines otherwise, the distributable income will be the Net Income of the Fund for the relevant period.

The Net Income is calculated to give a ‘cents per Unit’ distribution rate. The amount of the distribution Investors receive will depend on the number of Units held on the last day of the relevant Distribution Period. Therefore, if an Investor disposes of their Units partway through a Distribution Period, then the Investor will not receive any distribution for that period. This is commonly referred to as a ‘rolled-up’ Unit Pricing and distribution method. For example, if (while the Fund’s Distribution Period is based on financial years ending 30th June) the Fund generates Net Income during a year, but an Investor disposes of their Units part-way through that year, then the Investor will not be entitled to participate in the distribution made following the end of the year.

5.5 **Distribution Reinvestment**

Investors can elect to receive distributions (when payable) directly to their bank account or to have them reinvested as additional Units in the Fund, at the Unit Price applicable at the time of reinvestment. There is no discount on the issue price of Units for distribution reinvestments.

The distribution instructions need to be either that all distributions are to be reinvested or paid in cash.

Investors who wish to reinvest their distributions must advise the Responsible Entity by marking the appropriate box on the application form or they can request this by writing to the Responsible Entity at any time. If Investors do not reinvest their distributions, then their beneficial ownership in the Fund may be diluted as more Units are issued to Investors who do participate in the distribution reinvestment plan. The Responsible Entity may choose to suspend the distribution reinvestment option at any time by giving notice to Investors.

In the absence of written instructions to the contrary, the Responsible Entity will assume an Investor wishes to reinvest their distributions.

5.6 **How to Request a Withdrawal**

The Fund is non-liquid under the Corporations Act if it has less than 80% liquid assets. In order for an asset to be liquid, the Board of GIAM as Responsible Entity of the Fund must reasonably expect that the property of the Fund can be realised for its market value within the period specified in the Fund constitution for satisfying withdrawal requests.

If the Fund is non-liquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such an offer, however if it does, investors are only able to withdraw their investments in accordance with the terms of the current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, withdrawal requests will be satisfied proportionately amongst those investors wishing to withdraw from the Fund.
A non-liquid withdrawal offer to Fund members will be made on a periodic basis as follows:

(a) GIAM as the responsible entity of the Fund makes a written withdrawal offer to the investors of the Fund;

(b) The withdrawal offer will specify:
   (i) the period during which the offer will remain open (this period must be at least 21 days after the offer is made);
   (ii) the assets that will be used to satisfy withdrawal requests. An amount available to satisfy withdrawal requests will be stated; and
   (iii) the method for dealing with withdrawal requests if the money available is insufficient to satisfy all requests

If you receive a withdrawal offer and wish to participate in it, you must provide GIAM with withdrawal instructions in the prescribed form. The withdrawal request form will contain the following details:

Your Investor account number, your full Investor account name and your signature; and

(a) the dollar amount or the number of Units you wish to withdraw; and
(b) a daytime telephone number; and
(c) whether you would like a cheque or direct credit (a cheque will be posted to the address on file; direct credit will be to your previously nominated account with an Australian bank or other financial institution).

If your withdrawal request would cause your investment balance to fall below the current minimum balance amount, then the Responsible Entity can treat your request as a request for a full withdrawal. The current minimum balance to be maintained is 1,000 Units. The Responsible Entity may change the minimum balance amount at any time. The withdrawal request will also be subject to a scale back on a proportionate basis in the event that demand for redemptions exceeds the fund's available liquid asset.

Once the offer closes, GIAM will pay withdrawal requests within 21 days of close of the withdrawal offer.

 Withdrawal Offers

The Responsible Entity expects withdrawal offers to be made at least twice yearly. However, the Responsible Entity cannot guarantee the frequency of withdrawal offers.

Closer to the event, the Responsible Entity will communicate formally with investors to provide the total amount available to be redeemed from the Fund, an outline of the withdrawal offer proposed, and the withdrawal price investors will receive if they redeem units.

5.7 Withdrawal Price

Like the Unit Price, the Fund’s Withdrawal Price is struck at least monthly (at the close of business on the last Business Day of each month) and is a function of the Net Asset Value at the time, divided by the number of Units on issue, adjusted by an allowance for transaction costs of up to 0.5% of the Net Asset Value of the Units to be redeemed.
The transaction costs allowance is deducted from the Net Asset Value when calculating the Withdrawal Price, to assist in covering the costs of the Investor exiting the Fund. This is to ensure remaining Investors are not disadvantaged.

As at the date of this PDS, the transaction costs allowance is 0.5% of the Net Asset Value per Unit. This is applied across all Unit classes.

5.8 Payment of Withdrawal Proceeds

If you provide us with your bank account details, withdrawal proceeds will be paid by direct credit into your nominated account. Otherwise withdrawal proceeds will be paid to you by cheque.

Where withdrawal proceeds are paid by direct credit, if the payment of your withdrawal proceeds is returned to us and remains outstanding for one month, the Responsible Entity may reinvest the proceeds in the Fund, using the Unit Price current at the time of the reinvestment transaction.

If a withdrawal-proceeds cheque remains un-presented for three months, the Responsible Entity may stop the cheque and reinvest the proceeds in the Fund, using the Unit Price current at the time of the reinvestment transaction.

5.9 Suspension of Withdrawals

The Responsible Entity may suspend withdrawals from the Fund, at its discretion, where the Responsible Entity considers it in the best interests of Investors to do so. Suspension may continue for any period the Responsible Entity determines. Any withdrawal request received during a period of suspension will be returned and the Investor will be invited to re-submit a new withdrawal request after the end of the suspension period.

However, any withdrawal request received prior to the commencement of a period of suspension, but which has not been processed, will be held over and deemed to have been received immediately after the end of the suspension period and will be processed at the applicable price upon lifting of the suspension.

Withdrawals could be suspended if, for example, the Responsible Entity considers it is unable to properly value the Fund’s investments, or if due to market conditions, the Offshore Fund does not reasonably expect to be able to sell investments in Life Policies in sufficient time to satisfy withdrawal requests. Applicants should therefore note there is always a risk that they will be unable to withdraw at a particular time.

The Offshore Fund may, by notice in writing to all Shareholders of the Sub Fund, elect to suspend redemptions of Shares in whole or in part for such period as the directors of the Offshore Fund shall consider reasonable in the following circumstances:

(a) a redemption request or the aggregate of all redemption requests received by the Offshore Fund in respect of any Dealing Day is equal to 10% or more of the total number of Shares of the Sub Fund in issue on that Dealing Day; and

(b) the directors of the Offshore Fund consider that to realise the necessary monies to satisfy the redemption requests would have an adverse effect on the interests of the continuing holders of Shares of the Sub Fund or that it is not practicable to realise the relevant amount.

In most cases if withdrawals from the Offshore Fund are suspended, the Responsible Entity will also suspend withdrawals from the Fund.
Investors will be informed in writing of any suspension to withdrawals, as well as through posting of a notification on the Responsible Entity’s website – www.lifesettlementsfund.com.

5.10 Reporting

The Responsible Entity sends regular reports to Investors to keep them updated on the progress of the Fund. The Responsible Entity will send each Investor:

(a) a quarterly transaction statement for the Investor’s account, including details of distributions, if any;

(b) report or newsletter summarising the performance of the Fund during the relevant period, together with any other Fund information.

In addition, Investors will generally be provided with:

(c) the annual financial report for the Fund each year;

(d) a tax statement each year;

(e) fund half-yearly financial statements for the six months ending 31 December.

Investors with queries can phone the Responsible Entity on the numbers provided in the directory. Investors can also access the Responsible Entity’s website at www.lifesettlementsfund.com to review general information on the Fund including Unit Pricing, portfolio information and any other various reports as they are produced.

Additionally, the Fund is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act. Continuous disclosure notices, annual and half yearly accounts must be lodged with ASIC. This information may be obtained from, or inspected at, any ASIC office. All Investors have a right to obtain copies of these documents from ASIC. Alternatively this information can be downloaded on the Responsible Entity’s website at www.lifesettlementsfund.com.

Investors who invest through an Administration Service will receive statements or reports from the operator of the Administration Service.

5.11 Transferring or Selling Your Units

You are entitled to transfer your Units to a third party at any time, subject to the transfer procedure in the Constitution. If an Investor identifies a willing purchaser, then the Responsible Entity will endeavour to assist them in the transfer process. There is no secondary market for Units, however.

The Corporations Act places some restrictions on the ability of the Responsible Entity to facilitate the sale of Units from Investors to third parties. In particular the Corporations Act restricts the Responsible Entity’s ability to introduce potential buyers to sellers or to act for both parties to the transaction.

The Responsible Entity reserves the right to apply to have the Units of the Fund listed on any appropriately regulated secondary market. However, no such application is currently pending or anticipated.
All investments carry risks. The value of investments and the level of returns may vary. Not all investment risk can be predicted or foreseen. Some of the risks that may impact upon returns and the value of your investment in the Fund are outlined below. You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, future investment contributions, other assets and investments you have and your overall tolerance to risk.

6.1 Life Expectancy Estimates to Actual Results May Vary

Life expectancy estimates compared to actual results may vary and any extension to the estimated life of the insured person will reduce the Offshore Fund’s return on investment. Conversely, where the insured person has a shorter life than originally estimated, the Offshore Fund’s return on investment will increase.

