

15 December 2014

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ASX Limited
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Sydney NSW 2000
Attention: Company Announcements

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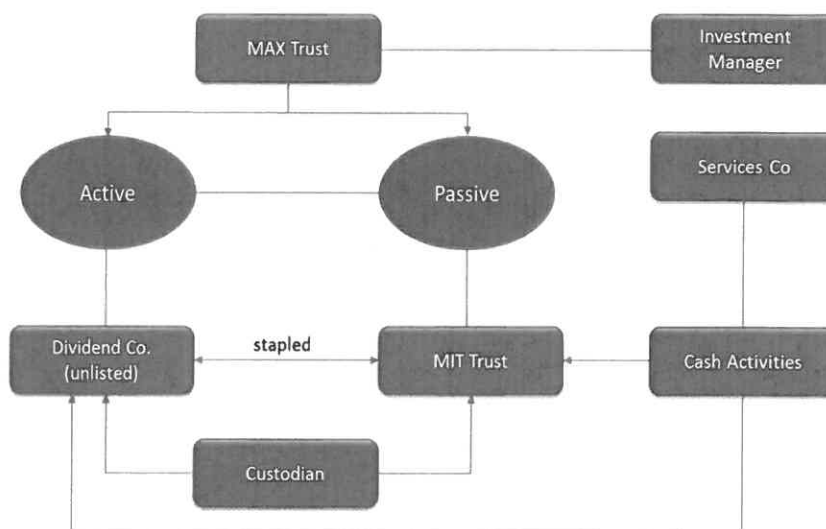
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Dear Sir/Madam

**Millinium's Alternatives Fund (ASX code: "MAX")
Fund Restructure Update**

We now take the opportunity to provide a further update on Millinium's Alternatives Fund ("Fund"). Our review has taken longer than anticipated and we set out below the proposed changes for the Fund. The Responsible Entity, Millinium Capital Managers Limited ("Millinium") views that the strategy change offers greater potential for returns for investors.

Details	Fund Proposals
Investment Objective	<p>As set out in the former approved Product Disclosure Statement ("PDS"), the Fund's objective is to produce capital growth over the long term. The Fund's existing objective will not be changing.</p> <p>The Fund's overall investment strategy will remain in alternative asset strategies that do not have a direct correlation to normal equity strategies, and in likely cases, will be in assets that are not subject to listed market movements.</p>
Fund Structure	<p>Current Structure</p> <p>Since 2006, the Fund was established to be a feeder fund (which meant the Fund was invested in another unlisted managed fund) with passive investment rights, which in essence, meant that the Fund generally only held units in managed funds in alternative investment strategies. That structure has been unwound. The Fund also previously held a fully drawn lending facility and that gearing facility has presently been paid out.</p> <p>New Structure</p> <p>The Fund will be restructured to hold direct and/or indirect alternative investments including into underlying external fund managers that target alternative investment strategies, offer competitive fee terms and focus on stronger investment returns. The Fund will be structured in accordance with the diagram in Table 1 below.</p>

Table 1


The basis of the restructure is to create a fund that has the ability to hold (i) Active Alternative Assets and (ii) Passive Alternative Assets. This will give the Fund greater flexibility in the nature, type and return characteristics of the Fund's underlying asset holdings. The Fund will invest via a stapled structure to ensure appropriate segregation of assets.

Asset Types

The types of active assets that can be targeted may include operating businesses that produce strong cash-flows and are profitable. The Fund will also invest in passive assets such as Alternative listed share strategies, cash, property, commodities, gold and managed funds, debt and/or income yielding instruments.

There further remains a capacity for the Fund to also hold gearing within the portfolio or for a particular asset where a gearing facility is shown to provide value in an asset's acquisition and has the ability to increase returns for investors. There is presently no gearing facility in place (*please see our comments below on "Leverage" below*). The Fund intends to select assets in selected investment parameters; diversify the range of alternative strategies that vary in differing time horizons for returns and exit capabilities. Millinium aims to target alternative strategies that produce income returns of 7% to 9% per annum net of fees for the Fund excluding any capital growth component over the next 12 months. The Fund will look for asset opportunities that are superior to the previous unit holding position of the Fund.

Asset Mix


The Fund's overall asset weightings remain as detailed below.

