



LCP Insurance Linked Securities Fund - AUD Class

Information Memorandum for Wholesale Investors

ARSN 677 991 098

1 August 2024



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Disclaimers and important information

This Information Memorandum ('IM') dated 1 August 2024 relates to the offer to subscribe for Units in the LCP Insurance Linked Securities Fund – AUD Class ('the Fund') and is issued by Bennelong Funds Management Ltd ('BFML' or 'Responsible Entity') (ABN 39 111 214 085, Australian Financial Services Licence No. 296806), the Responsible Entity of the Fund.

As the Responsible Entity, BFML oversees the operations of the Fund. BFML is part of the BFM Group, an investment company that partners with boutique investment managers across the globe.

BFML is the investment manager ('Investment Manager') of the Fund.

Leadenhall Capital Partners LLP ('LCP') is the investment manager of the Leadenhall UCITS ILS Fund PLC or another fund managed by LCP (or one of its subsidiaries) with a similar investment strategy ('Master Fund').

LCP is an established London based global investment manager, wholly focused on investing in non-life insurance linked securities and life and alternative credit portfolios for institutional investors.

BFML, LCP and their related bodies corporate, associates, officers or affiliates do not guarantee the performance of the Fund or repayment of capital from the Fund.

BFML may, from time to time vary the investment strategy and process of the Fund to achieve the Fund's objectives, subject to appropriate risk management controls and guidelines. See Section 4 for further information about the risks involved in making an investment in the Fund.

Unless otherwise stated, all amounts are in Australian dollars. Fees and costs included in Section 7 are quoted inclusive of the effect of Goods and Services Tax ('GST') and net of any Reduced Input Tax Credits ('RITC') available to the Fund.

The Fund is registered as a managed investment scheme under the Corporations Act.

This IM is not a Product Disclosure Statement ('PDS') for the purposes of the Corporations Act. The level of disclosure in this IM is less than that of a PDS, prospectus or similar disclosure document.

A copy of this IM does not need to be, and has not been, lodged with ASIC.

This offer to subscribe for Units is only made to certain investors who are Wholesale Clients as defined under section 761G and 761GA of the Corporations Act or Wholesale Investors under clause 3(2) or clause 3(3)(a) of Schedule 1 of the *Financial Markets Conduct Act 2013 (New Zealand)* (see Section 6 for more information).

By lodging an Application Form in respect of the offer of Units contained in this IM, an investor declares and warrants to the Responsible Entity and Investment Manager that it is a Wholesale Client or Wholesale Investor.

This IM should be read in conjunction with the Trust Deed of the Fund, which is available from BFML Client Experience (contact details on the following page). This IM can only be used by investors receiving it (electronically or otherwise) in Australia or New Zealand. No action has been taken to register or qualify the Fund or otherwise to permit a public offering of the Units in any jurisdiction outside Australia. Accordingly, the distribution of this IM in jurisdictions outside Australia is limited and may be restricted by law. Persons wishing to invest who are not in Australia should familiarise themselves with and observe any restrictions when deciding whether or not to invest in the Fund.

No person is authorised to give any information or make any representation in connection with the investment opportunities described in this IM, which is not contained in this IM. Any information or representation not so contained may not be relied upon as having been authorised in connection with this investment.

This IM is prepared for your general information only. You should consider it in deciding whether to apply for Units. It is not intended to be a recommendation by the Responsible Entity, BFML, any associate of BFML or any other person to invest in the Fund. This IM does not take into account the investment objectives, financial situation or needs of any particular investor.

Prospective investors should rely on their own enquiries and analysis as to the merits and risks in relation to the offer and in deciding whether to invest in the Fund. BFML strongly recommends that potential investors read this IM in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the material contained in this IM.

BFML does not give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this IM, nor do any of them, to the maximum extent permitted by law, accept any liability however caused to any person relating in any way to reliance on information contained in this IM or any other communication or the issue of Units.

The information in this IM is up to date at the time of preparation. The Responsible Entity may amend or withdraw this IM at any time and may issue a new or amended IM or provide updated information to investors from time to time. The Responsible Entity is not obligated to issue a new IM or provide updated information to you unless required by the law. If you are unsure about anything contained in this IM or have any questions, please contact the Responsible Entity.

New Zealand investors: availability and selling restriction

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor who has completed a Wholesale Investor Certification or an Eligible Investor Certificate. This offer is not a regulated offer for the purposes of the *Financial Markets Conduct Act 2013* and the Fund is not registered in New Zealand. Each New Zealand investor acknowledges and agrees that:

- a) they have not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any Units in the Fund;
- b) they have not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or option over, directly or indirectly, any Units in the Fund;
- c) they have not distributed and will not distribute, directly or indirectly, an IM or any other offering material or advertisement in relation to any offer of any Units in the Fund in each case in New Zealand other than to a person who is a Wholesale Investor; and
- d) they will notify BFML if they cease to be a Wholesale Investor.

All references to Wholesale Investor in this IM are a reference to an investor who is a Wholesale Investor in terms of clause 3(2) or 3(3)(a) of Schedule 1 of the *Financial Market Conduct Act 2013* (New Zealand).

Further information

If you have any questions relating to the issue of Units in the Fund, please see contact details below



Client Experience
Bennelong Funds Management Ltd
Bennelong House
Level 1, 9 Queen Street
Melbourne Vic 3000



1800 895 388 (Aust) or 0800 442 304 (NZ)



client.experience@bennelongfunds.com

1. LCP Insurance Linked Securities Fund - AUD Class – in brief

Feature	Summary	Reference
Name of Fund	LCP Insurance Linked Securities Fund - AUD Class.	
Responsible Entity/Issuer	Bennelong Funds Management Ltd ABN 39 111 214 085 ('BFML' or 'the Responsible Entity').	Section 2
Investment Manager	Bennelong Funds Management Ltd ABN 39 111 214 085.	Section 2
Custodian	Citigroup Pty Limited (ABN 88 004 325 080).	Section 2
Administrator	Citigroup Pty Limited (ABN 88 004 325 080).	Section 2
Investment objective	The Fund's investment objective is to seek to deliver risk adjusted absolute returns by investing in a portfolio of insurance linked securities through the Leadenhall UCITS ILS Fund PLC (the 'Master Fund'). The Master Fund in turn invests in insurance linked bonds (being catastrophe bonds) and other permitted insurance linked investments, being preferred shares, closed-ended fund shares and exchange based derivatives (together 'ILS').	Section 3
Investment strategy	The Fund intends to be fully invested into the Master Fund. At the Master Fund level, LCP will analyse the structural risks, the insurance linked risks, the underwriting risks and the market risks to which the particular ILS may be exposed. In its selection of the investments which are suited to meet the Master Fund's investment objective, LCP will compare the outcome of its risk analysis with the expected return of the investment.	Section 3
Volatility/ risk level/ investment risks	High.	Section 4
Key risks	An investment in the Fund is subject to risks which are summarised in the "Investment risks" section of this IM.	Section 4
Eligible investors	Wholesale Clients as defined by the <i>Australian Corporations Act</i> or Wholesale Investors as defined by the <i>Financial Markets Conduct Act 2013 (New Zealand)</i> .	Section 6
Minimum suggested investment timeframe	Five years.	
Applications/redemptions cut off times	Applications and redemptions are generally accepted by the Master Fund on a fortnightly basis, being the first and third Friday of each month ('T'). In order to align with the application and redemption cycle of the Master Fund, the Fund will accept application and redemption requests on a T-4 basis, that being the Monday preceding the first and third Friday of each month before 2pm.	
Investment amounts	The minimum initial investment is \$400,000. Additional investment minimum: \$150,000. Minimum investment holding: \$400,000. Redemption minimum: \$400,000. Minimum investment, additional investment and redemption amounts are subject to the Responsible Entity's absolute discretion. The Responsible Entity may, at its discretion, allow individual investors to invest less than the minimum investment or additional investment amount or reduce or waive the minimum redemption amount.	Section 6

