

MAX TRUST UNITHOLDER UPDATE

ISSUE 11

Three months to 31
December 2012

ARSN: 115 268 669

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1. INTRODUCTION

The following Max Trust (the "Scheme") Unitholder update ("Update") provides a summary of the performance of the Scheme's portfolio and management of the outstanding Pass Through Notes and Hedges for the quarter ending 31 December 2012. For background to the Scheme and a summary of the Pass Through Note restructure please refer to Update Issue 1 for the period ended 30 June 2010 issued to the ASX on 21 September 2010.

2. SUMMARY OF THE PASS THROUGH NOTES

Class	Note Balance \$000	Note Balance Δ \$000	Deferred Margin Balance \$000	Deferred Margin Δ \$000	Benchmark	Stated Margin	Deferred Margin
Class A1	6,075	(9,717)	21,852	220	BBSW	2.15%	6.00%
Class A2	17,737	(28,371)	20,303	213	BBSW	0.75%	2.00%
Total	23,812	(38,088)	42,155	433			

A payment date for the Pass Through Notes occurred on the 20th of December 2012. On this payment date, all senior expenses, interest due on the Pass Through Notes and a principal repayment of A\$38.09m were paid.

Repayment of the Pass Through Notes in full through sale of assets:

The Responsible Entity may sell the assets of the Scheme if the aggregate proceeds would be sufficient to enable the repayment in full of the Pass Through Notes together with the Deferred Margin, any accrued interest and other amounts owing to the Pass Through Noteholders plus any Early Repayment Fee required to be paid under the terms of the Pass Through Notes. If the Responsible Entity elects to repay the Pass Through Notes in full prior to June 2013, an Early Repayment Fee equal to 1.00% of the then Outstanding Principal Amount of the Pass Through Notes (Note Balance). There is no Early Repayment Fee payable after June 2013.

3. SCHEME PORTFOLIO SUMMARY

The credit risk to Noteholders and Unitholders is linked to the underlying Scheme portfolio. A summary of the Scheme portfolio as at 31 December 2012 is provided below.

Asset Type	Total # Exposures	Face Value AUD 31 December 2012 \$000	Face Value AUD 30 September 2012 \$000	Face Value AUD Δ\$000
RMBS	10	31,999	40,018	(8,019)
CMBS	2	21,897	22,563	(666)
Financials	4	50,902	71,139	(20,237)
CDO	3	26,750	26,750	-
Aircraft	6	22,492	29,993	(7,501)
Total Securities	25	154,040	190,463	(36,423)
Liquidity Reserve Balance	1	9,021	9,022	(1)
Expenses Reserve Balance	1	1,002	1,002	-
Bank Accounts Balance	4	1,132	1,033	99
Total Cash Balance		11,155	11,057	98
Total Asset Balance		165,195	201,520	(36,325)

Portfolio face value movement reconciliation for the period:

Description	Amount \$000
Face value 30 September 2012	190,463
Principal Repayments	(8,874)
Asset Sales	(27,874)
Combined "FX Movement from unhedged positions"	325
Face value 31 December 2012	154,040

Pass Through Note face value movement reconciliation for the period:

Description	Amount \$000
Face value 30 September 2012	61,900
Principal	(36,979)
Excess Income Collections	(1,109)
Face value 31 December 2012	23,812

A description of each asset class and a detailed list of the securities (including those assets which are on the Investment Manager's Credit Watch List) and whether the relevant asset has an interest rate, currency or is basis hedged, is provided below.

RESIDENTIAL MORTGAGE BACKED SECURITIES

The Scheme's holding in residential mortgage backed securities ("RMBS") reduced by \$8m during the period. The movement was due to the disposal of WBT 2005-1 D¹, amortisation received on several positions (including the full amortisation of SMHL and near full amortisation of MOB NCM-03) and the movement in AUD / EUR and AUD / NZD foreign exchanges rates in relation to PARGN 12X B1B and SPPNZ 2007-1 MZ respectively which are currently unhedged. The RMBS securities comprise underlying prime and non-conforming mortgages.

