

ASIC BENCHMARKS FOR THE LIBERTY TERM INVESTMENT FUND

As at 31 December 2011



Get in touch with us | **email** service@liberty.com.au | **phone** 13 11 33
alt. phone 03 8635 8888 | **fax** 03 8635 9999 | **web** liberty.com.au
post Service Team, Level 16, 535 Bourke St, Melbourne VIC 3000

As the Liberty Term Investment Fund (ARSN 141 340 454) (Fund) will invest some of its assets directly in mortgages it is required to disclose to investors whether it meets the following ASIC benchmarks. As ASIC's benchmarks apply to the Fund as a whole, the Fund cannot (and does not) comply with all of the benchmarks due to its broader investment policy which enables it to invest in assets other than residential and commercial property loans.

BENCHMARK	DOES THE FUND MEET THE BENCHMARK?	FURTHER INFORMATION
Liquidity	Yes. This applies to all of the Fund's operations.	Please refer to section 2.1 of the Product Disclosure Statement (PDS) which outlines how we manage liquidity.
Fund borrowings	Yes. This applies to all of the Fund's operations.	There are currently no borrowings. Please refer to section 2.2 of the PDS.
Portfolio diversification	Yes. This applies to all of the Fund's operations.	The Fund's investment policies are outlined in section 3.4 of the PDS, and the most recent performance data and collateral tables are available on our website.
Related party transactions	Yes. This applies to all of the Fund's operations.	The Fund does not lend to related parties, and does not acquire loans which the original financier has made to Liberty Fiduciary Limited, Liberty Financial Pty Ltd or to any related parties. Please refer to section 2.4 of the PDS.
Valuation policy	The Fund itself cannot comply with the benchmark as the benchmark is a whole of fund benchmark and the Fund can only comply in respect of its investments in residential and commercial property loans. There is no ASIC benchmark which applies to the other asset classes in which the Fund invests.	All properties that are used as security for loans which the Fund will acquire are valued on an 'as is' basis. The Financier has a clear policy on how often valuations are obtained for security properties and has a panel of valuers, none of whom will conduct more than 1/3 of the valuation work for the Fund's investments. All valuers must be appropriately registered and, as a term of their appointment, must comply with all relevant industry standards and codes.
Lending principles - LVR policies	The Fund's investment policy will not comply with this benchmark as the original financier considers it appropriate to lend money based on a higher LVR, provided additional risks are priced into the loan. This benchmark only applies to the Fund's investments in residential and commercial property loans.	The Financier undertakes to maintain the following maximum LVRs for loans which the Fund will acquire (that are secured by real property): ■ residential property (95%); and ■ commercial property (80%). If the average LVR of the residential property loan portfolio of the Fund exceeds 80% where the Financier has in place mortgage insurance from which the Fund may benefit to cover any losses that may result from the default of the borrower.
Distribution practices	Yes. This applies to all of the Fund's operations.	The Fund will only make distributions from income generated from the Fund's investments.
Withdrawal arrangements	Yes. This applies to all of the Fund's operations.	Withdrawals are generally not permitted prior to the maturity of the Investment Term. However, the Responsible Entity may, in its absolute discretion, allow early withdrawal. Please refer to section 2.8 and 9 of the PDS.