If the insured lives longer than anticipated, the payment of death benefits by the insurance company is not at risk, but the return on investment will diminish with time. In extreme circumstances, it is possible the insured may live well beyond their life expectancy in which case the cost of paying premiums, in addition to the initial cost of the Life Policy, may result in a loss to the Offshore Fund when the Life Policy matures.

It is possible that some policies will, over time, be allowed to lapse or will be on-sold, in circumstances where it becomes uneconomic for the Fund to continue making premium payments. The Unit Price and distributions paid to Investors are directly impacted by the accuracy of life expectancy evaluations on each Life Policy acquired.

To minimise this risk, the Investment Manager obtains and closely assesses the life expectancies of insureds, before offering to purchase Life Policies; and the Investment Manager has established procedures to monitor the life expectancy of insureds. Prospective Investors must be aware that estimated life expectancies can differ from the actual results, for the following reasons:

(a) estimating life expectancy is not an easy process and cannot be predicted accurately;

(b) the actual health and future development of health impairments on the lives of the insured may differ from those expected;

(c) future medical advances will impact on the treatment of the lives of those insured and may increase their longevity; and

(d) mortality rates fluctuate from year to year for a range of reasons including the severity of winter and whether or not there is a flu epidemic.

6.2 Inaccurate Premium Calculations or Unforeseen Premium Increases

Where premium calculations are incorrectly estimated, or if unforeseen increases are incurred, then the Offshore Fund will be required to fund the excess amounts, which will affect the profitability of the Offshore Fund and the distributions paid to the Fund and ultimately Investors.

To assess each Life Policy, the Investment Manager will obtain and review at least one Life Policy premium illustration from the insurance company for a period substantially in excess of the insured’s estimated life expectancy period. Premium illustrations are used to estimate future
premium commitments. Where annual premiums are likely to vary, the premiums will be estimated by the Provider and will be factored into the Life Policy bid offer prices.

To help mitigate the risk explained above, the Investment Manager ensures that every Life Policy has its premium burden reviewed at least annually.

### 6.3 Misrepresentations or Fraud by the Insured or Third Parties to the Transaction

False or misleading information, or the withholding of information from or by the insured or third parties to the transaction, could substantially affect the life expectancy evaluation of an insured. However, the opinions of the independent Medical Assessors provide independent medical evaluations to mitigate this risk.

At the time of contracting to sell their Life Policy to the Offshore Fund, the insured will agree to provide updated medical records to the Medical Assessors on an annual basis for the purpose of life expectancy reassessment. The Investment Manager will monitor the insured’s health and may reassess life expectancy where the insured lives beyond the original life expectancy period.

### 6.4 Errors in Analysing Life Insurance Policies

Experienced assessors will review Life Policies on behalf of the Investment Manager and will provide comprehensive written reports. Although the assessors are experienced in analysing Life Policies suitable for Life Settlements, there is a possibility of error. The assessors’ substantial experience and expertise in underwriting policies for Life Settlements will help mitigate the risk of mistakes of this nature.

If the assessors fail to notify the Investment Manager of all relevant information, then there could be adverse consequences that would affect the performance of the Offshore Fund.

### 6.5 Unavailability of Suitable Policies

Although there is a growing awareness of the Life Settlement industry in the USA, the availability of Life Policies is increasing, as is the competition for Life Policies. As a result, there is no assurance that Providers and LSIIFSL will be able to source sufficient suitable Life Policies to meet the Offshore Fund’s ongoing requirements. This may have a negative impact on the expenses in operating the Offshore Fund.

### 6.6 Lawsuits by Former Beneficiaries

There is the possibility that a former family member or beneficiary may challenge a Life Settlement transaction, claiming it is void because of undue influence, duress, or unsoundness of mind. Where these claims are made, then there is a risk the proceeds from a matured Life Policy will not be realised by the Offshore Fund or proceeds will be shared with the family member or beneficiary.

The Offshore Fund’s Policy Purchase Criteria require the execution of a beneficiary waiver or an affidavit regarding the policy owner’s intent to dispossess the current beneficiary, as well as the execution of a ‘sound mind statement’ from the insured’s attending physician, if applicable. It is believed the implementation of these procedures will minimise the risk of such challenges.

### 6.7 Regulatory Intervention

Life Settlement transactions in some States of the USA are unregulated. However, a growing number of States have introduced regulations which are administered by the State Departments of Insurance; and in a small number of States the transactions are recognised as a security and are administered by State Securities Commissions. Providers who source Life Policies offered to
the Offshore Fund are required to be licensed in those States that require licensing and as such they must maintain a good working relationship with the regulatory authorities.

There can be no assurance that future regulations will not be introduced which could adversely affect the ability of Providers to continue participation in the Life Settlements industry, which may affect the Fund’s ability to source new Life Policies. Any adverse effect or restriction on a Provider may have a similar effect on the Fund.

6.8 Policy Acquisition Costs

The world market and demand for Life Settlements is increasing and this will affect bidding prices for Life Policies. There is a risk that this worldwide demand may increase Life Policy acquisition costs above those currently estimated, thereby requiring the Directors to reconsider the manner in which the Fund operates. Increased costs associated with the acquisition of Life Policies will reduce the performance of the Fund and the distributions paid to Investors.

The Investment Manager has identified the return on investment that it considers to be reasonable for the Offshore Fund and will closely monitor the costs of Life Policy acquisitions.

6.9 Non-Compliance with Agreements

There is a risk that a party may not perform within the terms of its agreement and this could adversely affect the Fund (refer to Section 9 for a Summary of Material Documents).

To mitigate these risks the Responsible Entity has established procedures whereby the activities of all parties contracted to the Fund are subject to regular review and monitoring to ensure, as far as is reasonably possible, that all parties are acting in accordance with the terms and conditions of these agreements.

6.10 Failure of Policy Management Systems

There is a risk of systems failure in the offices of the Tracking Agents, Medical Assessors and life insurance companies, which may lead to delays in the payment of proceeds of matured Life Policies or the assessment of policies.

6.11 Insolvency of Insurer

In the event that an insurer becomes insolvent or required to file for bankruptcy, there is a risk that the Offshore Fund will not receive death proceeds on its Life Policy. In some States of the USA, this risk is mitigated by guaranteed funds which typically guarantee up to USD$300,000 of coverage for each insured person where life insurance companies become insolvent. However, this will typically only cover a portion of the death proceeds that the Offshore Fund would require in order for the investment in the Life Settlement to be profitable. Therefore, in the event that a life insurer was to become insolvent, the Fund could suffer a loss.

6.12 Offshore Fund Risks

The Fund will hold Shares in the Offshore Fund and the Offshore Fund will own Life Policies. Therefore the Fund is exposed to risks associated with the performance and operations of the Offshore Fund. For example, if the Offshore Fund is unable to process withdrawals, the Fund will also not be able to process withdrawals.
6.13 Currency Risk

The Offshore Fund invests in Life Policies sourced from the USA. Accordingly, there is a risk that adverse movements in USD and AUD exchange rates will adversely affect the value of the Fund and decrease distributions paid to Investors.

6.14 Taxation Risks

Changes in taxation laws or the application of those taxation laws, in the USA, Ireland and Australia, could affect the financial performance of the Offshore Fund and the Fund. The Responsible Entity is unable to formulate a mitigation strategy as the effect of any changes in taxation laws, or the application of such laws from time to time, are unknown.

The Offshore Fund currently claims exemption from taxation in the USA under a Tax Treaty entered into by the USA and Ireland (Tax Treaty). However, there is a risk that the tax status of the Offshore Fund could change or the US Internal Revenue Service could determine that the Offshore Fund is not entitled to rely upon the Tax Treaty, and therefore seek to impose withholding tax or net basis corporate income tax (resulting in potential state and local income taxation as well) on the Offshore Fund in relation to the net proceeds from Life Policies that reach maturity.

The Offshore Fund also claims an exemption from taxation in Ireland, on the basis that the Offshore Fund is an ‘Investment Undertaking’. Provided the Fund provides to the Offshore Fund a declaration stating that it is a ‘Foreign Person’, the Fund should not be subject to Irish tax on income or gains on its Shares. However, there is a risk that the tax status of the Offshore Fund could change or that Irish Revenue authorities could determine that the Fund is subject to Irish tax in relation to its Shares in the Offshore Fund.

Changes to Australian tax laws could also adversely affect the performance of an investment in the Fund. A number of key tax reform measures are currently being developed that are likely to impact the Australian taxation consequences associated with the Fund. For further information refer to section 8.

6.15 Liquidity of an Investment in the Fund

There is no organised secondary market for the Units issued under this PDS and therefore, Investors run liquidity risk if they want to dispose of their Units and are unable to find a buyer for those Units.

There is always a risk that the Responsible Entity may need to suspend withdrawals from the Fund.

Accordingly, Investors should always treat their investment in the Fund as primarily a medium to long term one, as there is a risk that they will be unable to withdraw at a particular time.

6.16 World and Domestic Events May Affect the Fund’s Performance

There is a liquidity risk if the Offshore Fund is unable to convert policies into cash. This in turn could affect the ability of Investors to withdraw their investment in the Fund.