The RMBS assets held by the Scheme as at 31 December 2012 are tabled below.

Asset Name	Currency	AUD Face Value \$000 ¹	AUD Face Value Δ \$000	WAL ²	Legal Maturity	Credit Watch List ³	Hedged ⁴
APLLO 2007-1E 1A	AUD	1,108	(71)	2.0	9-Aug-38	No	N/A
SWAN 2007-1E A2	AUD	1,164	(79)	2.0	12-Jun-38	No	N/A
PROGS 2006-1 A	AUD	1,990	(142)	1.1	10-Mar-37	No	N/A
REDS 2006-1E A2	AUD	3,345	(189)	2.4	17-Nov-37	No	N/A
SMHL 2005-2 A	AUD	-	(2,163)				
TORR 2005-3E A2	AUD	2,137	(203)	0.5	15-Oct-36	No	N/A
WBT 2005-1 D	AUD	-	(896)				
PARGN 12X B1B	EUR	6,355	177	8.2	15-Nov-38	No	No
MOB NCM-03 C	AUD	16	(1,559)	0.1	14-Oct-50	No	N/A
MOB NCM-04 D	AUD	11,013	(2,844)	0.6	16-Nov-51	No	N/A
NCM-04 CLASS M	AUD	112	(22)	2.1		No	N/A
SPPNZ 2007-1 MZ	NZD	4,759	(28)	2.0	14-Oct-41	No	No
Total	AUD	31,999	(8,019)				

1. Face Value is defined as the AUD outstanding principal balance with the foreign currency denominated assets converted at their swap rate, except for Paragon and Sapphire which have been converted at the month end AUD / EUR and AUD / NZD spot rate respectively
2. "WAL" or "Weighted Average Life" represents the average number of years that each dollar of principal remains outstanding. Pass through securities use assumptions which may change from time to time and several securities are calculated using the "Call Date" instead of their "Legal Maturity".
3. The "Credit Watch List" is a list of securities compiled by the Investment Manager which have a greater likelihood of impairment. The list is regularly evaluated and we make reference to the disclaimer on page 2.
4. This field indicates whether the individual security is hedged or not (refer to Section 7 Asset Hedging).

The above descriptions apply to the remaining tables in Section 3 of this Update.

¹ Refer to Section 5 – Summary of Asset Sales During the Quarter

COMMERCIAL MORTGAGE BACKED SECURITIES

The Scheme's holding in Commercial Mortgage Backed Securities ("CMBS") reduced by \$666k during the period. The movement was due to amortisation received on the Rock & Rubble position.

The CMBS assets held by the Scheme as at 31 December 2012 are tabled below.

Asset Name	Currency	AUD Face Value ¹ \$000	AUD Face Value Δ \$000	WAL ²	Legal Maturity	Credit Watch List ³	Hedged ⁴
FPST 1 1	AUD	15,230	-	8.6	1-Sep-25	No	Yes
Rock & Rubble	AUD	6,667	(666)	1.6	15-Aug-15	No	N/A
Total	AUD	21,897	(666)				

FINANCIAL SECURITIES

The Scheme's holding in Financial Securities decreased by \$20.2m during the period. The movement was due to the disposal of the Hannover and Morgan Stanley positions;² offset by the change in AUD / EUR foreign exchange rate in relation to NAB 12/29.

The financial and industrial positions held by the Scheme as at 31 December 2012 are tabled below.

