



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE ("ASX")

MONDAY, 1 FEBRUARY 2010

PROGRESS REPORT – MANAGED INVESTMENT SCHEMES

1. The Board of Directors of IMF (Australia) Ltd refers to it's announcements to the market dated 20 October 2009, 2 November 2009 and 4 November 2009 in relation to the abovementioned matter and reports further as follows.
2. ASIC has now issued instruments of exemption covering class actions funded by IMF. Those instruments cover Oz Minerals, AWB, the Centro actions, Premium Income Fund, Pan Pharmaceutical, Firepower, the Westpoint actions, Credit Corp, Air Cargo and AM Corporation. A number of other matters are still under consideration by ASIC.
3. ASIC has declined to exempt several group actions IMF wishes to fund. The following cases fall into that category - Firepower B, Great Southern and Australian Stockbroking and Advisory Services. In addition one unannounced class action has also been declined. These matters represent about \$130M of the total funded claims of \$1,012M announced to the market today.
4. Although the Multiplex judgment refers specifically to class actions the Board believes that, through an abundance of caution, IMF should also seek an exemption for group actions. No Court has yet declared that funded group actions are managed investment schemes.
5. The Multiplex judgment is currently under application for leave to appeal to the High Court and the Government has indicated it will consider it's approach to the need for registration of class actions by June 2010.
6. Because the timing of these events is inherently uncertain IMF has decided to make application for registration of the cases referred to in paragraph 3 above while at the same time seeking administrative review of the decisions to decline exemption.
7. IMF expects these declined cases to be either exempted or registered and estimates that there may be a two month delay in carrying out these tasks.
8. No costs or losses have been, or are likely to be, incurred and any extra costs occasioned by registration (if that proves necessary) will be passed on to clients.

A handwritten signature in black ink, appearing to read 'Diane Jones', enclosed within a hand-drawn oval.

Diane Jones
Chief Operating Officer

IMF (Australia) Ltd

GPO Box 5457
Sydney NSW 2001
Freecall 1800 016 464

IMF#208812

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