Domestic and international economic, social and political events can impact currency exchange rates and the level of commercial and investment activities in all markets, including the Life Settlements market in the U.S. The Responsible Entity is unable to accurately quantify the effect of these factors, if any, on the performance of the Fund. However, as noted earlier, the liquidity of the Life Settlements market might adversely impact on the availability of withdrawals from the Fund.
6.17 Compliance Risk

The Fund is a managed investment scheme and the Responsible Entity is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If the Responsible Entity does anything to jeopardise its Australian Financial Services Licence, then ASIC may take action to suspend or revoke the licence, which in turn could adversely impact the Fund.

6.18 Service Providers Risk

The Offshore Fund depends upon the expertise and experience of service providers and their directors and employees. If the service providers do not perform as expected this may negatively impact upon the performance of the Fund.

6.19 Changes to Law

The impact of actions by a government including changes to laws, regulations and government policies, including matters such as laws affecting the regulation of life insurance, taxation and financial services regulation may affect the financial performance of the Fund.

6.20 Borrowing Risk

The Offshore Fund may borrow to invest in Life Policies, or (as mentioned earlier in this PDS) it may acquire Life Policies which are already encumbered. That is, there may be an element of debt funding to investments the Offshore Fund makes. When an investment is geared, the potential for gains and losses is greater.

However, once again the Offshore Fund’s policy is not to substantially gear the portfolio and to keep any borrowings for premium funding or liquidity purposes short term.

At the time any of the Offshore Fund’s loans need to be refinanced, interest rates may be higher. If they are, then returns to the Fund and Investors could be affected accordingly. If interest rates rise substantially, then refinancing may not be possible. In such an event, some of the Offshore Fund’s assets (including Life Policies) may have to be sold at short notice, which may affect the price achievable. This would have a negative effect on the performance of the Offshore Fund and the Fund.

As with any loan, if there is a breach of conditions associated with the borrowings, then the lender may enforce its security and, amongst other things, sell the Offshore Fund’s assets against which the loan was secured. Assets may have to be sold at unfavourable prices, which would lead to loss.
7 Fees and other costs

7.1 Consumer advisory warning

The below consumer advisory warning is required to be included by law and is standard across all managed investment products.

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

7.2 Fees and other costs

The table below shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund’s Assets as a whole. Information about taxation is set out in Section 8 of the PDS. Unless otherwise specified, the fees and other costs shown in this section include GST less any input tax credits or reduced input tax credits claimable by the Fund (if applicable). There is no separate payment required from Investors to meet these fees and expenses. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

<table>
<thead>
<tr>
<th>Type of fee or cost</th>
<th>Amount</th>
<th>How and when paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees when money moves in or out of the Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment Fee: The fee to open your investment.</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Contribution Fee: The fee on each amount contributed to your investment.</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
### Type of fee or cost

<table>
<thead>
<tr>
<th>Type of fee or cost</th>
<th>Amount</th>
<th>How and when paid</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Withdrawal Fee:</strong> The fee on each amount you take out of your investment.</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Termination Fee:</strong> The fee to close your investment.</td>
<td>Nil</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

### Management costs

The fees and costs for managing your investment.¹

<table>
<thead>
<tr>
<th>Management fee: 2.0% per annum of the value of the Assets.</th>
<th>Payable by the Fund monthly in arrears, generally within 7 days of the end of the month.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Recoveries: Estimated to be 0.5% per annum of the value of the Assets.</td>
<td>Payable by the Fund as and when expenses are incurred.  If expenses are initially paid by the Responsible Entity, then it is entitled to be reimbursed upon presentation of relevant invoices.</td>
</tr>
<tr>
<td>Removal Fee: 5.125% of the value of the Assets.</td>
<td>Payable if the Responsible Entity is removed as responsible entity of the Fund, on the day before that removal takes effect.</td>
</tr>
</tbody>
</table>

### Service Fees

| Investment Switching Fee: The fee for changing investment options. | Nil                        | Not applicable |

For further information on ‘Management costs’ refer to later part of this section – Additional explanation of fees and costs.

#### 7.3 Example of annual fees and costs

The table below gives an example of how the fees and costs for the Fund can affect your investment over a one year period. Investors should use this table to compare this product with other managed investment products.

<table>
<thead>
<tr>
<th>Example</th>
<th>Balance of $50,000 with a contribution of $5,000 during year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Fees</td>
<td>Nil</td>
</tr>
<tr>
<td>PLUS Management Costs</td>
<td>2.50% per annum¹,²</td>
</tr>
<tr>
<td><strong>EQUALS Cost of Fund</strong></td>
<td></td>
</tr>
</tbody>
</table>

¹ This is the Fund’s current ‘indirect cost ratio’ or ‘ICR’ (based on the half year ending 31st December 2011) – Refer to later part in this section – ‘Other important disclosure items’, for more information.

² Additional fees may apply (refer below, and to the later part in this section – ‘Additional explanation of fees and costs’), however these have not been included in the above calculations, because whether they are charged will depend on whether or not certain things occur, so they are therefore not typical ongoing fees for the Fund.
The management costs calculation above also does not take into account the additional $5,000 contributed during the year, as it depends on the timing of the inflows. The additional fees which may apply include the following:

**Removal Fee**

If GI Asset Management Limited is removed as Responsible Entity of the Fund, then this fee will be payable.

### Additional explanation of fees and costs

#### Management costs

Management costs include a base management fee, expenses relating to the management of the Fund, a performance fee (if applicable) and an asset disposal fee (if applicable); with further details as follows:

**Base management fee**

The Responsible Entity is entitled to a management fee for managing the Fund’s investments. Currently, the management fee comprises 0.5% per annum paid to the Responsible Entity for managing the Fund and 1.5% per annum paid indirectly to LSIM in relation to the Fund’s investment in the Offshore Fund. For every $50,000 of Assets, the annual management fee would be $1,000. It is calculated monthly and payable in arrears out of the Fund. Expenses relating to the management of the Fund.

The Responsible Entity is entitled to be reimbursed for or have paid by the Fund, expenses related to the operation of the Fund, including custodial fees, legal fees, agent and management fees paid to third party managers or administrators, brokerage fees and valuation fees. The Responsible Entity is also entitled to be reimbursed for the expenses it has incurred in establishing or promoting the Fund.

For example, if the Responsible Entity incurs expenses of $1,000 (including GST) in relation to the establishment and operation of the Fund, then the Responsible Entity is entitled to recover $1,000 (including GST) from the total assets of the Fund.

**Performance fee**

Under the Constitution the Responsible Entity is entitled to a performance fee.

The performance fee payable is 20.5% of the amount by which the Net Income for the Fund in any Distribution Period exceeds 10% (on a per annum basis) of the Net Asset Value of the Fund (as at the last day of the immediately preceding Distribution Period).

The Responsible Entity has elected to waive its entitlement to the performance fees.

**Asset disposal fee**

Under the Constitution, the Responsible Entity is entitled to a fee of 2.05% of the consideration received by the Fund for the disposal of life insurance policies. This fee is payable upon the completion of the disposal of the life insurance policies and is payable out of the Fund.

The Responsible Entity may only charge this fee if it is required to sell policies to meet the Fund’s liquidity obligations (i.e. to meet withdrawal requests). Since Life Policies will be held by the Offshore Fund, this fee will not apply.
7.6 **Removal fee**

If GI Asset Management Limited is removed as the Responsible Entity of the Fund and is replaced by a new responsible entity, then it will be entitled to a fee of 5.125% of the value of the Fund for work done leading up to our removal. The fee is payable by the Fund the day before the removal takes effect.

For example, for every $50,000 of Assets, the removal fee would be $2,562.50.

7.7 **Other important disclosure items**

**Indirect Cost Ratio (ICR)**

The Indirect Cost Ratio (ICR) for the Fund is the ratio of the Fund’s management costs that are not deducted directly from an Investor’s Unit holding, to the Fund’s total average net Assets. The ICR shows the additional costs Investors pay by investing through the Fund, compared with buying the Assets (in this case, Life Policies) directly.

The ICR of the Fund for the half year ending 31 December 2011 was 2.39%. The Responsible Entity has estimated that the ICR for the Fund for the 12 months from the date of this PDS will not exceed 2.50%.

The calculation of the ICR includes the Responsible Entity’s ongoing management fee, fees paid to the Fund Custodian and the recoverable expenses of the Fund less input tax credits, expressed as a percentage of the average Net Asset Value of the Fund during the relevant period. The calculation of the estimated ICR for the next 12 months does not include any other fees that may be payable, as the Responsible Entity has no reasonable basis for determining any such amounts which may be payable.

If you are investing through an Administration Service, then you will also pay the fees set out in the disclosure document provided by your Administration Service operator.

**Waiver and deferral of fees and expenses**

If the Responsible Entity considers it to be in the best interests of Investors, then the Responsible Entity may waive fees (in whole or part) or may defer payment for any period. Where the payment of a fee is deferred, the fees accrue daily until paid. Interest is not charged on any accrued expenses or deferred fees.

**Limit on fees**

The Responsible Entity is not entitled to charge a separate fee in respect of the acquisition of Assets for the Fund; however, it is entitled to be reimbursed for expenses.

The Responsible Entity is not entitled to fees, recovery of costs or indemnity from the Assets in circumstances where the Responsible Entity has not properly performed its role under the Constitution or the Corporations Act.