Feature	Summary	Reference
Fees and expense recoveries	<p>The Responsible Entity is entitled to receive a Management Fee of 1.10% per annum (including GST net of RITC) of the Net Asset Value calculated and paid monthly.</p> <p>As at the date of this IM, all expenses such as investment manager fees, custodian fees, administration and audit fees, and other ordinary expenses of operating the Fund are capped at 0.10% per annum (including GST net of RITC).</p>	Section 7
Buy/sell spread	The current buy/sell spread is +/- 0.20% of the value of Units being bought and sold, and on receipt is retained in the Fund.	Section 7
Application and redemption cut-off times	2.00pm Melbourne time at least 4 Business Days prior to Valuation Date.	Section 6
Income distributions	Income distributions are generally paid on a quarterly basis.	Section 6
Valuation	The investments of the Fund are generally valued as at close of business on second and fourth Friday in each month.	Section 6

2. Issuer, Responsible Entity, Investment Manager, Administrator and Custodian

The Issuer and Responsible Entity

BFML is the Responsible Entity of the Fund and the issuer of this IM and Units. BFML holds an Australian Financial Services Licence (No. 296806) which authorises it to offer and issue interests in registered and unregistered managed investment schemes to Wholesale Clients.

BFML is wholly owned by Bennelong Funds Management Group Pty Ltd ('BFMG'). BFMG provides operational support to its fully owned subsidiary BFML.

As Responsible Entity of the Fund, BFML is responsible for ensuring that the Fund is operated in accordance with the Trust Deed.

The Investment Manager

BFML is the Fund's Investment Manager.

At the Master Fund level, the investment manager is LCP.

The Administrator

The Responsible Entity has appointed Citigroup Pty Limited ('Citi') as the Administrator of the Fund. The Responsible Entity has entered into an Administration Agreement with Citi (the 'Administration Agreement'). Under the Administration Agreement, Citi will perform certain administrative, accounting and Unit registry services for the Fund, including processing applications and redemptions.

The Custodian

The Responsible Entity has appointed Citi as the Custodian of the Fund.

3. LCP Insurance Linked Securities Fund (AUD Class)

Investment objective

The Fund's objective is to seek to deliver risk adjusted absolute returns by investing into the Leadenhall UCITS ILS Fund PLC or into another Leadenhall fund with comparable investment guidelines and restrictions (the 'Master Fund'). The Master Fund in turn invests in insurance linked bonds (being catastrophe bonds) and other permitted insurance linked investments, being preferred shares, closed-ended fund shares and exchange based derivatives (together 'ILS').

ILS are primarily debt securities with an expected life which is typically between 12 months to five years and that transfer the risk of insurance events from issuers (which may be special purpose vehicles assuming risk from insurance companies, reinsurance companies, corporations or governments) to the holders of such ILS.

The ILS which the Master Fund will invest in may be exposed to all types of insurance linked risk within the property and casualty sector with the exclusion of credit and mortgage insurance risk (i.e., the insurance of trade credit risk, such as receivables and mortgages).

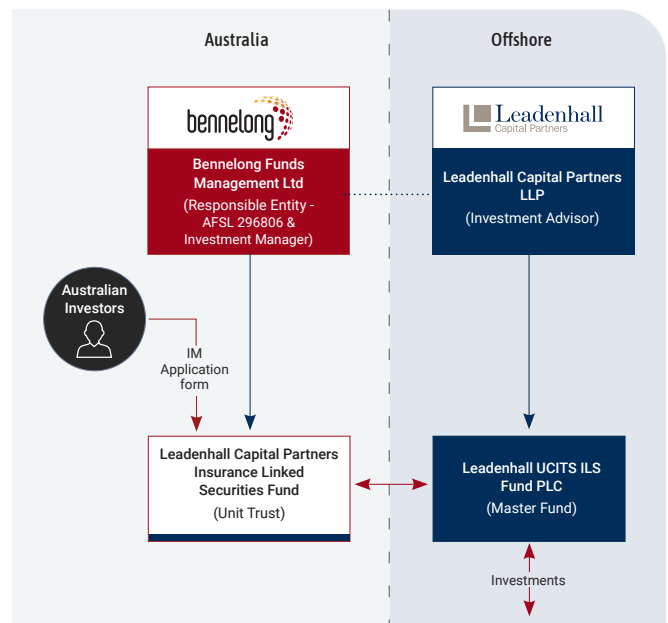
Holders of ILS receive a risk premium in the form of a yield in exchange for bearing the risk of losses from such pre-defined natural and non-natural catastrophic and insurance linked events for a specified time period. Non-insurance events and changes in financial and capital markets conditions that can affect equity markets in adverse ways are not anticipated to impact ILS returns to the same magnitude, if at all. The principal of any given ILS is potentially reduced (and subject to partial or, in some cases, total loss) upon the occurrence of an event to which the ILS is exposed.

Investment strategy

At the date of this IM, the Fund is a 'feeder fund', meaning that it indirectly gains exposure to the underlying asset class by aiming to be wholly invested in the Master Fund. The Master Fund is managed by LCP.

The Fund is a registered managed investment scheme under the Corporations Act, governed by the Fund's Constitution.

A summary of the Fund's structure can be found below:



The Fund invests into an Australian dollar denominated class of the Master Fund. The base currency of the Master Fund is US dollars and the hedging into Australian dollars is managed by LCP.

The Master Fund is an open ended investment company incorporated in Dublin, Ireland and has been authorised as an "Undertaking for Collective Investment in Transferable Securities" under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), which includes a right for the Master Fund to be marketed to investors across the European Union.

The Master Fund aims to achieve its investment objective by investing in a portfolio of ILS exposed to a range of risks and perils as set out below and by taking into account specific investment restrictions (see "Diversification and Investment Restrictions", below).

LCP will select investments to meet the Master Fund's investment objective in compliance with the investment guidelines and restrictions set out below. In selecting investments, LCP's investment professionals will design a portfolio to represent a risk and return relationship within the market compatible with the risk and return appetite of the Master Fund's investors. In building such a portfolio that seeks to achieve risk adjusted absolute returns, LCP will consider, amongst other factors, the potential return on an ILS portfolio as well as the risks to which that ILS portfolio is exposed, the potential for losses (i.e., the potential that the principal of the ILS portfolio will be reduced upon the occurrence of an event to which it is exposed) and the liquidity profile of the Master Fund.