Asset Name	Currency	AUD Face Value ¹ \$000	AUD Face Value Δ \$000	WAL ²	Legal Maturity	Credit Watch List ³	Hedged ⁴
ASSGEN5.479 02/49	EUR	16,844	-	4.1	Perp/Call	No	Yes
HANRUE5 06/29/49	EUR	-	(7,414)				
MS 0 03/01/13	AUD	-	(13,000)				
NAB 0 12/29/49	EUR	6,355	177	3.7	Perp/Call	No	No
NAB III 01/49	AUD	11,000	-	3.8	Perp/Call	No	N/A
SCHREI 5.252 05/49	EUR	16,703	-	3.4	Perp/Call	No	Yes
Total	AUD	50,902	(20,237)				

²Refer to Section 5 – Summary of Asset Sales During the Quarter

COLLATERALISED DEBT OBLIGATIONS (CDO)

The Scheme's holding in CDO's was unchanged during the period.

The CDO's held by the Scheme as at 31 December 2012 are tabled below.

Asset Name	Currency	AUD Face Value 1\$000	AUD Face Value Δ\$000	WAL ²	Legal Maturity	Credit Watch List ³	Hedged ⁴
Silver Bell	AUD	10,000	-	4.0	21-Dec-16	Yes	N/A
Silver Lake	AUD	15,000	-	4.2	20-Mar-17	Yes	N/A
Eden 2006-3 04/07/13	AUD	1,750 ⁵	-	0.5	7-Apr-13	No	Yes
Total	AUD	26,750	-				

5. The face value of Eden 2006-3 has been sourced from the December 2012 Eden 2006-3 monthly report.

AIRCRAFT

The Scheme's holding in Aircraft securities reduced by \$7.5m during the period. The movement was due to amortisation received and the disposal of NWA 7.575³.

The positions held by the Scheme as at 31 December 2012 are tabled below.

Asset Name	Currency	AUD Face Value 1\$000	AUD Face Value Δ\$000	WAL ²	Legal Maturity	Credit Watch List ³	Hedged ⁴
NWA 7.575 03/01/19	USD	-	(6,573)				
Qantas VQP	AUD	257	(33)	0.9	14-Nov-14	No	Yes
Qantas VQR	AUD	431	(26)	1.9	15-Jul-16	No	Yes
Qantas VQQ Snr	AUD	9,703	(796)	1.4	13-Nov-15	No	Yes
Qantas VQI	AUD	186	(40)	0.6	14-Jan-14	No	Yes
Qantas VQG	USD	11,611	-		20-May-16	No	Yes
Qantas VQJ	AUD	304	(33)	1.1	15-Jan-15	No	Yes
Total	AUD	22,492	(7,501)				

³ Refer to Section 5 – Summary of Asset Sales During the Quarter

4. SUMMARY OF ASSET SALES DURING THE QUARTER

The Scheme sold the following positions during the quarter. The proceeds from the sale of these positions were used to reduce the outstanding balance on the Pass-Through Notes (after the payment of senior expenses) on the 20 December 2012 payment date.

Each of these positions satisfied the three asset sale tests outlined in Section 9 and were sold via competitive tender.

- WBT 2005-1 D
- MS 03/01/13
- HANRUE5 06/29/49
- NWA 7.575 03/01/19

The aggregate proceeds from these sales are summarised in the table below:

	A\$ 000
Net proceeds	28,101
Accrued interest	331
Gross proceeds	28,432

5. SUBSEQUENT EVENTS

During February, one of the swap counterparties exercised its right of termination for the cross currency swap hedging the Generali position and the cross currency swap hedging the ELM position. The Scheme received in aggregate A\$3,013,304 from the swap counterparty on termination.

6. DEFAULTED ASSETS

The table below lists the Scheme's holdings which have defaulted.

Asset Name	Currency	Type	Original Face Value\$000	AUD Face Value \$000	Default Date	Carrying Value \$000
Glitnir Bank	AUD	Financial	10,000	-	7 Oct 2008	-
Eden 2006-1 04/07/11 ¹	AUD	CDO	5,000	-	29 Sept 2010	-
Eden 2006-3 04/07/13 ²	AUD	CDO	10,000	1,750	29 Sept 2010	970
Total	AUD		25,000	1,750		970

1. Eden 2006-1 has been written fully down with nil recovery.
2. Eden 2006-3 face value has now been written down to a \$1.75m, following the default of one of the underlying positions in the Eden 2006-3 portfolio (The PMI Group). The December 2012 third party mark is 9.70 cents.