**Goods and Services Tax**

Unless otherwise stated, all fees in this section of the PDS are inclusive of GST and reduced input tax credits. Where the Fund is entitled to an input tax credit or reduced input tax credit under the GST legislation for GST paid in respect of the services provided to it, the cost to the Fund of paying GST will be reduced proportionally.
Differential fees

The Responsible Entity may offer Wholesale Clients lower or differential fees in accordance with ASIC policy and the Constitution.

Adviser service fee

This only applies to direct Investors. Indirect investors should contact their Administration Service operator about the availability of such an arrangement.

The adviser service fee is a negotiated fee and a convenient way for you to pay your financial planner for the professional services he or she may provide. If you choose this option, the Responsible Entity will pay your financial planner on your behalf the amount agreed to by you and your financial adviser up to a maximum of 1% of your account balance per annum.

The adviser service fee is paid by withdrawing Units from your investment in the Fund – any relevant fees and tax implications will apply. Accordingly, if Investors select this option on the application form or by advising the Responsible Entity in writing at a later time, those Investors are deemed to have made a withdrawal request from the Fund each quarter such that the fee can be paid to the adviser.

The adviser service fee is payable within 30 days at the end of each September, December, March and June quarter. You can nominate either a fixed annual amount or an equivalent percentage per annum of your account balance.

When completing the application form you can nominate the start date for the adviser service fee to be deducted. If you do not nominate a start date, the adviser service fee will be deducted on the next calendar quarter following allotment. If the date falls on a weekend or public holiday, the fee will be deducted the next Business Day.

Please advise the Responsible Entity in writing to change or stop your adviser service fee deduction. The Responsible Entity will advise your financial planner of any requests to alter or cease adviser service fee deductions. The payments of the adviser service fee will also cease if the Responsible Entity suspends or cancels the withdrawal facility.

Fee changes and maximum fees

All of the fees listed in section 7 are the maximum fees the Responsible Entity is authorised to charge, except for the management fee, which under the Constitution is 3.5%. However, as at the date of this PDS, the Responsible Entity has decided to only charge management fee of 2.0% per annum. In addition, the Responsible Entity is also entitled to charge Investors a performance fee, as set out in section 7.4, but has elected to waive this fee.

The Responsible Entity is not aware of any circumstances which would require it to increase the management fee or introduce the performance fee, however if it determines to do so, then it will provide Investors with at least 12 months prior notice.

Otherwise, the Responsible Entity may only increase the fees payable if the Constitution is amended to allow the Responsible Entity to charge a higher fee. This could only be done if a special resolution of Investors (which must be passed by 75% of votes cast by Investors entitled to vote on the resolution) is passed approving the amendment at a meeting of Investors.

Buy/sell spread

The buy/sell spread is the difference between the Unit Price to acquire a Unit and the exit price (or Withdrawal Price), received by an Investor upon withdrawing a Unit from the Fund. This
difference is due to the Responsible Entity factoring in transaction costs so that, in order to be fair to each Investor, each Investor contributes toward the Fund’s costs of Investors exiting.

The Unit Price is not adjusted at the time an Investor applies for Units in the Fund. The Unit Price is calculated in accordance with the Constitution and is a function of the Net Asset Value and the number of Units on issue. Therefore the buy spread is nil.

At the time of any redemption by an Investor to calculate the Withdrawal Price, the Responsible Entity adjusts the Unit Price of a Unit by the transaction of 0.5% of the Net Asset Value per Unit. The sell spread is therefore 0.5%. The Constitution allows the Responsible Entity to apply transaction costs of up to 0.5% of the Net Asset Value of the Units to be redeemed.
8 Taxation

8.1 Explanation

Please note that the comments below are based on current taxation law as at the date of this PDS. A number of key tax reform measures are currently being developed that are likely to impact the Australian taxation consequences associated with an investment in the Fund. For example, the Australian Government is currently reviewing the taxation of trusts generally as well as proposing to introduce a specific MIT regime from 1 July 2014.

The Australian Government has also announced that its review of the foreign source income anti-tax deferral regime, including the rewrite of Australia’s Controlled Foreign Company (CFC) regime and the proposed introduction of the Foreign Accumulation Fund (FAF) provisions will not proceed as previously drafted.

It is unclear whether the draft legislation previously released in respect of the proposed CFC rules or the FAF rules will be wholly or partly amended. The Australian Government is expected to reconsider the CFC and FAF provisions after the base erosion and profit shifting (BEPS) work is completed by the Organisation for Economic Corporation and Development (OECD).

Investors should continue to monitor developments and draft legislation as it becomes available.

Both Australian and non-resident Investors should obtain their own independent tax advice relevant to their investment in the Fund taking into account their individual circumstances. Such advice should include the possible tax consequences of their interest as a unit holder in the Fund under the laws of Australia and their countries of citizenship, residence or domicile. Investors should also seek advice in respect of any subsequent changes to the tax legislation, case law, rulings and determinations issued by the Australian Commissioner of Taxation or other practices of taxation authorities.

The comments below assume the Fund is considered to be a managed investment trust (MIT) or treated as such for Australian tax purposes. The potential tax risks to Investors if the Fund does not meet these requirements are discussed in Section 8.6.

8.2 Australian resident unit holders

Australian Income tax

Australian resident Investors holding units in the Fund will be assessed on their share of the Fund’s net Australian taxable income (net income) to the extent they are presently entitled to such income.

The Responsible Entity will calculate the Fund’s net income for each income year. If the Fund makes a revenue tax loss for the income year, this loss cannot be distributed to Investors but may be carried forward in the Fund to offset future assessable income (including net capital gains) where certain tests are satisfied.

Income derived by the Fund and distributed to Australian resident Investors will retain its character in the hands of the Investor. Investors are expected to predominantly derive income in the form of foreign sourced dividends paid by the Offshore Fund to the Fund. Investors may also derive capital gains from the disposal of Shares held by the Fund in the Offshore Fund as part of their Fund distribution.
The Fund should hold its investment in the Offshore Fund on capital account. This is provided the Fund is a MIT for capital account purposes in relation to the relevant income year. The Fund has made an election for certain capital gains tax (CGT) assets (including shares) to be dealt with under the CGT rules.

If the Fund disposes of its shares in the Offshore Fund, any capital gain on the disposal must be included in the Fund’s calculation of its net capital gain for the relevant income year. If the Fund has held those shares in the Offshore Fund for greater than 12 months, the CGT discount (CGT discount) should apply such that only 50% of the capital gain after offsetting capital losses is included in the Fund’s net capital gain. The net capital gain of the Fund will be included in the net income of the Fund and distributed to Investors in proportion to each Investor’s investment in the Fund.

To the extent the Fund incurs a net capital loss for the relevant income year, the loss will be quarantined within the Fund (i.e. not distributed to investors) and carried forward to offset any future capital gains derived by the Fund.

In calculating their assessable income for the income year, Australian resident Investors that are individuals and trusts should ‘gross-up’ to 100% any discounted capital gains distributed to them by the Fund and after applying any eligible capital losses that have been incurred in their own right, reduce any remaining capital gain by 50%. Investors that are complying superannuation funds (and certain other prescribed entities) should be entitled to reduce any remaining capital gain by 33 1/3% after ‘grossing –up’ discounted capital gains and applying capital losses. Corporate investors are not eligible for the CGT discount.

Australian resident investors that hold their Units on capital account will be required to calculate a capital gain or loss on disposal of their Units in the Fund. The most likely method of disposal of Units is by way of sale or redemption. Comments in this section do not consider the tax position of Investors that hold their Units on revenue account.

Australian resident Investors that are individuals and trusts should be eligible to reduce any capital gain made on disposal of their Units by 50% after applying capital losses incurred in their own right where they have held their Units in the Fund for more than 12 months. Similarly, Investors that are complying superannuation funds (and certain other prescribed entities) should be eligible to reduce any capital gain by 33 1/3% after applying capital losses where they have held their Units for more than 12 months. Corporate investors are not eligible for the CGT discount.

An Australian resident Investor’s total capital gains and capital losses in a year of income from all sources are aggregated to determine whether there is a net capital gain or loss. Any net capital gain for the year is included in an Investor’s Australian assessable income and is subject to income tax at their marginal tax rate. Net capital losses cannot be used to offset other income but may be carried forward to offset future capital gains.

If foreign income tax is directly imposed on income derived by the Fund (e.g. dividend withholding tax) that is distributed to Investors and included in their Australian assessable income, subject to certain limits, Australian resident Investors may be eligible for a foreign income tax offset (FITO) in respect of the foreign tax paid. Based on advice obtained to date by the Responsible Entity, Irish dividend withholding tax should not be imposed on dividends paid by Offshore Fund to the Fund.

The Responsible Entity does not expect to derive CFC income in respect of the Fund’s investment in the Offshore Fund. However, please refer to comments in Section 8.5 below outlining the tax consequences and potential tax risks in the event the Fund derives assessable CFC income.
The Responsible Entity will inform Investors of the components of any distribution in their annual tax distribution statements including any discounted capital gains and tax-deferred amounts.

### 8.3 Non-resident Investors

The Responsible Entity of the Fund will not seek to withhold Australian tax from distributions to non-resident Investors to the extent such distributions relate to foreign source dividends derived by the Fund from the Offshore Fund and foreign source capital gains from the disposal of Shares in the Offshore Fund, anticipated to be the ongoing sources of net income of the Fund.

