



LM, the global pathway to Australian investment solutions

LM Australian Income Fund - Currency Protected EUR Fact Sheet 31 October 2011

Authorised financial advisers / intermediaries / institutions only

Key Facts	
Fund Size	AUD15,988,341
Inception Date	October 2008
Manager	LM Investment Management Ltd
Independent Custodian	The Trust Company (PTAL) Limited A wholly owned subsidiary of The Trust Company (Established in 1885) Publicly listed with AUD120 billion under supervision
Assets	> Registered first mortgage securities > Cash
Independent Property Valuers	Colliers, CBRE, Knight Frank, Landmark White, Savilles
Investment	> 1, 2, 3, 4 or 5 Year terms ³ > Rolled up unit price with daily trading
Earning Rate	> Current rates on www.LMAustralia.com ¹
Income Options	> Reinvested and reflected in the daily unit value; or > Distributed monthly, quarterly or annually
Performance Target	2.00%pa to 3.00%pa above Official Cash Rates ^{1,2}
Minimum Initial Investment	AUD1,000 equivalent
Investment Currency	Investment in all major currencies
Currency Risk	Managed against movements in the Australian dollar by utilising forward foreign exchange contracts
Management Fee	Up to 2.00%pa
Product Fees	No entry or exit fees ⁴
Dealing	Daily
Redemption	End of term with 10 days notice ³

Who Can Invest?

- > Personal/Direct Investors
- > International Portfolio Bonds
- > SIPPS
- > SSAS
- > QROPS
- > Pension Funds
- > Superannuation Funds
- > Companies
- > Trusts
- > Institutions
- > Wholesale Platforms

ISIN Numbers

1 Year Term	AU60LMI00150
2 Year Term	AU60LMI00523
3 Year Term	AU60LMI00424

Bloomberg Tickers

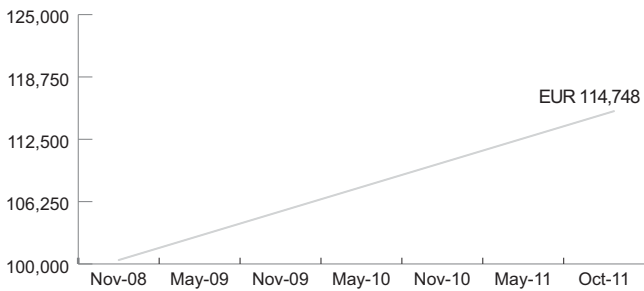
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EUR Average Historical Performance ¹

The LM Australian Income Fund - Currency Protected was established in October 2008.

EUR Rate as at 1/11/11	EUR Average 2008	EUR Average 2009	EUR Average 2010	EUR Average 2011	EUR Average Since 2008
5.00%pa	5.72%pa	4.41%pa	4.69%pa	4.83%pa	4.69%pa

Track Record of Positive Performance



Example: Growth of a EUR100,000 investment with an average return of 4.69%pa since inception.¹

Investment Objective

The fund continues to achieve its investment objective, to outperform cash rates² on a range of different currencies by providing a competitive return that is hedged in the relevant currency against Australian dollar currency movements. The fund:

- > Provides senior debt secured only by registered first mortgage to generate passive income for investors.
- > Provides investors with exposure to the strength and diversity of the Australian property market.

Strategic Asset Allocation

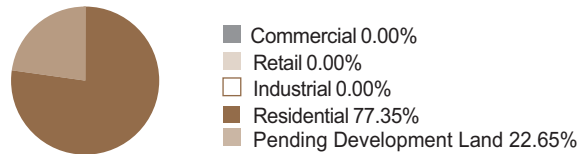
The fund targets assets located in metropolitan and wider metropolitan areas throughout Australia, where population growth supports strong demand. The fund does not seek to invest in remotely located or rural assets, nor in highly specialised properties such as service stations, licensed pubs or clubs due to the potentially limited nature of use and resale strategy on this type of asset. Residential funding precludes domestic housing finance to individual home buyers.

The majority of Australia's population is located down the south eastern coast, and hence asset focus is concentrated in the broader suburban regions of Brisbane in Queensland, Sydney, Newcastle and Wollongong in New South Wales, Melbourne in Victoria and the Australian Capital Territory. The resource rich state of Western Australia continues to see strong population growth and hence Perth and the southern region of Western Australia also form a focus for potential opportunity.

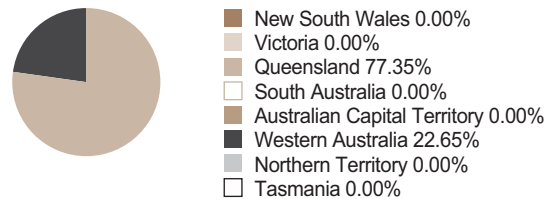
Australian investment opportunities exist across all the main property sectors, ie residential, retail, commercial office and industrial.

The fund will continue to focus on assets which provide affordable housing solutions in established areas with existing transport and community infrastructure to take advantage of Australia's well documented housing shortage.

Sector Diversification



Geographic Diversification



LM is the product issuer and recommends that investors read and consider the fund's current Product Disclosure Statement (PDS) and any Supplementary PDS (available at www.LMaustralia.com or by contacting LM, details below) before making any decision about the product.

¹ EUR effective rates are calculated on the basis that all distributions are reinvested annually, the investment is held for the entire investment term, and rates remain the same over that term. They are net of adviser fees, non-resident withholding tax of 10.00%, fund fees and expenses. In addition, rates may vary to be higher or lower than expected depending on the performance of the fund assets and other conditions during the term of investment. Past performance is not a reliable indicator of future performance. See current rate sheets which include other currency rates.

² The return of the underlying investments of the fund has outperformed cash since inception. The investment is not a bank deposit and has a different risk profile to cash. Investors should discuss the investment and any associated risks with their independent financial adviser, including the potential risk of loss of some or all of the principal investment.

³ LM expects to satisfy all withdrawal requests generally within 30 days. In certain circumstances it may be appropriate to protect the fund via the delay or suspension of withdrawals. For full details of withdrawals please refer to "How to Withdraw" and "Withdrawal from the Fund" sections in the fund's current PDS and any SPDS.

⁴ Please refer to the "Fees and Other Costs" section of the fund's current PDS and any SPDS for full details on fees.

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