

Taxation

Australian Residents

Income from the investments held in your Managed Account in respect of a financial year will be included in your assessable income for that financial year. Any capital gains on disposal of investments will also be included and any capital losses should be available to be offset against your capital gains.

Income from Australian share investments may include imputation (franking) credits. Australian resident investors are entitled to receive a refundable credit equal to the amount of the imputation credit, which represents a portion of the tax already paid by the company.

High Portfolio turnover creates capital gains and losses. Whilst losses may be offset against gains, high levels of realised capital gains may reduce after tax investment performance.

Non Resident Investors

If you are not an Australian resident we may be required to withhold tax from income you derive for the relevant financial year.

New Zealand Residents please note: All securities held by CSFI are exemption from Foreign Investment Fund (FIF) rules which simplifies your disclosure requirements when completing your NZ tax return.

Key Risks

Tracking Risk

CSFI is a passive tracking style investment. Potential tracking differences with other Australian equity benchmarks may occur.

Equity Risk

Investors in CSFI will enjoy a high level of franked income with risk levels comparable to the broader equity market as measured by the S&P/ASX200. Whilst the income component of the market has historically been consistent, capital values will fluctuate with market performance.

Stock Selection Risk

Companies are chosen for their ability to pay dividends within a preset period as well as their ability to populate the necessary sector allocations. At various stages throughout the year, the portfolio will have exposure to different stocks within each sector, and may hold stocks in differing quantities relative to the target index weights.

Information About Your Investment

CSFI managed account holders will receive:

1. Daily performance updates via email
2. Online access with details of holdings balances and transaction history
3. Monthly market commentary
4. Annual tax reporting statement

About Chimaera Capital

Chimaera's business covers a number of markets, principally in Australia and Asia. With offices in Melbourne, Singapore and Hong Kong, it commands a unique position in the market having global capabilities in capital markets, securities services, corporate finance, trading and asset management.

Chimaera Capital Limited is a custodian for high net worth investors, family offices, hedge funds and investment managers, advisers and other financial intermediaries. It provides Responsible Entity (trustee services) for managed funds, is an ASX CHESS settlement participant, and an ASX approved issuer of exchange traded products.

Chimaera Private Ltd in Melbourne, in conjunction with Chimaera Capital Management in Singapore and Chimaera Financial in Hong Kong, provides dedicated asset management services.



Chimaera Super Franked Income Managed Account (IMA)

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CHIMAERA CAPITAL LIMITED

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Invest for superior levels of tax efficient dividend income, in a diversified portfolio of ASX listed blue chip and other high quality companies.

Investors gain exposure to the sector weightings associated with widely accepted market based indices such as the S&P / ASX 200.

High levels of franked dividends for the efficient allocation of imputation credits.

The Managed Account structure combines the benefits of professional money management with the transparency, flexibility, controls and potential tax advantages of direct ownership of individual securities.

Suitable for Self Managed Super Fund (SMSF) investors.

+ Super Franked Income - Key Benefits

- + High levels of income achieved free from leverage or option overlay.
- + Quarterly rebalancing dates carefully selected in order to achieve both the market based weightings of the S&P / ASX 200 and superior upcoming dividend opportunity.
- + Access to low execution rates.
- + No derivative exposures, complex financial instruments, or long dated bond securities.
- + Long term price returns consistent with Australian equity market risk profile with superior income generating potential.
- + Full transparency stock holdings, trade with online access to your account.
- + A also compatible with various equity risk hedging overlay strategies.
- + No inherited capital gains – a cost base is calculated for each IMA in accordance with actual transactions.
- + Investor directly holds all cash and securities in each investment.
- + Regular withdrawal plan available.

Super Franked Income (CSFI) Concept

Chimaera Super Franked Income creates a high yielding, high franking equity income stream from an index weighted Australian equity portfolio.

Unlike traditional yield focussed products which rely on annualised dividend yield metrics to rank and select the highest dividend paying entities, CSFI incorporates the forecast dividend schedule and sectoral weighting requirements in order to build its security selections and protect capital.

This approach ensures the portfolio does not necessarily include the highest dividend yielding entities which are often a capital trap for investors. Rather security selection is based on the rotation of relevant securities which satisfy dividend and sector weighting criteria on a quarterly basis.

The CSFI model replicates the sectoral bias of the S&P / ASX 200. Over the year the portfolio of stocks will be rotated each quarter, at each stage mirroring the broad market index sectors, yet with a different composition of securities at each rebalance date.

The resulting portfolio has an above average turnover as securities are rotated on a specific rebalance date assuming relevant tax and holding period rules are satisfied. This results in superior returns and cashflow through the dividends received.

The selection Universe comprises the largest 200 stocks listed on the Australian stock exchange and eligibility for entry to CSFI occurs when preset investment criteria are met. Eligible securities are ranked according to consensus equity analyst forecasts for upcoming dividends, as well as the contribution to sector and risk characteristics of the portfolio.

Investment Objective

The Chimaera Super Franked Income Managed Account is designed to generate after tax returns that consistently exceed an indexed based return, with high levels of franked income.

Investment Strategy

CSFI Managed Account consists of 30 - 60 ASX listed blue chip and other high quality companies in similar sector proportions to widely recognised broad based Australian market indices such as the S&P / ASX 200. The strategy achieves a superior dividend stream through quarterly rebalancing designed to capture the upcoming dividend payments of a carefully screened subset of ASX listed companies which meet various investability criteria.