For income years commencing on or after 1 July 2012, the Responsible Entity will withhold tax at the rate of 15% or 30% on any fund payments made to non-resident investors. In 2012, the Government amended the law to increase the MIT final withholding tax rate from 7.5% to 15% for fund payments from MITs to a resident of an information exchange country made on or after 1 July 2012. In limited circumstances, the MIT withholding tax assessment provisions may not apply and the Responsible Entity maybe required to withhold tax at the rate of 45% on fund payments made to non-resident investors.

Given the anticipated nature of distributions, this should not significantly impact the non-resident investors in the Fund.

Fund payments comprise Australian source net income other than dividends, interest, royalties, capital gains and losses from CGT assets that are not taxable Australian property and amounts that are not from an Australian source. This tax is considered a final tax. The lower withholding tax rate of 15% will apply to those fund payments where the place of payment or address of the recipient (or in certain cases the residency of the recipient) is a specified Exchange of Information country. However, given the nature of the Fund’s investments, it is not expected to make any significant fund payments to non-resident Investors.

Non-resident Investors that hold their Units on capital account should not be subject to Australian CGT on disposal of their Units in the Fund. Comments in this section do not consider the Australian tax position of Investors that hold their Units in the Fund on revenue account.

### 8.4 Pay As You Go (PAYG) Withholding

The collection of an Investors Tax File Number (TFN) is authorised and its use is strictly regulated by law. Where an Investor does not quote their TFN or claim an exemption, the Responsible Entity is required to deduct from their distributions, tax at the highest marginal rate plus the Medicare levy. Business taxpayers may quote an ABN instead of a TFN. Investors may be able to claim an income tax credit for any amounts withheld.

### 8.5 Application of Australia’s CFC rules – potential tax risk

To the extent that the Fund’s investment in the Offshore Fund is subject to Australia’s current CFC rules, this may result in the Fund deriving assessable CFC income. To the extent Australian resident Investors are made presently entitled to this income, they will be required to include their share of the CFC income in their assessable income which will form part of their net income distribution.

The CFC rules may impose record keeping requirements on Australian resident Investors (such as the keeping of attribution accounts). The Responsible Entity will provide assistance to Investors to comply with these requirements but ultimate responsibility for this rests with Investors.

Where the Fund only derives CFC income (and/or other notional income) or has no ‘distributable income’ excluding that income, there is the potential for the Responsible Entity to be taxed. The
Responsible Entity will take steps to mitigate this potential risk if in the best interests of the Investors.

**8.6 Change in MIT status – potential tax risk for Australian Investors**

As discussed in Section 8.2 above, the Fund should be a MIT for the purposes of the capital account election which operates to treat certain CGT assets (including shares in the Offshore Fund) as being held on capital account as well as a MIT for WHT purposes. If the Fund does not satisfy this requirement in relation to the relevant income year in which the disposal takes place, it is not certain that the disposal of shares in the Offshore Fund should be dealt with under the CGT rules. In this case, the disposal will be subject to the ordinary rules (i.e. no deemed CGT treatment) and may be treated as being on revenue account (or capital account). This has the potential to change the Australian tax consequences as previously outlined above. Such changes may include:

**Australian resident Investors**

If the disposal of shares in the Offshore Fund is treated as being on revenue account, gains from the disposal will not be eligible for the CGT discount. Therefore, Australian resident Investors should include the full amount of any gain distributed to them in their assessable income.

**Non-resident Investors**

If the disposal of shares in the Offshore Fund is treated as being on revenue account, the Responsible Entity will not be subject to tax in relation to a non-resident Investor’s share of the Fund’s net income attributable to gains from the disposal of shares in the Offshore Fund as such gains should be foreign sourced. Therefore, MIT status should not be a risk for non-resident Investors.

**8.7 Goods and Services Tax (GST)**

The issue, redemption or transfer of Units will not be subject to GST, and GST is not payable on distributions paid from the Fund.

GST may be incurred on services that you acquire in relation to the acquisition, disposal or redemption of units (such as legal or accounting advice). You should seek advice about whether you are entitled to claim input tax credits with respect to GST on those costs.
9 Summary of material documents

The following is a summary of certain material documents relevant to the Fund. This section does not fully describe all the provisions contained in these agreements.

9.1 Constitution

The Constitution is the primary document governing the relationship between Investors and the Responsible Entity. The Constitution declares each Unit confers on an Investor an equal and undivided interest in the assets and liabilities of the Fund as a whole but does not confer an interest in any particular asset.

Amongst other things, the Constitution deals with the following important matters that may affect Investors:

(a) defining the rights and entitlements of the Investors;
(b) powers and duties granted to the Responsible Entity to manage the Fund and its Assets;
(c) liability and indemnity of the Responsible Entity to Investors;
(d) fees and expenses payable to the Responsible Entity;
(e) calculation of the distributable income of the Fund, including when and how it is to be distributed to Investors;
(f) distribution reinvestment;
(g) the ability of the Responsible Entity to issue further classes of Units and to determine the rights obligations and restrictions applying to those classes;
(h) application procedures including the application price (i.e. Unit Price);
(i) withdrawal procedures while the Fund is liquid and illiquid, including the calculation of the Withdrawal Price; and
(j) the procedures for the transfer of Units.

The Constitution includes various procedural matters, including rights of Investors to vote at meetings, complaints handling procedures, dispute resolution procedures, reports that the Responsible Entity will prepare for Investors and the process for retirement or removal of the Responsible Entity and appointment of a replacement responsible entity.

The Constitution states the liability of Investors is limited to their investment in the Fund; however, the effectiveness of provisions of this kind is ultimately a question for the courts.

9.2 Compliance Plan

The Compliance Plan outlines the principles and procedures the Responsible Entity has in place to comply with the provisions of the Corporations Act, ASIC policy and the Constitution. The range of issues it deals with is extensive.

The Compliance Plan procedures include detail about the Responsible Entity’s back office systems for management of the Fund. These systems include computer back-up and off-site storage of
data, accounting, office security and filing. The Responsible Entity updates the Compliance Plan on an ongoing basis and regularly lodges updated copies with ASIC. The most recent Compliance Plan was lodged in February 2012.

9.3 Fund Custodian Agreement

Perpetual Trustee Company Limited acts as Fund Custodian in Australia pursuant to the custodian agreement. The role of the Fund Custodian is to receive and hold all application money, cash assets and bank accounts of the Fund, and to distribute income to Investors. The Fund Custodian will only disburse funds in accordance with the directions of the Responsible Entity. The Responsible Entity must place the relevant Assets of the Fund into the control of the Fund Custodian. The Responsible Entity indemnifies the Fund Custodian in respect of any liability the Fund Custodian may incur by reason of it acting in accordance with the Responsible Entity’s directions, or performing its other duties under this agreement as the Responsible Entity’s agent.

The Fund Custodian must only carry out instructions in respect of the Fund which are given by the Responsible Entity.

The fees payable to the Fund Custodian are included in the administration costs for the Fund, set out in Section 7.
10 Additional information

10.1 Consents

All of the firms listed below have given and have not before the issue date of the PDS withdrawn their consent to the issue of the PDS with either a reference to them or with any statements which may have been made by them included, in the form and context in which they are included. None of these firms are responsible for the issue of the PDS and nor are they responsible for any particular part of it:

(a) Perpetual Trustee Company Limited;
(b) CMG Surety, LLC and CMG Life Services Inc.;
(c) LSI Fund Services Limited;
(d) Global Insurance Settlements Funds PLC;
(e) LSI Management Limited;
(f) CACEIS Bank Luxembourg – Dublin Branch;
(g) KPMG; and
(h) McCullough Robertson.

10.2 Complaints

If you have a complaint, you should notify the Responsible Entity by telephone or by writing. The Responsible Entity will require your details and details of the complaint in order to investigate. Once a complaint is made, the Responsible Entity must, within 5 Business Days after receiving the complaint, write to the complainant to acknowledge the complaint and attempt to respond fully within 28 days. If a satisfactory resolution cannot be reached, you may lodge your complaint with the external dispute resolution service (of which the Responsible Entity is a member) Financial Ombudsman Service Limited (FOS).

The contact details for FOS are as follows:

Address: GPO Box 3, Melbourne, Vic 3001
Phone: 1300 780 808 (only available within Australia)
Phone: +61 3 9613 7366 (Overseas callers)
Fax: +61 3 9613 6399
Email: info@fos.org.au
Web: www.fos.org.au

Please note, those persons who have invested in the Fund through an Administration Service should contact the operator of that service for the resolution of a complaint.
10.3 Environmental and ethical considerations

Whilst the Responsible Entity intends to conduct its affairs in an ethical and sound manner, the Fund's investment criteria do not include giving additional weight to labour standards, environmental, social or ethical considerations when making or realising investments.

10.4 Continuous disclosure

The Fund is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act. The Fund must lodge annual and half yearly accounts and notice of other important events with ASIC. This information may be obtained from, or inspected at, any ASIC office. All Investors have a right to obtain copies of these documents from ASIC.

You also have a right to request a copy of certain documents from us when they become available and the Responsible Entity must send you a copy (free of charge). The Responsible Entity will include the majority of these documents on its website at: www.lifesettlementsfund.com.

10.5 Cooling-off

A 14-day 'cooling-off period' will apply to your investment in the Fund, although there is no cooling-off period for Units in a reinvestment of distributions.