LCP will analyse the structural risks (whereby legal, corporate or counterparty credit issues could impact the value of an investment), the insurance linked risks (whereby the risk of losses from pre-defined natural and non-natural catastrophic events, which are analysed using proprietary and vendor models available to LCP, could impact the value of an investment), the underwriting risks (whereby the impact of sponsor underwriting and operational behaviour could affect the probability of loss) and the market risks to which the particular ILS may be exposed. In its selection of the investments which are suitable for meeting the Master Fund's investment objective, LCP will consider the outcome of its risk analysis relative to the expected return of the investment. As part of this process, LCP weighs whether any finding from its risk analysis would, in its opinion, make the investment unsuitable for the portfolio (due to elements such as the probability of a loss event, insufficient data for a proper risk assessment, the poor underwriting quality of the protection buyer, exposure to potential conflicts of interest on the part of the protection buyer, loose structural features potentially leading to potential disputes or an undesired exposure to one or more counterparty risks).

The ILS that the Master Fund may acquire fall into one of four categories of instrument: insurance linked bonds, preferred shares, closed-ended fund shares and exchange based derivatives. These are each considered in turn below together with a note describing the insurance linked risks to which ILS may be exposed and how those risks relate to ILS.

Insurance and reinsurance risks relating to ILS

The ILS which the Master Fund will invest in may be exposed to a range of insurance linked risk within the property and casualty reinsurance sector (with the exclusion of credit and mortgage insurance risk, as outlined above).

The property and casualty business sector can be generally understood as the combination of exposures to potential loss due to one of or a combination of insurance exposures, including but not limited to:

- losses to property: physical damage to property and other assets and/or a loss of property for reasons including but not limited to natural catastrophe or man-made perils such as fire, blast (i.e., explosions), pollution, nuclear contamination, other radioactive contamination and as a consequence of an act of war, of terror or political violence;
- agricultural losses: losses to agricultural business lines whether by natural perils, fire, pest, pollution, rainfall, drought or other insurance related risks;
- business interruption risk: business interruption (including but not limited to) loss of income arising from the closure of a plant or a commercial enterprise due to damage or concerns about the health and safety of a site and/or contingent business interruption (business continuity issues or the unavailability of an asset or a component in the supply chain due to war, terrorism or governmental intervention such as a state of emergency);
- operational risk: the insurance linked risk arising from claims due to liabilities associated with operational errors and other operational issues giving rise to liabilities and affecting a large organization; for example, the liabilities of a financial institution to its clients and other stakeholders. Operational risk insurance generally excludes fines payable by the protection buyer;
- casualty risk: all forms of insurance liability risk of commercial enterprises or of individuals (such as for example liabilities arising from pollution, contamination, a side effect of medical treatment, or motor and other accidents), insurance linked liabilities to employees and other stakeholders, directors and officers liabilities in connection with their roles and staff liabilities due to errors made in their functions as well as all liabilities associated with motor insurance risks such as vehicle repair, loss of lives, and indemnification for temporary or permanent medical treatment and medical assistance;
- marine risk: including but not limited to the loss of a ship, a vessel or an off-shore energy installation (such as an oil rig), including the loss of value of the equipment, cargo and any consequential liability to include loss of lives, medical treatment, pollution and the removal of a wreck;
- aviation and satellite risk: including but not limited to the risk of loss arising from damage to aircraft or the loss of aircraft including any consequential liability to include loss of lives, damage to property at a crash site and search of equipment whether on land or at sea;
- cancellation risk: including but not limited to the financial loss arising out of the cancellation of any event (e.g., sporting event or concert) where sponsors and/or spectators pay in advance of the day of attendance;
- terror risk: including but not limited to the risk of damage to property and/or loss of lives and costs of medical treatment as a consequence of an act of terrorism;
- political violence risk: including but not limited to the risk of damage to property and/or loss of lives and costs of medical treatment as a consequence of riots and political unrest; and/or
- cyber risk: the risk of any monetary loss due to a successful cyber attack, including but not limited to loss to property, liabilities for data breach, and ransomware.

Losses to investments in ILS are typically based on:

- the amount of actual losses suffered by the sponsor of the transaction (typically an insurance or a reinsurance company buying protection from the entity issuing the ILS); or
- reference to a given level of losses suffered by the insurance industry in connection with the insurance events mentioned above; or
- reference to a series of measurements (such as for example the wind speed during a hurricane or the moment magnitude of an earthquake); or
- the modelled output of a professional modelling company which generates a modelled loss index typically using either physical parameters (such as wind speed and/or moment magnitude of an earthquake) or industry loss data as input to the model which is then used to simulate the loss for the protection buyer.

Protection buyers acting as sponsors for ILS include or can include insurance companies, reinsurance companies, governmental entities, corporations, and financial institutions.

An insurer may buy protection against disasters in the form of a catastrophe bond (transferring the risk to investors) rather than purchasing traditional catastrophe reinsurance.

The issuer (the insurer or sponsor) creates a special purpose vehicle (SPV) for a specific disaster. Investors contribute the principal, which is transferred to a collateral account of the SPV, and receive coupon payments from the issuer until maturity, which is generally around three years. If the defined risk does not occur, then the principal is repaid. If the disaster strikes, then the entire or partial principal will be used to compensate the issuer for damages.

Insurance linked bonds

The market for insurance linked bonds is relatively recent, and as such there is a high degree of innovation as structures embedding insurance linked risk are offered to the capital markets. The Master Fund will invest in insurance linked bonds whereby protection buyers have transferred to investors a range of risks associated with natural catastrophes and other non-life insurance risks as outlined above.

The insurance linked bonds in which the Master Fund may invest are unleveraged structured bonds which do not embed derivatives and which are issued by special purpose vehicles (e.g., private limited companies) primarily domiciled in Bermuda, Delaware, Ireland, Singapore, Guernsey, Hong Kong or the Cayman Islands but which may be domiciled in other jurisdictions. The core business of such special purpose vehicles is to issue transferable securities which transfer the risk of the occurrence of an insurance linked event from a protection buyer to the holders of such insurance linked bonds. The protection buyer only collects a pay out of the bond's proceeds if specified, pre-defined loss conditions or events occur (i.e., "trigger") prior to the bond's maturity and, accordingly, the bond's principal is forgiven, either in part or in full, depending on the magnitude of the proceeds paid to the protection buyer.

Insurance linked bonds using indemnity triggers pay out and suffer principal forgiveness based on the actual losses experienced by the issuer and are only selected for sponsors with solid underwriting and acceptable reserving practices. Insurance linked bonds with indemnity triggers can take longer than non-indemnity bonds to determine any payout because of the time needed for the insurers to collect and assess all relevant loss claims.

Although the insurance linked bonds in which the Master Fund may invest directly do not embed derivatives, certain insurance linked bonds structures (those that do not use indemnity triggers, where no evidence of actual net loss by the protection buyer is required) may include a derivative component as the actual losses incurred by the protection buyer can differ from the payout receivable from the issuing special purpose vehicle.

The special purpose vehicles which issue the insurance linked bonds in which the Master Fund may invest may also deploy currency hedges to cover exposures across territories where claims could be in different currencies.

The insurance linked bonds in which the Master Fund may invest may or may not be rated by an independent rating agency. If rated, the rating of the insurance linked bond is based in part on its probability of attachment and of default (which is related to its attachment probability and expected loss) as modelled by an independent modelling agent. Ratings are influenced by a number of factors, including the number and types of perils covered and the mechanisms (or "triggers") by which losses are defined.