+ Security Eligibility

- + ASX listed companies with a market capitalisation greater than A\$500m.
- + Daily trading value greater than A\$1 m, measured over the preceding 3 month period.
- + Strong dividend history - no omitted dividend at last scheduled payment date.
- + Franking % must be greater than 25% at the last regular dividend payment date.
- + Larger exposures are capped at 12% at each quarterly rebalancing where necessary.
- + Relative performance of each stock must be within 25% of the S&P/ASX200 over the preceding 3 months.

Portfolio Characteristics*

	CSFI	S&P / ASX200
12 month Yield (Net)*	7.9%	4.3%
12 month Yield (Gross)*	10.9%	6.0%
Expected Franking %*	90%	70%
CSFI Beta vs market	0.97	
Number of securities	30-60	

*Includes actual and forecasted yields (before fees) - based on data as at 29 Aug 2013

Management Costs	0.75% p.a.
Investment Manager	Chimaera Private Ltd
Strategy & Trading Advisor	Chimaera Index Advisors Ptd Ltd
Minimum Investment	A\$50,000

Fees and Costs

Type of Fee or Cost	Amount	How and When Paid
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Fees when you move money in or out of your account

Establishment fee The fee to set up your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Up to \$1 100	Deducted from account balance prior to payment to your nominated bank.

Management Fee

The fees and costs for managing your investment	0.75% p.a.	Management fees are paid directly from the assets of the account on a monthly basis. Management fees are quoted on a GST inclusive basis and are payable monthly.
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Service Fees

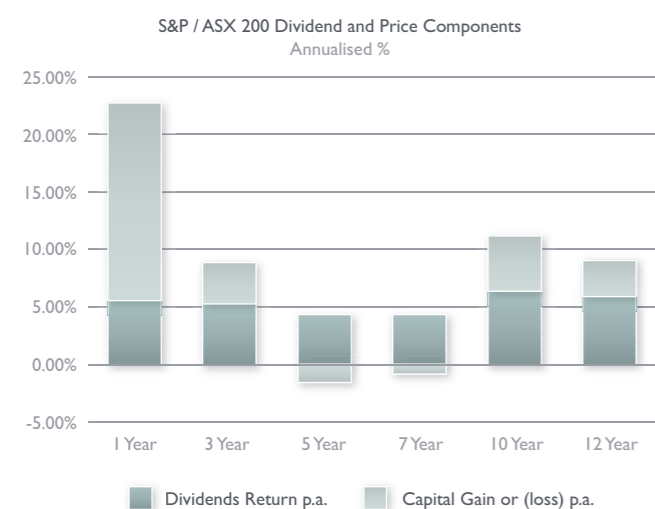
Switching fee The fee charged for changing investment option	Nil	Not applicable
Reporting & Audit Fee	\$250 p.a.	Deducted annually from your account.

Estimated Transaction Costs

The brokerage cost incurred on transactions undertaken by the Manager in order to meet the investment objectives	0.8%p.a.	Charged per transaction at a approximately 0.10% per trade.
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Unlike traditional yield focussed products which rely on annualised dividend yield metrics to rank and select the highest dividend paying entities, CSFI incorporates the forecast dividend schedule and sectoral weighting requirements in order to build its security selections and protect capital.

Within Australian Equity Markets, Dividends are a Constant Driver of Returns



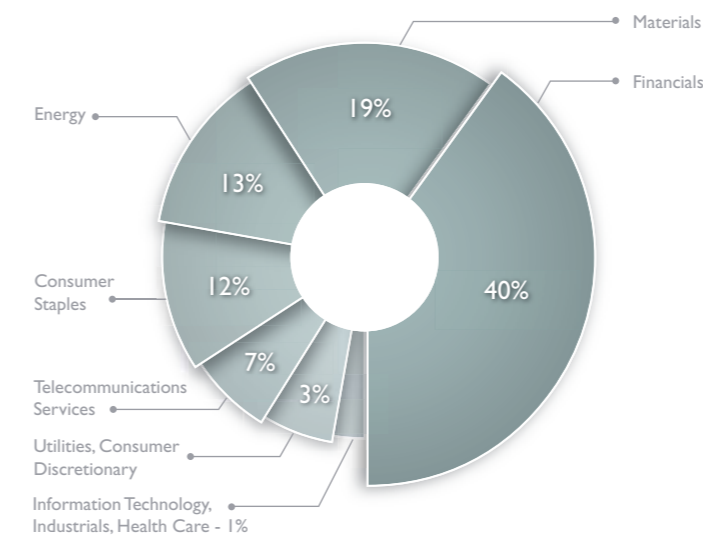
Dividend returns from the Australian stock market as measured by the annualised difference between S&P/ASX200 Index and S&P/ASX200 Accumulation index returns, reveals a strong dividend income stream over the medium to long term.

Whilst numerous stocks will invariably pay higher than average dividend yields at various times, avoiding over exposure to companies which simply offer temporarily inflated yields will deliver less volatility and more consistent portfolio returns over time

CSFI looks to accumulate a superior, highly franked income stream over a full year through portfolio rotation into the safest stocks. This rotation reduces the need to overreach for yield, in turn limiting the capital risk associated with exposures exhibiting a low probability of consistent payment of dividends.

The chart highlights the strong positive returns delivered from the dividend component of the Australian equity market. The attractiveness of dividend income for Australian investors is further enhanced through the efficient allocation of franking credits which are a predominant feature of the CSFI strategy.

Asset Allocation



Source: Bloomberg & Chimaera Index Advisors: 30 June 2013

Source: Bloomberg & Chimaera Index Advisors: 30 June 2013



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