If, during the 14-day cooling-off period, you decide the investment does not meet your needs, then simply advise us in writing. The 14 day period starts the earlier of the day you receive the transaction confirmation, or 5 Business Days after your Units are issued. The Responsible Entity will refund your investment at the Withdrawal Price on the day the request is received, less tax or duty incurred. The Withdrawal Price will be different to the application price (i.e., Unit Price), as the price may vary according to movements in the net value of the Fund, and transaction costs are deducted. The amount returned to you may be less than your original investment.

It should be noted this cooling-off right will end if you choose to exercise any right or power as an Investor, before the end of the 14 day period.

Under normal circumstances, refunds are made within 7 Business Days of your request.

10.6 Administration Service disclosure

The Responsible Entity authorises the use of this PDS as disclosure for those who wish to access the Fund through an Administration Service where the operator of the service has provided the Responsible Entity with a written undertaking in accordance with ASIC requirements. A person who invests in the Fund through an Administration Service does not become an Investor in the Fund. The operator of the Administration Service acquires these rights and can exercise them, on behalf of the Investor, according to arrangements governing the Administration Service.

To direct an Administration Service to invest in the Fund, the Investor will need to complete the application form for that Administration Service. Additional investments, withdrawals or transfers must also be directed through the operator of that service. Those who invest through an Administration Service will have their income dealt with according to their agreement with the operator of that service.

10.7 Privacy policy

We recognise your privacy is important to you. This policy provides you with information on the collection, storage, use and disclosure of your personal information.
We will not collect any personal information about you unless you have knowingly provided information to us or authorised a third party to provide information to us. We will only collect, maintain and use personal information about you if it is necessary for us to adequately provide the services you have requested.

You may elect to not give us any of the personal information requested, however without this information we may not be able to process your investment. By signing the application form attached to this PDS you authorise us to collect, maintain, use and disclose your personal information in the manner set out in this privacy statement.

You may request access at any time to personal information held by us about you and ask us to correct it if you believe it is incorrect or out of date.

We will not use or disclose personal information collected by us for any purpose other than:

(a) the purposes for which it was provided or a secondary related purpose where you would reasonably expect us to use or disclose the information;

(b) where you have consented to such disclosure; or

(c) where required or authorised under law, in circumstances relating to public health and safety and in connection with certain operations by or on behalf of an enforcement body.

We are obliged under the Corporations Act to maintain certain transaction records and make those records available for inspection by ASIC. In addition, we may contract external parties to conduct due diligence, compliance or financial audits. This may involve the disclosure of your personal information.

If you choose to invest in the Fund, then your information may be used to:

(d) advise the Australian Tax Office (ATO) of your tax file number. If you choose not to provide us with your tax file number, then tax will be deducted on behalf of the ATO from distributions payable to you, at the highest marginal tax rate;

(e) enter your details on the register of the members of the Fund, which is available for inspection in accordance with the Corporations Act;

(f) communicate with you or your financial adviser about your investment;

(g) make deposits of distributions to your nominated bank account.

We may use the personal information collected from you for the purpose of providing you with direct marketing material such as articles that may be of interest to you, however you may request not to receive such information and we will give effect to that request. Please allow two weeks for your request to be actioned. Your personal information may be provided to entities related to GI Asset Management Limited. It is a condition of our agreement with each of our representatives and staff that they adopt and adhere to this privacy policy. If you have any concerns in this regard, then you should contact us.

A copy of our privacy statement is available by visiting our website at: www.lifesettlementsfund.com.
10.8 Unit Pricing Policy

The Responsible Entity will provide a copy of the Fund’s Unit Pricing Policy to Investors free of charge, upon request. The Unit Pricing Policy sets out details of the Responsible Entity’s approach to the following:

(a) valuation methods and policies concerning other factors to determine the Net Asset Value;
(b) frequency of Unit Pricing;
(c) calculation of application and withdrawal prices, including adjustments for transaction costs; and
(d) how the Responsible Entity will manage any Unit Pricing errors.

10.9 Related party disclosures

At the date of this PDS,

a) Ian Cotton, Stephen Knott, Stephanie Nolan, Laken Mitchell and Rob White are directors of GIAM and entities associated with them beneficially own ordinary shares in LSIM and as such, they will benefit from the management fees earned by LSIM from the Offshore Fund; and

b) Ian Cotton, Stephen Knott, Stephanie Nolan are Directors of GIAM and entities associated with them beneficially own ordinary shares in LSIFSL and as such, they will benefit from transactions entered into between LSIFSL and the Offshore Fund.

c) Laken Mitchell and Rob White are Directors of GIAM and entities associated with them beneficially own ordinary shares in CMG group and as such, they will benefit from transactions entered into between CMG group and the Offshore Fund.

All contracts between GIAM, LSIM, LSIFSL, CMG group and the Offshore Fund are on arm’s length terms.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Service</td>
<td>An investor directed portfolio service or similar service, such as a master trust, wrap account or nominee or custody service.</td>
</tr>
<tr>
<td>A.M. Best</td>
<td>An organisation that provides rating reports for insurance companies worldwide (refer to Section 2 for more information).</td>
</tr>
<tr>
<td>AML/CTF</td>
<td>Anti-money laundering and counter-terrorism financing.</td>
</tr>
<tr>
<td>Applicant</td>
<td>A person who has completed and lodged with GI Asset Management Limited an application form included in or accompanied by this PDS and who has paid the application money for Units.</td>
</tr>
<tr>
<td>ASIC</td>
<td>The Australian Securities and Investments Commission.</td>
</tr>
<tr>
<td>Assets</td>
<td>All property, rights and income of the Fund, including Shares.</td>
</tr>
<tr>
<td>Australian dollars or AUD</td>
<td>The lawful currency of the Commonwealth of Australia.</td>
</tr>
<tr>
<td>AUD Ordinary Units</td>
<td>A Unit class in the Fund denominated in AUD.</td>
</tr>
<tr>
<td>Business Day</td>
<td>Any day other than a Saturday, Sunday or public holiday in Gold Coast, Australia.</td>
</tr>
<tr>
<td>Compliance Plan</td>
<td>The document as amended from time to time, which outlines the principles and procedures which the Responsible Entity invokes for compliance with the provisions of the Corporations Act, ASIC policy and the Constitution.</td>
</tr>
<tr>
<td>Constitution</td>
<td>The document establishing the Fund and governing the relationship between the Responsible Entity and Investors, as amended from time to time.</td>
</tr>
<tr>
<td>Contestability Period</td>
<td>This is the time period during which an insurance company may terminate a Life Policy for various reasons. The period is typically two years from the date the Life Policy commences. A Life Policy becomes non-contestable after premiums have been paid for the Contestability Period, after which time the insurance company cannot, generally, refuse payment of the Life Policy benefits (exceptions may apply).</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>The Corporations Act 2001 (Commonwealth) for the time being in force together with the regulations.</td>
</tr>
<tr>
<td>Custodians</td>
<td>The Fund Custodian, Offshore Custodian and the Offshore Sub Custodian.</td>
</tr>
<tr>
<td>Dealing Day</td>
<td>has the meaning provided in section 5.6.</td>
</tr>
<tr>
<td>Director</td>
<td>A director of the Responsible Entity.</td>
</tr>
<tr>
<td>Distribution Period</td>
<td>Any period in relation to which the Responsible Entity declares a distribution.</td>
</tr>
<tr>
<td>Face Value</td>
<td>The payment amount set out in a Life Policy which is payable on the death of the insured or upon maturity of the Life Policy.</td>
</tr>
<tr>
<td>Fund</td>
<td>Life Settlements Wholesale Fund ARSN 110 346 695.</td>
</tr>
<tr>
<td><strong>Fund Custodian</strong></td>
<td>Perpetual Trustee Company Limited ABN 42 000 001 007, or such other custodian appointed by the Responsible Entity from time to time to hold the assets of the Fund that are located in Australia.</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>GST</strong></td>
<td>has the meaning given to that term in the GST Act.</td>
</tr>
<tr>
<td><strong>Investment Manager</strong></td>
<td>Life Settlements Funds Limited, the holding company of GI Asset Management Limited or any other company which is appointed, from time to time, as investment manager of the Offshore Fund.</td>
</tr>
<tr>
<td><strong>Investor</strong></td>
<td>A person who holds Units.</td>
</tr>
<tr>
<td><strong>Life Policy</strong></td>
<td>A USA policy of life insurance, most commonly the category known as universal life policies.</td>
</tr>
<tr>
<td><strong>Life Settlement</strong></td>
<td>The transfer of the beneficial interest in an existing Life Policy to a third party in return for a cash settlement of a sum less than the Life Policy’s Face Value. The purchaser is entitled to the net death benefit from the insurance company upon the death of the insured.</td>
</tr>
<tr>
<td><strong>LSIFSL</strong></td>
<td>means LSI Fund Services Limited, an Irish company which acts as a Life Policy acquisition adviser or fund servicer for the Offshore Fund.</td>
</tr>
<tr>
<td><strong>LSIM</strong></td>
<td>means LSI Management Limited, an Irish company, with an office in Dublin, appointed as Manager of Global Insurance Settlements Funds PLC. LSIM provides investment, registrar and administrative services to the Offshore Fund.</td>
</tr>
<tr>
<td><strong>Medical Assessor</strong></td>
<td>A person, company or entity that is licensed to provide independent life evaluations and/or insurance underwriting.</td>
</tr>
<tr>
<td><strong>Mortality Table</strong></td>
<td>An actuarial table of anticipated death rates for various age groupings, normally expressed as deaths per thousand.</td>
</tr>
<tr>
<td><strong>Net Asset Value</strong></td>
<td>The total value of the Assets of the Fund less all liabilities of the Fund, calculated in accordance with the Constitution.</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>The net taxable income of the Fund, for the relevant financial reporting period, calculated in accordance with Australian Accounting Standards, but excludes any increase in the valuation of the Fund’s Assets.</td>
</tr>
<tr>
<td><strong>Offer</strong></td>
<td>The offer under this PDS to acquire Units.</td>
</tr>
<tr>
<td><strong>Offshore Custodian</strong></td>
<td>CACEIS Bank Luxembourg – Dublin Branch.</td>
</tr>
<tr>
<td><strong>Offshore Fund</strong></td>
<td>Global Insurance Settlements Funds PLC, an investment company established and governed under the laws of Ireland.</td>
</tr>
<tr>
<td><strong>Policy Purchase Criteria</strong></td>
<td>The criteria applied by the Responsible Entity to the selection of policies, summarised in Section 2.</td>
</tr>
<tr>
<td><strong>Providers</strong></td>
<td>A person or entity that is appropriately licensed and satisfies the selection criteria set out in Section 4; which has been appointed by LSIFSL to provide services in relation to the sourcing of Life Policies.</td>
</tr>
</tbody>
</table>
Responsible Entity
GI Asset Management Limited or any other company which is appointed, from time to time, as the responsible entity of the Fund.