7. WEIGHTED AVERAGE LIFE (“WAL”) OF THE SCHEME PORTFOLIO

In the tables in Section 3, we have provided a base case WAL for each asset. While many assets do not have scheduled principal repayment dates but rather are pass through securities with many assumptions needed to be made in order to estimate the securities expected WAL's, these calculations are important for Unitholders. The slower the prepayment speed of the portfolio, the longer it will take for principal to be passed through to Noteholders, therefore the larger the impact of negative yield on the cash flows including the repayment of the deferred margins on the Notes. The deferred margin will be paid ahead of distributions to Unitholders.

On an aggregated basis the WAL of the portfolio reduced during the period broadly reflecting the time decay of each asset.

8. ASSET HEDGING

The Scheme's hedging policy is that each asset in the portfolio must be hedged if it:

- is a fixed rate security;
- is denominated in a currency other than Australian dollars; or
- has payment dates less frequent than quarterly payment dates.

In these cases, the Scheme has swapped the cashflows of the asset into quarterly, Australian dollar, floating rate (referenced to 3 month BBSW) cashflows; and the term of the swap has been matched to the expected maturity of the asset.

The term of the swaps were executed to the expected maturity of the underlying asset. The Scheme holds several hedges that have a termination date shorter than the expected final maturity of the asset. This will expose the portfolio to partially hedged positions and potential swap break costs. For the purpose of cashflow modelling only for the credit rating of the Pass Through Notes, a notional swap loss reserve has been established.

The table below details the assets of the Scheme which are unhedged as the asset term has extended beyond the maturity (or termination) of the swap. For each of these assets the Investment Manager has sought to enter into a new swap for the asset. This would involve any new swap counterparty executing an ISDA and becoming a secured creditor of the Scheme and sharing the security pari passu with the other secured creditors of the Scheme. No new swap counterparty nor the two existing swap counterparties have been willing to extend the necessary credit lines to the Scheme in order to enter into a new swap for these assets. As the Investment Manager was unable to source a new swap counterparty, the Investment Manager has, and continues to evaluate the costs and benefits of alternative hedging strategies for these assets. At this point, the upfront costs of the hedging alternatives available outweigh the benefits for Unitholders.

Asset Name	Currency	Local Currency Face Value \$000	AUD Face Value \$000	Coupon	WAL ²	Legal Maturity
SPPNZ 2007-1 MZ	NZD	6,000	4,759	3m NZD-BKBM + 2.50%	2.0	14-Oct-41
PARGN 12X B1B	EUR	5,000	6,355	3m Euribor + 0.24%	8.2	15-Nov-38
NAB 0 12/29/49	EUR	5,000	6,355	3m Euribor + 0.95%	3.7	Perp/Call
Total	AUD		17,469			

1. Face Value is defined as the AUD outstanding principal balance with the foreign currency denominated assets converted at the month end AUD / EUR, AUD / USD and the AUD / NZD spot rate.

9. ASSET SALE RESTRICTIONS

There has been no amendment to the asset sale restrictions which have been outlined in prior Unitholder updates. A summary of the asset sale restrictions prior to June 2013 is provided below.