There are no credit quality or maturity restrictions with respect to the insurance linked bonds that may form part of the Master Fund's portfolio and, for the avoidance of doubt, the Master Fund may have substantial holdings of non-investment grade securities. Insurance linked bonds may have fixed, floating or variable rates of interest. Most insurance linked bonds in which the Master Fund may invest have a remaining expected maturity between one and four years, however the Master Fund may invest in insurance linked bonds which mature over a shorter or longer period than this.

Preferred shares

In addition to insurance linked bonds, the Master Fund's ILS investments may include preferred shares that can, in the reasonable assessment of LCP, be transferred or liquidated within a fortnightly period. Preferred shares are shares of reinsurance entities, special purpose vehicles (e.g., private limited companies) or cell companies (i.e., companies which segregate the assets and liabilities between shares issued by separate cells within one company), generally domiciled in Bermuda, Guernsey, Ireland or the Cayman Islands which have insurance or reinsurance risk such as, for example, a risk of loss from pre-defined natural and non-natural catastrophic and insurance linked events.

Closed-ended fund shares

In addition to insurance linked bonds and preferred shares, the Master Fund's ILS investments may include closed-ended fund shares that can, in the reasonable assessment of LCP, be transferred or liquidated within a fortnightly period. Closed-ended fund shares are shares of closed-ended funds that are listed on a Recognised Market and whose underlying investments are ILS instruments.

Exchange based derivatives

In addition to insurance linked bonds, preferred shares and closed-ended fund shares, the Master Fund's ILS investments may include exchange based derivatives that can, in the reasonable assessment of the investment adviser, be transferred or liquidated within a fortnightly period. Exchange based derivatives include futures and options in respect of insurance linked and / or weather indices (which are approved by the Central Bank of Ireland from time to time) and which may be used to obtain exposure to insurance related risks (e.g., insurance losses and weather incidents). The indices in question may relate to industry losses (for example, in respect of a large hurricane or other event that may generate insured losses), parametric indicia (such as meteorological conditions that may have some correlation to insured losses) or temperatures (in cases where temperatures may have an effect on the price of commodities or other assets or a correlation with insured losses).

While the intention of LCP is to invest, in normal circumstances, in ILS, in exceptional market conditions or where LCP is of the opinion that there are insufficient investment opportunities in such investments, LCP may retain a significant proportion of the Master Fund in cash and/or invest a significant proportion or all of the Master Fund in liquid assets which may comprise cash, fixed term deposits, fixed and floating rate instruments including (but not limited to) certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper which do not embed derivatives, government bonds, corporate bonds, asset backed securities and money market funds which may be acquired for ancillary liquid asset purposes. This could prevent the Master Fund from achieving its investment objective.

Diversification and investment restrictions

Key investment restrictions for the Master Fund are:

- 1) The face value of the Master Fund's aggregate holding in each security cannot be more than 20% of the value of the securities issued in the relevant tranche.
- 2) No single issuance may represent more than (i) 5% of the Master Fund's net asset value if exposed to U.S. hurricane risk or (ii) 10% of the Master Fund's net asset value if exposed to any other risk or peril, provided the sum of exposures to any risk or peril above 5% do not in aggregate exceed 40% of the Master Fund's net asset value.
- 3) The Master Fund may invest in ILS primarily exposed to non-life insurance linked risks (as outlined above under the section headed "Investment strategy" section); however, the Master Fund will not make investments in non-insurance linked risks not expressly listed as allowed (e.g., no credit bonds, no equities, no loans, no structured credit).

In addition, and to the extent only that LCP deems consistent with the investment policies of the Master Fund, the Master Fund may utilise investment techniques and instruments which may include financial derivative instruments. Where the Master Fund intends to use financial derivative instruments for investment purposes, a risk management process will, prior to same, be submitted to and cleared by the Central Bank of Ireland in accordance with the Central Bank UCITS Regulations.

There can be no assurance or guarantee that the Master Fund's investments will be successful or its investment objective will be achieved.

The Fund's base currency is Australian dollars. The Fund is exposed to movements in the exchange rate between Australian dollars and other currencies in which investments are denominated.

Cash limits

The Fund will not exceed 20% cash and cash equivalents other than in the start-up or wind-down phase.

Currency

The Fund's base currency is Australian dollars.

Minimum suggested investment timeframe

Five years.

Fund structure

The Fund is a class of units within a registered managed investment scheme.

Investors' funds are pooled and managed in accordance with the investment objective and strategy, and the Fund's assets are held by an external custodian in the name of the Responsible Entity.

On investing, investors acquire Units and become a 'Unitholder'. Each Unit entitles a Unitholder to a proportionate beneficial interest in the Fund's portfolio of net assets, but not to any specific assets.

The Trust Deed allows for more than one class of Units to be offered. Where this is the case, the rights of Unitholders in different classes of Units may vary.

The potential for financial gain is made through investors receiving income distributions and any increase in capital value of Units (i.e. if the Unit price at the time the investment is withdrawn is higher than the Unit price at the time of purchase).

Environmental, social and governance considerations

Sustainable finance

Environmental, social and governance ('ESG') considerations are embedded by LCP within the investment framework and asset management function of the Master Fund. The Master Fund is classified as Article 8 under the EU's Sustainable Finance Disclosure Regulation.

Sustainability risks are integrated into the investment process through ESG due diligence performed prior to the investment committee stage of the investment process of the Master Fund. However, in reference to Article 14(3) of the EU's Commission delegated regulation supplementing the Regulation 2019/2088 (the "SFDR RTS"), the Master Fund does not make sustainable investments.

Integration of sustainability risks

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Before any investment decisions are made on behalf of the Master Fund and as part of the overall investment analysis, the material sustainability risks and opportunities associated with the proposed investment will be identified. Investment decisions will then be made by reference to the Master Fund's investment policy and objectives, taking into account these sustainability risks and opportunities.

The potential sustainability risk to which the Master Fund is exposed may cause a negative impact on the value of investments.

Environmental / social characteristics

The Master Fund promotes environmental / social characteristics.

The characteristics promoted by the Master Fund include that:

- A. The Master Fund supports improving the overall resilience of societies and businesses to natural catastrophes including the potential negative impacts of climate change.
- B. The Master Fund contributes to global ESG enhancement by promoting ESG within the insurance linked securities and (re) insurance industry.
- C. The Master Fund contributes to supporting social resilience and narrowing the protection gap by providing insurance linked protection to insurers, reinsurers, managing general agents ("MGAs"), managing general underwriters ("MGUs"), governments, state, regional and municipal agencies and aid agencies providing post-disaster relief.

The Master Fund will not guarantee to make any specifically labelled sustainable investments, but has the following sustainability indicators that are used to measure the attainment of each of the social characteristics mentioned above:

- A. The Master Fund aims to have 50%+ of its invested assets covering meteorological risks to ensure the protection of societies and businesses including against adverse risks related to climate. The Master Fund also aims to allocate 50%+ of its invested assets to natural catastrophe risks for residential and small commercial business to ensure their overall protection to adverse financial risks.
- B. The Master Fund aims to limit its exposure to insurance linked transactions explicitly covering the following risk profiles to a specific amount of invested assets from its investment universe as at the time the investment is made:
 - Marine transportation of fossil fuels (no greater than 10%); and
 - Mining extraction or coal (no greater than 10%).
- C. The Master Fund aims to commit 75%+ of its invested assets to exposure to insurance linked or reinsurance linked risks.