Shareholder
means a person who holds a Share.

Share
means a share in the Offshore Fund, in a class which has exposure to a pool of Life Policies.

Offshore Fund
Wells Fargo Bank NA, or such other custodian appointed by the Responsible Entity from time to time to hold the Life Policies of the Offshore Fund that are located in the USA.

Sub Custodian
has the meaning provided in section 4.3.

Tracking Agents
Agent who gather information about the insured's health and whereabouts, as well as providing death claim processing and reporting services. Tracking Agents are licensed (State-based) service providers authorised by the insured to monitor their mortality in accordance with strict privacy guidelines.

Units
AUD Ordinary Units or USD Ordinary Units, as the context requires.

Unit Price
The price of a Unit calculated in accordance with the Constitution.

Unit Pricing Policy
The Unit Pricing Policy adopted by the Responsible Entity, as amended from time to time.

US or USA
United States of America.

US dollars or USD
The lawful currency of the United States of America.

USD Ordinary Unit
A Unit class in the Fund denominated in USD.

We, our or us
GI Asset Management Limited.

Wholesale Client
A person who:
(a) invests at least $500,000;
(b) meets the minimum asset ($2.5 million of net assets) or income ($250,000 of gross income for the last two financial years) requirements;
(c) is a professional investor under the Corporations Act(e.g. a person who controls $10 million, has an AFSL, a Super Fund regulated by APRA or listed company).
(d) otherwise satisfies the Responsible Entity they are not required to be given a product disclosure statement under the Corporations Act.

Please note, Applicants relying on the minimum asset or income requirement must provide the Responsible Entity with a current qualified accountant’s certificate.

Withdrawal Price
The Withdrawal Price per Unit, calculated in accordance with the Constitution.

You
An Investor.
12 Instructions on how to invest

Direct Investors should complete the attached application form. Investors investing through an Administration Service should use the forms supplied by their service operator.

12.1 Minimum Investment

<table>
<thead>
<tr>
<th>AUD Ordinary Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum initial investment</td>
</tr>
<tr>
<td>Minimum additional investment</td>
</tr>
</tbody>
</table>

This applies to direct Investors. If the investment is made via an Administration Service, the minimum investment will be dictated by that service.

12.2 Payment methods

Australian Investors

To apply for Units you must use the application form. Payments may be made by wire transfer or by cheque.

Please attach your cheque to the application form made payable to ‘Perpetual Trustee Company Limited ACF Life Settlements Wholesale Fund’. Your cheque must be drawn in Australian dollars on an Australian authorised deposit taking institution and crossed ‘not negotiable’.

Overseas Investors

(a) To apply for Units you must complete the application form.

(b) Please wire transfer the application amount in cleared funds to the following bank account.

<table>
<thead>
<tr>
<th>Bank Name:</th>
<th>National Australia Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch:</td>
<td>33 Park Road</td>
</tr>
<tr>
<td></td>
<td>MILTON QLD 4064</td>
</tr>
<tr>
<td></td>
<td>AUSTRALIA</td>
</tr>
<tr>
<td>Account Number:</td>
<td>57513 0068</td>
</tr>
<tr>
<td>BSB Number:</td>
<td>084 424</td>
</tr>
<tr>
<td>Swift Code:</td>
<td>NATAAU3302S</td>
</tr>
<tr>
<td>Account Name:</td>
<td>Perpetual Trustee Company ACF Life Settlements Wholesale Fund</td>
</tr>
<tr>
<td>Account Address:</td>
<td>Level 2</td>
</tr>
<tr>
<td></td>
<td>56-58 Nerang Street</td>
</tr>
<tr>
<td></td>
<td>SOUTHPORT QLD 4215</td>
</tr>
<tr>
<td></td>
<td>AUSTRALIA</td>
</tr>
<tr>
<td>Bank Fees:</td>
<td>To be charged to remitter.</td>
</tr>
</tbody>
</table>

(c) Please dispatch the signed original documentation by courier to the following address:
GI Asset Management Limited

Street Address:

Level 2, 56-58 Nerang Street
SOUTHPORT
QLD 4215
AUSTRALIA

Or mail to:

PO Box 956
Southport BC
QLD 4215
AUSTRALIA

(d) In order to process your application form, please fax the following to GI Asset Management Limited Fax Number +61 7 5591 4375:

(i) a copy of the completed and duly signed application form;
(ii) a copy of the wire transfer receipt;
(iii) AML/CTF Identification materials.

12.3 Correct name

The type of entity you are using to purchase Units will determine how you complete the application form. Please refer to the table when completing the name of the Investor.

12.4 How to enter your name

<table>
<thead>
<tr>
<th>Type of Investor</th>
<th>Correct Form</th>
<th>Incorrect Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>✓ Peter Robert Smith</td>
<td>× P.R. Smith</td>
</tr>
<tr>
<td>Company</td>
<td>✓ Smith Building Services Pty Ltd</td>
<td>× SBS P/L Smith Building Services</td>
</tr>
<tr>
<td>Minor (under 18 years of age)</td>
<td>✓ Jane Elizabeth Smith &lt;Smith Family Trust&gt;</td>
<td>× Smith Family Trust</td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>✓ Jane Elizabeth Smith &lt;Smith Superannuation Fund&gt;</td>
<td>× Smith Superannuation Fund</td>
</tr>
</tbody>
</table>
12.5 If you are applying as an individual

The application form must be signed personally by you or your attorney(s). Joint applications must be signed by all Applicants or their authorised attorney(s). Also, please note, the full names of the two joint Applicants must appear with the second name appearing as Applicant 2 on the application form. Where there is only one Applicant you need only complete the Applicant 1 field. Where the application form is signed by an attorney, the application form must be accompanied by a certified copy of the power of attorney and a declaration of non-revocation of the power of attorney by the attorney. Correct AML/CTF identification materials must accompany the application (pursuant to the AML/CTF booklet accompanying this PDS or available at www.lifesettlementsfund.com).

12.6 If you are applying as a company

You need to sign the application form in the manner required by the Corporations Act which requires a director and secretary, or two directors, or, if the company has only one director, then just that director, to sign the application form. There is no need for you to apply a company seal. Correct AML/CTF identification materials must accompany the application (pursuant to the AML/CTF booklet accompanying this PDS or available at www.lifesettlementsfund.com).

12.7 If you are applying as a trust (family or unit trust, superannuation fund)

You need to apply in the name of the trustee and must also note the full name of the trust on the application form.

If the trustee is an individual the application form must be signed personally by the trustee or by its attorney.

If the trustee is a company you need to sign the application form in the manner required by the Corporations Act which requires a director and secretary, or two directors, or, if the company has only one director, then just that director, to sign the application form. There is no need for you to apply a company seal. Correct AML/CTF identification materials must accompany the application (pursuant to the AML/CTF booklet accompanying this PDS or available at www.lifesettlementsfund.com).

12.8 Tax File Number

Australian Investors

You do not have to provide us with your Tax File Number (TFN). However, if you do not provide your TFN the Responsible Entity may be required to deduct tax from any income paid to you at the highest marginal tax rate. You may be eligible for an exemption to provide your TFN in which case you will need to state the reason for the exemption in the application form in the space provided.

Overseas Investors

Overseas Investors are not required to provide a TFN.
12.9 **Date of Birth**

If you are applying as an individual then the Responsible Entity is required by the Corporations Act and AML/CTF Act to request and verify your date of birth.

12.10 **Acceptance of application form**

Once you have signed and returned the application form, should your application form be accepted, you will be issued Units and will become an Investor. The Responsible Entity may decide to accept or reject your application form.

Any interest earned on an Applicant’s application money pending the issue of Units will be retained by the Fund.