1	Price Test	<p>Until June 2013 assets cannot be sold for an amount less than 95% of par value for the asset.</p> <p>Asset sales for an amount less than 95% of an asset's par value require the approval of Pass Through Noteholders by way of an extraordinary resolution.</p>
2	Rated Loss Coverage "RLC"	<p>Assets which satisfy the price test must also result in an improvement in the rated loss coverage ("RLC"), or at least the RLC being maintained ("RLC Test"). Assets which satisfy the price test and the RLC Test may be sold without the prior approval of Pass Through Noteholders.</p> <p>If the RLC Test is not satisfied, the asset sale will not be able to be executed without the Pass Through Noteholders passing an extraordinary resolution to approve the sale. This is a requirement for the credit rating on the Pass Through Notes.</p>
3.	Unitholder Test	<p>While the price test and the RLC Test are designed to protect the Pass Through Noteholders and are prescribed in the terms of Pass Through Notes, prior to an asset sale a third and final test ("Unitholder Test") has been implemented. The Unitholder Test is designed to protect the economic interests of the Unitholders.</p> <p>The Unitholder Test is calculated prior to an individual asset sale to ensure that the sale of an asset from the portfolio will maintain or improve the modelled NTA of the portfolio as at September 2013 ("Tender Date"). If the modelled NTA is improved by the asset sale today, the Unitholder Test is passed.</p> <p>The Unitholder Test is calculated by first projecting the NTA of the portfolio at the Tender Date, which in turn involves projecting the principal and interest cashflows of every asset and derivative in the portfolio and applying these flows and forecast expenses according to the waterfall. The NTA projection is then repeated but this time assuming the asset in question is sold at it's current mark with those sale proceeds applied in accordance with the Scheme's payment waterfall. This later projected NTA is compared to the initial projected NTA to test for improvement.</p>

Sale by Tender Process

Subject to certain parameters and conditions as summarised below, a tender process ("Tender") will be conducted whereby all assets of the Scheme will be offered for sale in a Tender with the first tender to be conducted on the 20th September 2013.

The purpose of the Tender is redeeming the Pass Through Notes in full (including payment of the Deferred Interest Amount).

The proceeds from the sale of assets pursuant to the Tender process will be applied by the Cash Flow and Systems Manager ("Bank of New York Mellon") in accordance with the terms of the Note and Security Deed on each Payment Date. For example, the proceeds from the sale of assets on the Tender Date (20 September 2013) will be applied to repayment of the Outstanding Principal Amount (and, if applicable, the Deferred Margin) on the Payment Date on 20 December 2013.

The Tender will involve the offering for sale of each individual asset held by the Scheme. At this point The Investment Manager intends to categorise the assets into "buckets" with each bucket determined by the following criteria, among others;

- A. Asset Type
- B. Sale Process (Bids Wanted in Competition "BWIC", data room etc.)
- C. Target sale market (Domestic, Europe or USA)
- D. Expected timeframe for completion of Sale Process (some structured, private assets will require a data room and the sale process will take circa 2 – 3 months whereas more liquid securities sold on market could take a week or so.)

The Investment Manager's expectation is that for the purpose of the Tender, the Scheme assets could be stratified into eight or more "buckets" with the Tender actually involving a number of different sale processes. Each sale process will be organised so that the Investment Manager is expected to receive bids for each asset on or around 20th September 2013.

It is expected that the more structured, private assets sale process will commence around June 2013.

If the sale conditions are not met for any individual asset and the asset is not sold on the Tender Date, the Investment Manager will reoffer the asset for sale by Tender on each of the following dates:

- A. 20 December 2013;
- B. 20 March 2014; and
- C. 20 June 2014.

The Tender will include the following parameters:

1	Individual Asset Sales	While the tender will offer all assets for sale, prices will be obtained for individual assets and individual sales will be executed.
2	Highest Bidder	Assets can only be sold to the highest bidder.
3	Unitholder Approval	The Responsible Entity will need to consider the ASX Listing Rules which may apply as a result of the Tender. It is foreseeable that the ASX may require the Responsible Entity to obtain the approval of Unitholders as a precondition to the Tender. If Unitholder Approval is required, it would be sought prior to the commencement of the Tender.