4. Investment risks

All investments carry risks. Different investment strategies may carry different levels of risk depending on the assets that make up that strategy. Assets with the highest long-term returns may have the highest level of short-term risks.

The risks specific to the Fund are outlined below.

You should consider the significant risks below when deciding whether to invest in the Fund. You may want to consider these risks in light of your risk profile. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Fund aims to be wholly invested in the Master Fund.

No guarantee is provided on the performance of the Fund, that distributions will be made, or that the capital value of an investment in the Fund will increase or be maintained.

Past performance is not a reliable indicator of future performance.

In addition, we do not offer advice that takes your personal financial situation into account, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

Market risk

Negative movements that affect price of all assets (including derivatives) within a particular market may cause losses to the Fund. Unit prices reflect the market value of the assets of the Fund and consequently may rise and fall in line with market variations.

Macro-economic risks

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the factors which may influence the progress of financial markets and individual companies.

Country and political risk

Having overseas investments opens the Fund to risk caused by political changes often stemming from a change in government, legislative bodies or military control. A country's political climate may result in unanticipated losses within the Fund. Instability in a country may lead to changes in foreign exchange controls and policies amongst other political, economic, legal and market conditions. These may in turn impact an investment's return. The Fund will have exposure to both developed and emerging markets.

Currency risk

Investing in assets denominated in a currency other than the Fund's base currency may cause losses resulting from exchange rate fluctuations. The currency exposure of the Fund, however, is intended to be hedged and therefore currency risk is mitigated through the use of forward foreign exchange contracts at the Master Fund level.

Counterparty risk

The Fund conducts transactions such as derivatives through other market participants. There is a risk that these counterparties do not meet their contractual obligations, which may result in loss of capital to the Fund.

Credit risk

ILS are typically structured to minimise credit risk, however such risk with respect to ILS collateral and the cash holding of the Fund does exist and can potentially lead to losses.

Lack of liquidity in credit markets

During periods of 'credit squeezes' the market for credit instruments other than U.S. Treasury bills can become substantially reduced. This poses the risk that positions held by the Master Fund may need to be sold at discounts to fair value to meet margin calls and this in turn may have an impact on the Fund.

Risk of catastrophic events

The Fund will be exposed through the Master Fund to catastrophe bonds and related insurance linked instruments, the investment returns of which are related to the severity and/or frequency of catastrophic weather or other natural or non-natural events. These instruments are subject to the risk of loss or reduction of principal and/or interest due to the occurrence of catastrophic or other events.

Operational risks

The custody and investment administration of the Fund has been outsourced to Citi. The Responsible Entity is satisfied that Citi has in place adequate internal controls for its custody and investment administration operations. However, there still may be breakdowns in operations and procedures that cannot be prevented.

Interest rate risk

Interest rate movements may have a positive or negative impact on the investment values and/or returns. There is the risk that an increase in interest rates could lead to a fall in value of the Fund's investments.

Liquidity risk

Liquidity of the Fund's assets cannot be guaranteed, especially immediately prior or immediately after a catastrophe or potential catastrophe.

Regulatory risks

All investments carry the risk that their value may be affected by changes in laws or legislation, including taxation laws or regulation related to eligibility for UCITS investments.

There is also the risk that there may be regulatory changes or changes to the laws that apply to the jurisdiction of the Master Fund and the Fund that may impact the administration of the Master Fund and the Fund. In particular, the Master Fund is subject to various investment restrictions under the *Irish European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011*, as amended, as well as guidelines and interpretations of the Central Bank of Ireland and the European Securities and Markets Authority ("ESMA") ("UCITS Rules").

As at the date of this IM, we are aware that ESMA is currently conducting a review of the UCITS Rules which is expected to be completed in the second half of 2024. Regulatory changes arising from the review of the UCITS Rules may affect the Master Fund's ability to adhere to its investment approach and achieve its investment objective, and in extreme circumstances, may result in the termination of the Master Fund. It is not possible to determine the extent of the impact of any new or revised laws or legislation that may be proposed, or whether any of such proposals may become law.

Risks of master/feeder structure

The use of a master/feeder structure provides certain benefits to the Master Fund, but also subjects the Master Fund to certain risks. Among other things, this structure creates possible conflict for the manager of the Master Fund as trading decisions made may benefit investors in the Master Fund only.

Force majeure risks

Circumstances beyond our reasonable control may impact the operation, administration, and performance of the Fund. Those include industrial disputes, failure of a securities exchange, wars, strikes, acts of terrorism, and governmental pre-emption in connection with an emergency of state and pandemics.

General risks

Key risks of investing in managed investment schemes include the following:

- The value of investments will vary.
- The level of returns will vary, and future returns will differ from past returns.
- Returns are not guaranteed, and investors may lose some of their money.
- Laws affecting registered managed investment schemes may change in the future.
- The relevant level of risk for each investor will vary depending on a range of factors including their age, investment timeframe, other investments in their portfolio and their individual risk tolerance.

5. Constitution of the Fund

The Fund was established under a constitution dated 12 April 2024 ('Constitution'). The Constitution sets out provisions providing for the establishment of the Fund as a trust, the appointment of and powers of the Responsible Entity, the concept of Units and the rights of Unitholders, the application for and withdrawal of Units, the calculation of application and withdrawal prices, the entitlement to and calculation of distributions, the entitlement to fees and expenses, the custody and valuation of assets and other matters including liability, audit, meeting, complaints and a Unit register.

BFML's responsibilities and obligations as the Responsible Entity of the Fund are governed by the Constitution for the Fund as well as general trust law.

Copies of the Constitution of the Fund are available, free of charge, on request from Client Experience. by phone (1800 895 388 (Aust) or 0800 442 304 (NZ)) or email (client.experience@bennelongfunds.com).

The Responsible Entity may amend the Constitution if it is permitted under the law to do so. In broad terms, this is where the amendment has been approved by special resolution of Unitholders or where the Responsible Entity considers the amendment will not adversely affect Unitholder's rights. To the extent any contractual obligation arises in connection with it, any amendment to the Constitution may effectively vary or cancel that contract.

6. Operational information – applications, redemptions, pricing, valuations, distributions and reports

Applications

Investors must complete the Application Form attached to this IM to apply for Units in the Fund.

New Zealand investors must also complete the Wholesale Investor Certification or Eligible Investor Certificate attached to the Application Form before investing in the Fund. The Responsible Entity may accept or reject an application at its absolute discretion. Investors should note that the Responsible Entity accepts no responsibility for any loss caused as a result of non-receipt or delay of any application or cleared funds. Where an application from an investor is rejected, interest on rejected application monies is not payable to that investor.

Any interest earned on application monies received by the Responsible Entity will be retained in the application monies trust account, which will be used to pay bank fees for that account and does not form part of the Fund's assets. However, the Responsible Entity may pay some of this interest into the Fund at its discretion.

The Fund is open to investors who qualify as a Wholesale Client in Australia or a Wholesale Investor in New Zealand.. An individual is currently regarded as a Wholesale Client if, amongst other things, a qualified accountant certifies that the person has either net assets of at least \$2.5 million or gross income for each of the last two financial years of at least \$250,000, or if the amount invested in the product is at least \$500,000. A New Zealand investor will be regarded as a Wholesale Investor if they meet the requirements of the relevant definition in the *Financial Markets Conduct Act 2013 (New Zealand)*.

