

29 February 2016

Ms Violetta Codreanu
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

By email: violetta.codreanu@asx.com.au

Dear Ms Codreanu

Millinium's Alternatives Fund ("Entity")

We refer to your letter to us dated 24 February 2016.

Millinium Capital Managers Limited (ABN 32 111 283 357) (**Millinium**) is the RE of the Entity and is responding on its behalf.

We set out below our responses to the questions in your letter of 24 February 2016. Our responses are not an excuse for non-compliance with ASX listing rules 3.19A and/or 3.19B but rather an explanation of the circumstances recently affecting Millinium and the steps taken by Millinium to rectify these issues.

1. Please explain why the Appendices were lodged late

Mr David Grey was an executive director, company secretary and legal and compliance officer of Millinium. Mr Grey resigned as a director of Millinium on 30 June 2015 but he remained to finish his compliance role for a period post his resignation. Millinium's Board assumed that all notifications prior to and relating to Mr Grey's resignation as a director had been given.

A new compliance manager commenced on 30 September 2015 but unfortunately there was no overlap in the leaving of Mr Grey and the start of the new compliance manager and so, no formal handover. As such, when the Entity became aware of Mr Phillips' resignation, the requirement of disclosing this information to the market was overlooked as was disclosing the appointment of Mr Perry Hume as a director.

Millinium acknowledges that it was non-compliant in relation to the required disclosures under 3.19A and/or 3.19B of the ASX listing rules. However, during this period, Millinium made 39 other announcements to the market (from 1 July 2015 to 31 December 2015). Such volume of disclosure demonstrates that the board was aware of its obligations of continuous disclosure but had a lapse in compliance in relation to the obligation to specifically notify the ASX of the appointments and resignations of directors.

2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligation under listing rule 3.19A?

Mr Tom Wallace has been appointed as the new company secretary of Millinium and has taken on the responsibility of ensuring that Millinium meets the disclosure obligations of the Entity.

A new compliance officer has also been appointed by Millinium to assist Mr Wallace, and the board generally, in ensuring that the disclosure obligations of the Entity are met.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?*

As stated above Mr Wallace has been appointed as Millinium's company secretary and a new compliance expert has been appointed to the Entity.

The current directors of Millinium have entered into agreements with the Entity in relation to their personal obligations of disclosure in the form attached to Guidance Note 22.

The following additional steps have also been taken by Millinium to ensure continued compliance with the ASX listing rules:

- Millinium has engaged a law firm to update its policy on procedures for its disclosure obligations. Such action will ensure that all company officers are aware of the process that should be followed when disclosure events occur for the Entity.
- The board of Millinium has introduced a standard agenda item at board meetings for consideration of any disclosure obligations of the Entity. This will ensure that both Mr Wallace (and the rest of the board of Millinium) remain focused on the issue.

As set out above, Millinium acknowledges that it was non-compliant with the ASX listing rules in relation to the specific notification of the resignations and appointments of directors. However, Millinium has taken steps, including additional safeguards, to ensure full compliance in the future.



Tom Wallace
Director
Millinium Capital Managers Limited



Paul Bray
Director
Millinium Capital Managers Limited



24 February 2016

Mr Tom Wallace
Managing Director and Company Secretary
Millinium's Alternatives Fund
c/- Millinium Capital Managers Limited
Level 11, 280 George Street
Sydney NSW 2000

By email

Dear Mr Wallace

Millinium's Alternatives Fund (the "Entity")

We refer to the following:

1. The announcement lodged by the Entity with ASX Limited ("ASX") on Thursday, 11 February 2016 confirming the resignation of Mr Mark Phillips as a director of the Entity on 16 November 2015 and the appointment of Mr Perry Hume as a director of the Entity effective 27 November 2015;
2. The Appendix 3X lodged by the Entity with ASX on Thursday, 11 February 2016 for Mr Robert Hume (the "Appendix 3X");
3. The Appendices 3Z lodged by the Entity with ASX on Thursday, 11 February 2016 for Mr Mark Phillips and Mr David Grey (collectively, the "Appendices 3Z");
4. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director.



The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

5. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

As the Appendix 3X indicated that Mr Hume was appointed on 27 November 2015, it appears that the Appendix 3X should have been lodged with ASX by 4 December 2015. As the Appendix 3X was lodged on 11 February 2016, it appears that the Entity may be in breach of listing rules 3.19A and/or 3.19B.

Further, as the Appendices 3Z indicated that Mr Grey and Mr Phillips ceased to be directors on 30 June 2015 and 16 November 2015 respectively, it appears the Appendices 3Z should have been lodged with ASX by 7 July 2015 and 23 November 2015 respectively. As they were lodged on 11 February 2016, it also appears that there may have been a further breach by the Entity of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances, ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the three Appendices were lodged late.
2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at violetta.codreanu@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (**i.e., before 9.30 a.m. AEDT) on Monday, 29 February 2016.**



Under listing rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Violetta Codreanu
Adviser, Listings (Sydney)