In addition to the parameters outlined above, the following Sale Conditions must also be satisfied for an asset to be sold by Tender:

1	Price Test	<p>For the purpose of the Tender, assets cannot be sold for an amount less than 90% of the outstanding principal amount for that asset.</p> <p>Asset sales for an amount less than 90% of the outstanding principal amount for that asset require the approval of Pass Through Noteholders by way of an extraordinary resolution.</p>
2	Rated Loss Coverage "RLC"	<p>Assets which satisfy the price test must also result in an improvement in the rated loss coverage ("RLC"), or at least the RLC being maintained ("RLC Test"). Assets which satisfy the price test and RLC Test may be sold without the prior approval of Pass Through Noteholders.</p> <p>If the RLC Test is not satisfied, the asset sale will not be able to be executed without the Pass Through Noteholders passing an extraordinary resolution to approve the sale.</p> <p>Satisfaction of the RLC Test is a requirement for the credit rating on the Pass Through Notes and consequently will no longer be required to be satisfied on the full repayment of the Pass Through Notes excluding the unrated Deferred Margin.</p>
3.	Unitholder Interest	<p>Only if all of the other asset conditions are satisfied may the Responsible Entity direct the Investment Manager to sell the asset. The Responsible Entity is not obligated to sell the asset. If The Trust Company (acting properly and reasonably) does not consider it in the best interests of Unitholders to accept the highest bid for the asset, the Responsible Entity is not required to direct the Investment Manager to sell the asset to the highest bidder.</p>

10. ASSET “SPOTLIGHT”

Collateralised Debt Obligations (CDO)

The Scheme holds 3 CDOs with Face Value totalling AUD26.75m. As of 31st December 2012, the Asset Carrying Value of these 3 CDOs totalled AUD8.67m. All of these CDOs reference corporate portfolios. More precisely, these are CSOs, or Collateralized Synthetic Obligations. That is, these CSO instruments are backed by (synthetic) credit derivatives rather than debt obligations as in the case of CDOs. Each CSO therefore assumes the risk of loss from specific assets within its portfolio experiencing Credit Events.

Within the Scheme portfolio, this asset class has experienced the most material price fluctuations because CDOs, in essence, are a levered investment in the underlying assets (ie corporate credit) of each of the CDOs. Therefore as the quality of each asset within the CDO improves or deteriorates this has a multiplier effect on the pricing of the CDO.

Two of the positions held by the Scheme as at 31st December 2012 are tabled below:

	Silver Lake	Eden 2006-3
Long / Short	Long	Long
Underlyings	Credit Portfolio	Credit Portfolio
Currency	AUD	AUD
Face Value (AUDm)	15.000	1.750
Maturity	20-Mar-17	7-Apr-13
<i>Credit Enhancement</i>		
Original Attachment	7.55%	4.60%
Portfolio Loss	(5.17)%	(5.43)%
Current Attachment	1.35%	0.00%
Original Thickness	1.00%	1.00%
Current Thickness	1.00%	0.18%
Current Detachment	2.35%	0.18%
<i>Losses</i>		
# Credit Events	8	6
% of Portfolio	6.50%	6.00%
Portfolio Loss	(5.17)%	(5.43)%

Highest Spread Credits Remaining in Portfolio: Name (Spread)

	Silver Lake	Eden 2006-3
1	Penney JC Company Inc (941)	Radian Group Inc (1,086)
2	JSC Kazkommertsbank (821)	MBIA Inc (976)
3	RR Donnelley & Sons Co (777)	RR Donnelley & Sons Co (832)
4	Nokia OY J (645)	Assured Guaranty Municipal Cor (606)
5	Peugeot SA (643)	Windstream Corp (535)

All information in the table regarding 'Credit Enhancement', 'Losses', and 'Highest Spread Credits' has been sourced or derived from the relevant monthly report for December 2012 relating to each respective CDO.

The Scheme has a A\$10mln exposure to the Silver Bell CDO which is a Long/Short CDO managed by Ithuba Capital AG and was arranged by West LB, now Portigon. Due to Credit Events and subsequent losses in the portfolio there is limited trading allowed by the Manager. The Silver Bell CDO had an Attachment point of 5.13% on closing with a thickness of 1.00%. Losses for Silver Bell are not settled until Maturity meaning irrespective of Credit Events, the coupon will be paid until its Maturity in December 2016.