Unless the Responsible Entity decides otherwise, an initial application for Units must be for a minimum investment of \$400,000.

Units will be issued based on the application price applicable as at the close of Valuation Date.

Applications will be processed by the Administrator on behalf of the Responsible Entity on each Valuation Date.

Written applications for Units received by the Responsible Entity by 2.00 p.m. Melbourne time ('Deadline') at least 4 Business Days prior to Valuation Date will be processed, and if accepted Units will be issued at the application price applicable as at the close of business on that Valuation Date, provided that sufficient cleared funds have also been received by the Administrator by the Deadline.

Investors can make additional investments by completing an Additional Investment Form which is available from Client Experience. The minimum additional investment amount is \$150,000 unless the Responsible Entity decides otherwise.

How to withdraw

Unitholders wishing to withdraw Units must give a written redemption request to the Responsible Entity by 2.00 p.m. Melbourne time at least four Business Days prior to Valuation Date. The Responsible Entity is entitled to but is not obliged to accept the redemption request. A withdrawal request must specify the number of Units to be withdrawn or the value of the proceeds of withdrawals to be received. The minimum amount for each withdrawal is \$400,000 unless otherwise permitted by the Responsible Entity.

Units will be withdrawn after close of business on the relevant Valuation Date at the redemption price applicable as at the close of business on that Valuation Date.

Withdrawal proceeds will be processed by the Administrator on behalf of the Responsible Entity as soon as practicable after the Valuation Date, but within no later than 21 days.

Withdrawal proceeds will be settled in Australian dollars and are remitted by electronic fund transfer to an account designated by the Unitholder, after receipt by the Administrator of duly completed documents. Any bank charges incurred for remittance by electronic fund transfer will be borne by the redeeming investor.

New Zealand investors

Withdrawal requests received from New Zealand investors must specify:

- the withdrawal amount in Australian dollars; or
- the number of Units to be withdrawn.

BFML is unable to accept withdrawal amounts quoted in New Zealand dollars. Please note that the withdrawal amount paid to you will be in Australian dollars and may differ from the amount you receive if valued in New Zealand dollars due to:

- foreign exchange spreads between Australia and New Zealand dollars (currency rate differs daily); and
- overseas telegraphic transfer costs.

Withdrawals will only be paid directly to the investor's bank account held in the name of the investor with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

Application and withdrawal prices

Units are issued and withdrawn at Net Asset Value divided by the number of Units on issue.

The Net Asset Value at any time means the Gross Asset Value less the liabilities and accrued expenses of the Fund at that time.

The Gross Asset Value at any time means the aggregate gross value of all assets in the Fund.

The application price means the Unit price calculated on each Valuation Date based on the Net Asset Value per Unit adjusted for the buy spread.

The withdrawal price means the Unit price calculated on each Valuation Date based on the Net Asset Value per Unit adjusted for the sell spread.

Valuation of the Fund

The Responsible Entity has delegated the calculation and determination of the Net Asset Value of the Fund and the Net Asset Value per Unit to the Administrator.

The following valuation policies and procedures will be followed.

- Any investment or security quoted, listed, traded or dealt in any securities market shall be valued by reference to the last traded price on the relevant Valuation Date. Where prices are available on more than one securities market, the prices on the market which constitutes the main market should be used. BFML may, at its sole discretion, adjust the price. Further information on how investments and securities are valued can be found in the BFML Fund Valuation and Unit Pricing policy, available upon request.
- If the security is not traded, the value of the relevant security shall be determined by the Responsible Entity and Investment Manager in good faith; the value of any security which is not listed or ordinarily dealt in any securities market shall be its probable realisation value as determined by the Responsible Entity and Investment Manager in good faith.
- Cash, deposits and similar investments shall be valued at their face value, together with accrued interest unless, in the opinion of the Responsible Entity and Investment Manager, any adjustment should be made to reflect their value.

- The value of any investment (whether of a security or cash), other than in the currency of the Fund, shall be converted into the currency of the Fund at the rate (whether official or otherwise) which the Responsible Entity or Investment Manager deem appropriate in the circumstances, having regard to any premium or discount which may be relevant and to costs of exchange.
- The Responsible Entity may, at its discretion, permit any other valuation to be used if such a method better reflects the fair value of the investment and is in accordance with good accounting practice.

Income distributions

Income distributions are generally paid quarterly as at 30 September, 31 December, 31 March and 30 June. The amount of the income distribution may vary and will usually consist of interest, dividends and net realised capital gains. The amount of the income distribution for the Fund is generally calculated by reference to all income earned by the Fund for the period, taking into account taxable gains and losses, and then deducting all expenses incurred and any provisions that are considered appropriate to the Responsible Entity.

The income to be distributed is then divided by the total number of Units on issue at the end of the distribution period to determine the cents per Unit distribution rate. All income distributions are paid in Australian dollars. Income distributions must be paid to a nominated Australian bank account or reinvested. If no preference is indicated on your Application Form, income distributions will be reinvested.

New Zealand investors

New Zealand investors can elect to have their distribution paid in cash provided an Australian domiciled bank account held in their own name is provided. Cash distributions will only be paid in Australian dollars to such an account.

If the distribution is reinvested, New Zealand investors will be allotted Units in accordance with the terms and conditions set out in this IM.

The distribution reinvestment plan described in this IM is offered to New Zealand investors on the following basis.

- At the time the price of the Units allotted pursuant to the distribution reinvestment plan is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available.
- The right to acquire or require the Responsible Entity to issue Units will be offered to all investors of the same class, other than those residents outside New Zealand who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to you and will be subject to the same rights as Units issued to all investors of the same class as you.

On request from the Responsible Entity, the following documents are available free of charge: a copy of the most recent annual report of the Fund (if any), the most recent financial statements of the Fund, the auditor's report on those financial statements and the Constitution for the Fund (including any amendments).

These documents may be obtained electronically by sending a request via email to client.experience@bennelongfunds.com.

Capital distributions

The Responsible Entity may at its absolute discretion distribute the capital of the Fund to the Unitholders.

Suspension of issue or withdrawal of funds

The Responsible Entity is entitled but not obliged to accept a withdrawal request.

The Responsible Entity may suspend the determination of the Net Asset Value of the Fund and/or extend the period for paying withdrawal proceeds during a period in certain circumstances including where it is impractical to calculate the Net Asset Value or the Responsible Entity is unable to realise sufficient assets to satisfy a withdrawal request.

Termination of the Fund

The Fund terminates on the earliest occurrence of either the date the Fund is terminated by law or the date on which the Responsible Entity shall determine that the Fund shall terminate.

Reports and statements

Unitholders will be provided with the following reports:

- application, withdrawal and distribution confirmation statements;
- unitholder statements, monthly;
- investment manager fund report, monthly; and income distribution and tax (AMMA) statements, annually.

7. Fees and expenses

General

The Trust Deed sets out the fees and expenses payable by the Fund.

The Responsible Entity is entitled to receive a Management Fee. No establishment, contribution or redemption fees or charges are made or applied under this IM.