Strategies and exposures[^]	Range	Target
Alternative return strategies	20% – 90%	65%
Real assets	10% – 70%	35%
Cash and cash equivalents	0% – 50%	0%

	<p>Investment Performance</p> <p>The Fund’s performance over the last 3 years is set out in Table 2 below. The Fund’s performance over the past three years has been poor given the existing portfolio of assets and strategy.</p> <p>Table 2</p> <p><i>Old Fund</i></p> <table><tr><td></td><td>1 yr %</td><td>2 yr%</td><td>3yr %</td></tr><tr><td>Returns Comparison (p.a.)</td><td>p.a. *</td><td>p.a.*</td><td>p.a.*</td></tr><tr><td>van Eyk's Alternatives Fund (old fund)</td><td>2.62%</td><td>1.68%</td><td>2.23%</td></tr></table> <p>The Fund to 30 June 2014, has paid 12 cents per annum on distribution to unit holders with performance dampened by interest costs, higher indirect management fees and investment returns that have not met expectations. Millinium has reviewed the existing asset allocations and the underlying managers and as a result of the review, Millinium will reposition assets of the Fund and has already terminated the existing investment managers and managed funds. The reweighting will see the Fund reduce specific weightings in commodities and in gold for the moment and refocus back to other absolute alternative return strategies, including property, private equity and other alternative revenue streams.</p> <p>The Fund will maintain its entitlement to invest in all the existing asset classes outlined in the Strategies and exposures above, with the discretion to reduce an allocation in a certain asset class(s) where the market’s condition require this.</p>		1 yr %	2 yr%	3yr %	Returns Comparison (p.a.)	p.a. *	p.a.*	p.a.*	van Eyk's Alternatives Fund (old fund)	2.62%	1.68%	2.23%
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Valuation and custody of assets	<p>There will be no change to existing valuation methods.</p> <p>The Fund's assets will generally be valued at market value along with appropriate use of valuer(s) independent to the Responsible Entity and the Fund. The Fund's assets will be at all times be located in Australia but over time there is potential for an asset to be acquired from overseas, subject to the Fund making an acquisition in a suitable jurisdiction and the custodian having control of the asset for the Fund. The Fund's assets are held by the Fund's custodian, Australian Executor Trustees Limited being part of IOOF Limited.</p>												
Leverage	<p>The Fund intends to maintain a strong level of liquidity and will not make a change to the present ability to use leverage but will focus on it directly being able to amplify investment returns in the Fund or in a particular asset(s) of the Fund. The Fund can obtain leverage by borrowing from a financial institution on normal commercial terms. The Fund’s leverage is set at up to 35% of the Fund’s gross asset value but this may need to go higher based upon the gearing of an underlying asset. The gearing of an underlying asset may be up to 70% for a particular asset. If however, the Fund’s leverage exceeds 35% for the Fund overall, the Fund will, unless the Lender approves otherwise, reduce its debt in order to bring the level of leverage within anticipated levels.</p>												
Management Fees	<p>Existing Fee Structure</p> <p>The prior PDS included a Contribution Fee of 2% for advisers. The Fund’s existing Management Fee was 0.205% inclusive of GST but excluding any additional underlying fund management fees of 1.94% of external fund</p>												

	<p>managers and their underlying managed funds. The total indirect fee costs were just over 2.1% under the old fund structure.</p> <p>The Responsible Entity is conducting a review against market competitors and will look to update investors on the fees for the Fund prior to the issue of the next Product Disclosure Statement (“New PDS”) being settled.</p>
Investment Manager(s)	<p>Millinium will appoint AFG Venture Group Asset Management Pty Limited (“AFG”). AFG’s profile, its asset selection skills and deal flow will be an important component for the alternative asset strategy and their full details will be separately detailed to the ASX. Millinium will further provide its services including for the cash management of the Fund but will not receipt any separate fees to those outlined in this letter.</p> <p>AFG is to be appointed on arm’s length terms for the Fund and upon completion of their investment management agreement. AFG will pay \$300,000 plus GST to Millinium for their appointment. The payment will be made by AFG on set hurdle timings. AFG can appoint sub-investment manager in certain circumstances. The term period of appoint is 10 years subject to normal commercial rights for termination. The parties will agree new fees and asset strategy for the Fund.</p>
New PDS	<p>The revamped New PDS will be made available in due course to comply with the ASIC regulatory guides and laws. We anticipate that the New PDS will be released within 3 to 6 weeks subject to normal regulatory approvals.</p>

Please call our Investor Services if you have any questions on (02) 8012-8650.



Yours Faithfully
Company Secretary

Disclaimer: Millinium's Alternatives Fund ARSN 121 722 521 (“Fund”) is issued by Millinium Capital Managers Limited, ABN 32 111 283 357, AFSL No. 284336 (“**Millinium**”). This document does not constitute personal advice. Investors should consider obtaining professional advice as to whether this financial product suits their objectives, financial situation or needs. Investing in the Fund or its investment options can only be made by completing an application form attached to a current Product Disclosure Statement (“PDS”) for Millinium's Alternatives Fund and submitting it to our Sydney office. Investors should consider the PDS before investing and speak to their Financial Planner.* The Fund comparative returns are based on the performance of existing fund managers asset classes less fees and excluding taxes. Any past performance information or up to date returns posted on the website at www.millinium.com.au under the "Product Performance" tab, and should not be taken as a reliable guide to future performance of the Fund or this investment managers. Please see the PDS for full details on the Fund from our website at www.millinium.com.au or speak to Investor Services on 02 8012-8650 to obtain a copy of the PDS upon its availability. Returns are not guaranteed.