12.11 **Lodging the application form**

The application form, AML/CTF identification materials and the cheque for the application money should be either mailed or delivered to the following addresses:

**GI Asset Management Limited**

**Street Address:**
Level 2, 56-58 Nerang Street
SOUTHPORT
QLD 4215
AUSTRALIA

**Or mail to:**
PO Box 956
Southport BC
QLD 4215
AUSTRALIA

Alternatively, you may send your application form to your dealer or adviser who will forward the application to us.

12.12 **Distributions**

Distributions of income will be paid to you by direct deposit into an account nominated by you. Please provide your account details in the application form and check for accuracy. If you do not provide your account details for the payment of distributions you may not receive your distribution cheque until up to 10 Business Days after distributions are paid electronically into Investors’ bank accounts.

12.13 **Anti-money laundering and counter-terrorism financing**

The Responsible Entity is a ‘reporting entity’ for the purposes of the AML/CTF Act and, as such, must identify all Applicants before issuing Units to them. What documents you need to provide will depend on the type of entity you are and where you are from. Further details are set out in the AML/CTF booklet which accompanies this PDS (or is available from your adviser, at www.lifesettlementsfund.com or by contacting the Responsible Entity).

Units will not be issued to an Applicant unless satisfactory identification documents accompany the correctly completed application form. The Responsible Entity may request additional information from Applicants where it considers it necessary to satisfy its obligations under the AML/CTF Act.
# 13 Corporate directory

| **Responsible Entity** | GI Asset Management Limited ABN 77 161 434 779  
Australian Financial Services Licence No. 432510 |
|------------------------|-----------------------------------------------------------------------------------------------------|
| **Registered Office** | Level 2, 56-58 Nerang Street  
SOUTHPORT QLD 4215 AUSTRALIA  
Telephone: +61 7 5557 4700  
Facsimile: +61 7 5591 4375  
Web: [www.lifesettlementsfund.com](http://www.lifesettlementsfund.com)  
Email: admin@lifesettlementsfund.com |
| **Directors** | Ian Sidney Cotton (AAUQ) (Chairman)  
Stephen George Knott (Dip FP, SA Fin)  
Richard Laken Mitchell (JD)  
Robert Dwayne White  
Stephanie Jane Nolan (CA, BCom) |
| **Offshore Fund** | Global Insurance Settlements Funds PLC, Dublin, Ireland |
| **Fund Custodian** | Perpetual Trustee Company Limited ACN 000 001 007  
Australian Financial Services Licence No. 236643  
Sydney, New South Wales, Australia |
| **Offshore Custodian** | CACEIS Bank Luxembourg – Dublin Branch |
| **Offshore Sub Custodian** | Wells Fargo Bank NA, USA |
| **Auditors** | KPMG  
Bundall, Queensland, Australia |
| **Solicitors to the Offer** | McCullough Robertson Lawyers  
Level 11, Central Plaza Two  
66 Eagle Street  
BRISBANE QLD 4000  
AUSTRALIA |
| **ISIN** | AU60LFS00013 |
| **APIR** | LFS0001AU |
| **Bloomberg** | LIFSETW AU (General Sector) |
This form may not be handed on without a copy of PDS for the Life Settlements Wholesale Fund (Fund) or the AML booklet. You should fill in this form and provide the relevant AML/CTF identification and verification materials (new Investors only) in accordance with the AML booklet if you want to apply for Units in the Fund. Please complete this form in BLACK INK and print in the boxes in CAPITAL Letters. Mark appropriate boxes with a cross (X).

A. Investment details Units are priced at the Valuation Date

Type of investment
New ☐ Minimum application amount is AUD$30,000
Amount $ ____________________ AUD
Additional ☐ Minimum investment is AUD$5,000
Amount $ ____________________ AUD

Existing Account Name ____________________
Existing Account Number ____________________

(Complete the appropriate sections if you wish to change any details we have on record)
Cheque details: Important – Please make cheques payable to ‘Perpetual Trustee Company Limited ACF Life Settlements Wholesale Fund’ crossed ‘not negotiable’.

B. Investor Details

Applicant 1
Title ____________________ Given Name(s) ____________________ Surname ____________________
Date of Birth Day _______ Month _______ Year _______
Gender Male ☐ Female ☐ Tax File Number (Australian Resident Only) or exemption code ____________________ Code ☐

Applicant 2
Title ____________________ Given Name(s) ____________________ Surname ____________________
Date of Birth Day _______ Month _______ Year _______
Gender Male ☐ Female ☐ Tax File Number (Australian Resident Only) or exemption code ____________________ Code ☐

Company / Partnership / Superannuation Fund / Trust (please circle one)
Name of company, partnership or superannuation fund or trust ____________________
Tax File Number or exemption code and ABN
Tax File Number (Australian Resident Only) or exemption code ____________________ Code ☐ ABN ____________________

C. Contact Details

Postal Address
Unit No. ____________________ Street No. ____________________ Street Name ____________________
PO Box ____________________ Suburb/City or Town ____________________ State ____________________

Version 01/14
Post Code

Country

Home Telephone

Work Telephone

Email Address

By providing an e-mail address you are agreeing that the Responsible Entity may use this address to provide you with information about your investment such as transaction confirmations, statements and other materials.

D. Income Distribution reinvestment or payment details

A nomination in this section over-rides any previous nominations. Distributions will be re-invested unless otherwise stated.

☐ Re-invest in the Fund  ☐ Credit to my/our account

E. Reports

Copies of the annual accounts for the Fund will be available on our website at www.lifesettlementsfund.com. Please make an election below:

☐ I DO NOT wish to receive copies of the annual accounts.

OR

☐ I wish to receive copies of the annual accounts BY EMAIL (please provide a valid email address).

OR

☐ I wish to receive HARD COPIES of the annual accounts.

F. Identification materials and completed checklist are required — NEW INVESTORS ONLY

☐ I have attached completed checklist (with accredited translations if necessary) based on the type of entity investing, as set out in the AML/CTF Handbook.

☐ I have attached original or certified copies of documentation proving identification (with accredited translations if necessary) based on the type of entity investing, as set out in the AML/CTF Handbook.

G. Please complete your bank details below

Bank Name

Country

Bank Address

Account Name

BSB Number  Account Number  Swift Code (overseas investors only)

H. Adviser Service Fee

Complete this section if you have agreed with your financial adviser to have an additional service fee deducted.

Refer to Section 6 of the PDS for details.

% per annum or $  Start date dd/mm/yy

I. Declaration and signature

By completing and lodging this application form, I/we declare that:

• All the details in this application are true and correct;
• I/we have read and understood the PDS to which this application applies and agree to the Offer contained in it and to be bound by the provisions of the Constitution;

Version 01/14
If I/we have received this PDS from the internet or other electronic means, I/we declare that I/we have received it personally, or a printout of it, accompanied by or attached to the application form before making an application for Units in the Fund;

If investing as trustee, on behalf of a superannuation fund or trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of a superannuation fund, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act;

I/we have complied with all laws of the Commonwealth of Australia in relation to my/our application for Units in the Fund;

I/we have received and accepted this Offer in Australia;

The details of my investment can be provided to the dealer group or adviser shown below and external product advisers into which I/we may direct my/our investment as well as other product providers to whom I/we may transfer my/our investment;

In the case of joint applications, the joint Applicants agree that unless otherwise expressly indicated on this form, the Units will be held as joint tenants and either Investor is able to operate the account and bind the other Investor for future deposit transactions;

If this application is signed under power of attorney, the attorney declares that he/she has not received notice of revocation of the power (a certified copy of the power of attorney should be submitted with this application unless the Responsible Entity has already sighted it);

Sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;

If this application is made through a financial adviser the adviser may be entitled to receive a payment by way of ongoing service fees, including via the redemption of Units from my/our investment.

I/we have provided to my/our financial adviser or attached to this application form all documentation required for AML/CTF investor identification and verification purposes (or you are an existing Investor of the Responsible Entity and therefore do not need to provide the verification materials).

Further, by lodging this application form, I/we acknowledge:

I/we have had the opportunity to seek independent professional advice regarding the legal, tax and financial implications of subscribing to the Fund;

I/we have not relied on any statements or representations made by anybody (including the Responsible Entity or its officers, employees or agents) prior to applying, other than those representations made in this PDS; and

I/we have made an offer to become an Investor in the Fund and that offer cannot be revoked.

Joint Applicants must both sign

Signature of Applicant 1 or company officer

Print Name

Date / /  

Signature of Applicant 2 or company officer

Print Name

Date / /  

Adviser name

Adviser code

Dealer

Home Telephone

Work Telephone

Email Address

IMPORTANT NOTICE

A person who gives another person access to this application form must, at the same time and by the same means, give the other person access to the PDS.

Units in the Fund will only be issued on receipt of an Application Form issued together with this PDS and the required AML/CTF identification and verification materials.

The Responsible Entity will make available to you upon request (and at no charge to you) a paper copy of the PDS and any supplementary document. To obtain a copy, please call the Responsible Entity on +61 7 5557 4700.

The Offer under the PDS is available to people receiving the PDS within Australia.

You should read the PDS in full before completing this application form because these documents contain important information about the Fund and investment in the Fund.

OFFICE USE ONLY

Date: / /  

Check 1  Check 2  Entered  

Adviser Stamp