Management Fee

The Responsible Entity is entitled to receive a Management Fee equal to 1.10% per annum of the Net Asset Value, calculated and accrued daily and payable within 21 days of the end of the month from the Fund's asset. As at the date of this IM, all expenses such as investment manager fees, custodian fees, administration and audit fees, and other ordinary expenses of operating the Fund are capped at 0.10% per annum (including GST net of RITC). The Responsible Entity can increase this cap in the future.

Performance fee

No performance fee is payable to the Responsible Entity in respect of the Fund.

Differential fees

The Investment Manager may from time to time – at its sole discretion and out of its own resources – decide to rebate to some or all Unitholders or their agents or to intermediaries, part or all of the Management Fee it receives from the Fund.

Any such rebates may be applied in paying up additional Units to be issued to the Unitholder. The size of the investment and other relevant factors may be taken into account.

The Responsible Entity may from time to time and at its sole discretion also waive all or part of the Management Fee for certain Unitholders. This may be affected by the issue of separate classes of Units, the size of the investment and other relevant factors.

Buy-sell spread

The Responsible Entity reserves the right to impose a buy-sell spread as an additional cost to investors and levied against the Unit price at the time Units are purchased or redeemed. It represents a contribution to the transaction costs (such as brokerage) incurred when assets are bought and sold by the Fund.

The current buy-sell spread is +/- 0.20% of the value of Units being bought and sold, and on receipt is retained in the Fund.

There is no buy-sell spread on distributions from the Fund that are re-invested.

The Responsible Entity may vary the buy-sell spread from time to time without prior notice.

Goods and Services Tax ('GST')

Management Fees referred to in this section are quoted on a GST inclusive basis and net of any RITC. The benefits of any tax deductions are not passed on to Unitholders.

For further information on tax, see Section 9.

8. Anti-money laundering and counter terrorism financing

As part of anti-money laundering responsibilities required by legislation, the Responsible Entity, the Investment Manager and the Administrator may request that a potential investor or Unitholder provide any information it reasonably requires to verify the identity of the investor or Unitholder, the identity of any underlying beneficial owner of Units, or the source or destination of any payment to or from the Fund.

If an investor does not provide such information or delays in doing so, the Responsible Entity may not be able to accept an application for Units, may refuse to accept an application for Units, or may suspend payment of withdrawal proceeds payable to a Unitholder. If an application for Units is not accepted for this reason, the Responsible Entity may hold application monies in an applications bank account until it receives the required information. Application monies are held for a maximum period of one month commencing on the day the Responsible Entity receives the application monies and will be returned (without payment of interest) to the source of payment after this period.

By subscribing, an investor consents to the disclosure by the Fund and the Administrator of any information about them to regulators and other parties upon request, in connection with money laundering and similar matters, in any jurisdiction.

9. Taxation considerations

General

The following taxation information is of a general nature and should not be relied upon by investors. The information provided is based on applicable Australian tax laws as at the date of this IM.

As taxation consequences can only be determined by reference to investors' particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The taxation information below provides a guide for Australian resident investors only.

If you are a resident of New Zealand wishing to invest in Australia, we strongly recommend you seek independent professional tax advice. New Zealand resident investors will be taxed on their Units under the foreign investment fund rules or ordinary tax rules, depending on their circumstances. Australian tax will be withheld at prescribed rates from distributions to non-residents to the extent that the distributions comprise relevant Australian sources of income or gains.

Tax position of the Fund

The Fund is a resident of Australia for taxation purposes and will determine net income annually on 30 June.

Generally, no Australian income tax will be payable by the Fund, on the basis that:

- where the Fund is an Attribution Managed Investment Trust (AMIT), all taxable income is intended to be attributed to investors for each income year (see below); or
- where the Fund is not an AMIT, investors are presently entitled to all of the Fund's distributable income.

In the case where the Fund makes a loss for tax purposes, this loss cannot be distributed to Unitholders. It may be available for recoupment by the Fund against net income in future years subject to certain conditions.

The Responsible Entity will not make the capital account election for the purposes of the managed investment trust regime under Australian income tax law. This means gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets that are derivatives, foreign exchange or any other investments that are subject to the 'financial arrangement provisions') will be treated on revenue account.

Tax position of Australian resident investors

Distributions

Taxable income earned by the Fund, whether attributed (for an AMIT), distributed or reinvested, can form part of the assessable income for investors in the year of entitlement or attribution. After the Fund's year-end, investors will be issued with an annual statement detailing the composition of the distributions they have received in respect of that year.

Generally, an investor's entitlement to net income for any year, including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement or attribution arises.

Foreign income

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, an investor may be entitled to receive a foreign income tax offset ('FITO'). Investors will usually include the foreign income and the FITO in their assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of FITO will be detailed in the tax report provided to investors.

Disposal of Units

A taxable capital gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss or as ordinary income, depending on the investor's particular circumstances.

If the taxable gain is treated as a capital gain, individuals, trusts and complying superannuation funds may be entitled to a capital gains tax discount in relation to the disposal of Units where the Units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount.

The Fund may distribute non-assessable amounts which are generally not subject to income tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base of the investor's investment in the Fund. If the investor has no cost base, the amounts may trigger a taxable capital gain.

AMIT regime

The AMIT Rules may be applicable to the Fund, subject to the Fund satisfying the relevant eligibility requirements and the Responsible Entity making an election to apply them.

The Fund's Constitution contains provisions which enable, but do not require, the Responsible Entity to make an election to apply the AMIT Rules to the Fund. In due course, the Responsible Entity will make an assessment of whether the Fund qualifies as an AMIT and whether it will make an election to apply the AMIT Rules to the Fund (and the date from which that election is to take effect). If the Fund meets the eligibility requirements, the Responsible Entity is expected to make an election to apply the AMIT Rules.

If the AMIT Rules do apply, the Fund will be deemed to be a 'fixed trust' for taxation law purposes, can rely on specific legislative provisions to make a yearly adjustment to reflect under-or-over distributions of income, and the Fund's income will be 'attributed' to investors.

Australian resident investors will be subject to tax on the income of the Fund which is attributed to them under the AMIT Rules. The tax payable (if any) depends on the investor's individual tax profile and applicable tax rate. The amount attributed to investors will be advised in an AMIT Member Annual Statement ('AMMA Statement').

This is similar to distribution statements that will be provided to investors by the Responsible Entity. The AMMA Statement will set out the amount which has been 'attributed' to an investor (and where relevant, its components) and other relevant tax information.

If an investor disagrees with the Responsible Entity's attribution of income, the investor can object to that attribution and substitute the Responsible Entity's determination with their own. If as an investor you decide to take this course, it is important that you obtain professional tax and legal advice. You must contact the Responsible Entity before notifying the Commissioner of Taxation.

Under the AMIT Rules, if the Fund attributes amounts to investors which are taxable, the investor is expected to be entitled to increase the cost base in their units in the Fund to reflect this attribution. Payment of a cash distribution will reduce the cost base.

Tax File Number ('TFN') and Australian Business Number ('ABN')

It is not compulsory for you to quote your TFN or ABN. If you are making an investment in the Fund in the course of a business or enterprise carried on by you, you may quote an ABN instead of a TFN.

If you fail to quote an ABN or TFN or claim an exemption, the Responsible Entity may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) to you.