Source: Ithuba Capital AG (formerly Montana Capital) Performance Report dated December 2008 and Conditions of the Notes dated 21 June 2007

11. PORTFOLIO VALUATION AS AT 31 DECEMBER 2012

Category	Description
Category A Third Party Mark	Wherever possible, the Investment Manager has used independent price information sourced from a third party, including banks and investment banks that either arranged the transaction or sold the position to the Scheme.
Category B Comparable Securities	For a number of securities, it is not possible to obtain a 3rd party mark. These securities are illiquid with no recent evidence of trades in the market. In these instances, the Investment Manager has estimated the market spread of these securities using factors including: <ul style="list-style-type: none"> • comparable securities of similar rating quality, • industrial classification, • underlying asset category, • currency and • tenor
Category C Accepted Market Methodology	These assets include only the private transactions in the Schemes portfolio where there is no 3rd party mark available and if there is no comparable securities on which to estimate a market price. The Scheme has historically adopted a methodology of marking these Category C exposures to Par unless; the exposure has experienced permanent impairment. The Investment Manager has adopted this methodology in the marking of the Category C Assets.

Portfolio Summary as at 31 December 2012

Cat	Asset Type	AUD Face Value \$000	Asset Carrying Value \$000	Hedge Carrying Value \$000	Asset Package Carrying Value \$000
A	RMBS	31,887	29,691	N/A	29,691
A	CMBS	21,897	20,682	(2,615)	18,067
A	Financials	50,902	39,311	4,134	43,445
A	CDO	26,750	8,672	1	8,673
B	Aircraft	10,881	11,033	(415)	10,618
C	Aircraft	11,611	12,449	(3,222)	9,227
C	RMBS	112	112	N/A	112
	Total	154,040	121,950	(2,117)	119,833

Category "A"

Residential Mortgage Backed Securities

Category	Asset Name	Currency	AUD Face Value Value \$000	Asset Carrying Value Value \$000	Hedge Carrying Value Value \$000	Asset Package Carrying Value Value \$000
A	APLLO 2007-1E 1A	AUD	1,108	1,080	N/A	1,080
A	SWAN 2007-1E A2	AUD	1,164	1,142	N/A	1,142
A	PROGS 2006-1 A	AUD	1,990	1,964	N/A	1,964
A	REDS 2006-1E A2	AUD	3,345	3,272	N/A	3,272
A	TORR 2005-3E A2	AUD	2,137	2,129	N/A	2,129
A	PARGN 12X B1B	EUR	6,355	4,763	N/A	4,763
A	MOB NCM-03 C	AUD	16	16	N/A	16
A	MOB NCM-04 D	AUD	11,013	10,884	N/A	10,884
A	SPPNZ 2007-1 MZ	NZD	4,759	4,441	N/A	4,441
A	Total	AUD	31,887	29,691	N/A	29,691

Commercial Mortgage Backed Securities

Category	Asset Name	Currency	AUD Face Value Value \$000	Asset Carrying Value Value \$000	Hedge Carrying Value Value \$000	Asset Package Carrying Value Value \$000
A	FPST 1 1	AUD	15,230	14,431	(2,615)	11,816
A	Rock & Rubble	AUD	6,667	6,251	N/A	6,251
A	Total		21,897	20,682	(2,615)	18,067

Financial Securities

Category	Asset Name	Currency	AUD Face Value Value \$000	Asset Carrying Value Value \$000	Hedge Carrying Value Value \$000	Asset Package Carrying Value Value \$000
A	ASSGEN5.479 02/49	EUR	16,844	10,755	1,956	12,711
A	NAB 0 12/29/49	EUR	6,355	5,300	N/A	5,300
A	NAB III 01/49	AUD	11,000	10,229	N/A	10,229
A	SCHREI 5.252 05/49	EUR	16,703	13,027	2,178	15,205
A	Total		50,902	39,311	4,134	43,445