The Responsible Entity's reporting obligations

The Government has implemented the OECD Common Reporting Standard which requires the Responsible Entity to collect information from Unitholders and report information in relation to certain foreign resident Unitholders to the Australian Taxation Office ('ATO'). That information may be provided by the ATO to foreign tax authorities in jurisdictions that have adopted the Common Reporting Standard, the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents.

Similar obligations relating to the collection and reporting of Unitholder information are imposed on the Responsible Entity as a result of Australia enacting legislation that relates to the *Foreign Account Tax Compliance Act ('FATCA')*. The FATCA is a US tax law which was enacted for the purpose of improving tax information reporting regarding US persons in respect of their offshore investments to the US Internal Revenue Service.

Goods and Services Tax ('GST')

The GST information provided in this section is of a general nature only.

GST will apply to the Management Fees. Fees and costs included in Section 7 are quoted on a GST inclusive basis and net of any RITC available to the Fund.

10. Complaints resolution and cooling off

If you have a complaint, please address it in writing to:

Complaints Officer

Bennelong Funds Management Ltd
Bennelong House
Level 1, 9 Queen Street
Melbourne VIC 3000

Email: complaints.officer@bennelongfunds.com
Tel: 1800 895 388 (Aust) or 0800 442 304 (NZ)

No cooling off period applies to units of the Fund as the Units offered are only available in Australia to Wholesale Clients and in New Zealand to Wholesale Investors.

11. Consents

Leadenhall Capital Partners LLP has given and, at the date of this IM, has not withdrawn its written consent to be named in this IM as investment manager of the Master Fund.

Citi consents to having been named as Custodian and Administrator in this IM, in the form and context in which they appear to have been made on the basis that it has not independently verified the information contained in the IM, has not been involved in the preparation of the IM, nor has it caused or otherwise authorised the issue of the IM. Neither Citi nor its employees or officers accept any responsibility or liability arising in any way for errors or omissions in the IM. Citi does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

12. Privacy statement

The Application Form attached to this IM requires you to provide personal information to the Responsible Entity. The Responsible Entity collects this personal information so it can process and administer any application for investment in Class I of the Fund you make. Additionally, the Responsible Entity collects this information in order to administer, manage and generally service your investment in the Fund. The Responsible Entity will normally collect personal information directly from you. However, in certain circumstances, the Responsible Entity may collect personal information about you from third parties, such as your financial adviser, the Administrator or third-party service providers of the Responsible Entity.

If you do not provide the personal information requested by the Responsible Entity or provide incomplete or inaccurate information, the Responsible Entity may not be able to accept or process your application for an investment in the Fund or may be limited in the services or assistance the Responsible Entity can provide with respect to the administration of any investment you subsequently make in the Fund.

The Responsible Entity may disclose your personal information to organisations such as the Administrator, any third-party service provider it may engage to provide custody, administration, technology, auditing, mailing, printing or other services and its professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

Such third parties may use and disclose your personal information for a purpose described in this Privacy Statement. The disclosure by the Responsible Entity of personal information to such third parties may involve the transfer of your personal information to recipients located outside of Australia. These countries may include the US, Ireland, the UK, Germany, Malaysia, New Zealand and Singapore and may include further countries. Where this is the case, the Responsible Entity will take reasonable steps to satisfy itself that the third party that the Responsible Entity discloses the information to is compliant with the Australian Privacy Principles or a similar regime. In providing us with your personal information, you consent to the possibility that your personal information may be transferred outside of Australia for processing or the other purposes detailed above.

The Responsible Entity may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, the Responsible Entity may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the AML/CTF Act. For certain investors, the Responsible Entity may also be required to collect and disclose certain personal information to the ATO in order to comply with the FATCA.

If you notify the Responsible Entity that you have a financial adviser, either on your Application Form or in writing (at a later date), you consent to the Responsible Entity disclosing to that financial adviser details of your investment in the Fund or other related personal information.

The Responsible Entity takes reasonable steps to ensure that the personal information about an investor, a prospective investor or other relevant person that it collects, uses or discloses is accurate, complete and up to date.

The Responsible Entity's Privacy Policy sets out details of how the Responsible Entity will collect, store, manage, use and disclose your personal information.

The Responsible Entity's Privacy Policy also contains information about how you can access and seek correction of the personal information held by the Responsible Entity, how you can complain to the Responsible Entity about a breach of the *Privacy Act 1988 (Cth)* (Privacy Act) or any registered code under the Privacy Act that binds the Responsible Entity and how the Responsible Entity will respond to and deal with such a complaint.

The investor or other authorised person can request access to the Unitholder's personal information or a copy of the Responsible Entity's Privacy Policy by contacting the Privacy Officer:

Privacy Officer

Bennelong Funds Management Ltd
Bennelong House
Level 1, 9 Queen Street
Melbourne VIC 3000

Email: privacy.officer@bennelongfunds.com

Tel: 1800 895 388 (Aust) or 0800 442 304 (NZ)

The Responsible Entity's Privacy Policy is also available on BFML's website (bennelongfunds.com/privacy).

13. Glossary

Administration Agreement means the administration agreement between the Responsible Entity and Citigroup Pty Limited.

Administrator means the administrator of the Fund, being Citigroup Pty Limited ABN 88 004 325 080, AFSL No. 238098.

AML/CTF Act means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

ASIC means the Australian Securities and Investments Commission.

BFML means Bennelong Funds Management Ltd ABN 39 111 214 085, AFSL No. 296806.

BFMG means Bennelong Funds Management Group Pty Ltd ABN 95 144 676 344.

Business Day means any day except any weekend or national public holiday in Australia.

Corporations Act means the Corporations Act 2001 (Cth) and any amendments.

Currency means Australian dollars.

Custodian means the custodian of the Fund, being Citigroup Pty Limited ABN 88 004 325 080, AFSL No. 238098.

Fund means the LCP Insurance Linked Securities Fund - AUD Class, an Australian registered managed investment scheme established under the laws of Victoria, Australia.

Gross Asset Value means the aggregate gross value of all assets in the Fund.

GST means Goods and Services Tax and has the same meaning as contained in *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

IM means Information Memorandum.

Investment Manager means Bennelong Funds Management Ltd.

Liquidity has the meaning given in section 601KA(4) of the Corporations Act.

Management Fee means the management fees payable in respect of the Fund as set out in Section 7.

Master Fund means the Leadenhall UCITS ILS Fund PLC.

Net Asset Value at any time means the Gross Asset Value less the liabilities and provisions reasonably determined by the Responsible Entity at that time.

Offer means the offer to subscribe for Units under this IM.

PRI means Principles for Responsible Investments.

RITC means Reduced Input Tax Credits.

Trust Deed means the trust deed of the Fund as amended from time to time.

Responsible Entity means Bennelong Funds Management Ltd ABN 39 111 214 085.

Unit means a unit in the Fund.

Unitholder means the holder of a Unit in the of the Fund.

Valuation Date means the second and fourth Friday of the month (or the immediately following Business Day if such day is not a Business Day).

Valuation Time means any time the Net Asset Value is determined.

Wholesale Client means a wholesale client within the meaning of section 761G and section 761GA of the Corporations Act.

Wholesale Investor in the case of a New Zealand investor, has the meaning given in clause 3(2) or 3(3)(a) of Schedule 1 of the *Financial Markets Conduct Act 2013 (New Zealand)*.