Collateralised Debt Obligations

Category	Asset Name	Currency	AUD Face Value \$'000	Asset Carrying Value \$'000	Hedge Carrying Value \$'000	Asset Package Carrying Value \$'000
A	Silver Bell	AUD	10,000	1,882	N/A	1,882
A	Silver Lake	AUD	15,000	5,820	N/A	5,820
A	Eden 2006-3	AUD	1,750	970	1	971
A	Total		26,750	8,672	1	8,673

Category "B"

Aircraft

Category	Asset Name	Currency	AUD Face Value \$'000	Asset Carrying Value \$'000	Hedge Carrying Value \$'000	Asset Package Carrying Value \$'000
B	Qantas VQP*	AUD	257	261	(6)	255
B	Qantas VQR*	AUD	431	441	(24)	417
B	Qantas VQQ Snr*	AUD	9,703	9,834	(372)	9,462
B	Qantas VQI*	AUD	186	187	(3)	184
B	Qantas VQJ*	AUD	304	310	(10)	300
B	Total		10,881	11,033	(415)	10,618

* Assets are accounted for at amortised cost from a financial reporting perspective and the related hedges are carried at market value.

Category "C"

Aircraft

Category	Asset Name	Currency	AUD Face Value \$'000	Asset Carrying Value \$'000	Hedge Carrying Value \$'000	Asset Package Carrying Value \$'000
C	Qantas VQG*	USD	11,611	12,449	(3,222)	9,227
C	Total		11,611	12,449	(3,222)	9,227

* Assets are accounted for at amortised cost from a financial reporting perspective and the related hedges are carried at market value.

Residential Mortgage Backed Securities

Category	Asset Name	Currency	AUD Face Value \$'000	Asset Carrying Value \$'000	Hedge Carrying Value \$'000	Asset Package Carrying Value \$'000
C	NCM-04 CLASS M	AUD	112	112	N/A	112
C	Total		112	112	N/A	112

APPENDIX 1 – RECONCILIATION OF CARRYING VALUES TO REVIEWED NET ASSETS AS AT 31 DECEMBER 2012¹

Description	Amount \$000
Assets	
Investments ²	119,833
Bank Accounts	11,155
Total	130,988
<i>Accounting Adjustments:</i>	
Add adjustment for loans accounted at amortised cost ³	3,256
Add Interest Receivable	1,320
Less Accrued Interest on derivatives	(947)
Add Other adjustments	(3)
Total Assets	134,614
Liabilities	
Class A1 PT Notes Balance	6,075
Class A2 PT Notes Balance	17,737
Class A1 PT Notes – Deferred Margin Balance	21,852
Class A2 PT Notes – Deferred Margin Balance	20,303
Total	65,967
<i>Accounting Adjustments:</i>	
Less Discount on Class A1 Deferred Margin ⁴	(1,493)
Less Discount on Class A2 Deferred Margin ⁴	(903)
Add Interest Payable	33
Add Accrued Expenses	406
Less Capitalised Debt Establishment Fees	(327)
Total Liabilities	63,683
Net Assets	70,931
Units on issue (000s)	176,440
Net Tangible Assets per unit	\$0.402

1. The above summary net tangible asset analysis presents the Scheme's reviewed net tangible asset position as at 31 December 2012.
2. Represents the total carrying value of investments and the mark to market value of the associated swap in accordance with Max Trust Valuation Policy.
3. The Qantas loan assets are accounted for at amortised cost this adjustment represents the adjustment to bring these investments from their assessed carrying value to their amortised cost value and includes the impacts of the discontinuation of hedge accounting during the year ended 30 June 2009.
4. As required by accounting standards the deferred margin balance is discounted back to present value using the effective interest rate method. This adjustment represents the adjustment to bring the deferred margin balance back to its present value.