

Friday 31st May, 2013

NAVIGATOR AUSTRALIA LIMITED
a/c MLC NAVIGATOR INVT PLAN
509 ST KILDA ROAD
MELBOURNE VIC 3004

Dear Sir/Madam

You have received this letter as an investor in the Barclays Corals Commodities Fund. There are changes to this fund which will affect your investment so please take the time to read the following important information.

Termination of the Barclays Corals Commodities Fund

Celsius Investments Australia Limited (“**CIAL**”) is the responsible entity of the Barclays Corals Commodities Fund (ARSN 131 196 882) (the **Fund**).

In accordance with the terms of the Fund’s constitution CIAL has resolved to terminate the Fund on 5 June 2013 (the **Termination Date**) and is hereby advising all of its unit holders of the termination.

Why is the Fund being terminated?

Barclays Bank PLC (AFSL 246617) (“**Barclays**”) is conducting a strategic review of its investment management activities globally, including activities undertaken in Australia. This review has included an assessment of the current scale and potential future growth prospects of the funds operated by CIAL in Australia. Following such assessment, Barclays has concluded that it is not viable to maintain its investment management activities with respect to such funds and has therefore notified CIAL that it will be withdrawing the investment management services it provides to CIAL.

After considering options for the ongoing operation of the Fund (including appointing a new investment manager), CIAL has determined that it is not possible to continue to offer the Fund’s investment strategy in Australia without the ongoing support of Barclays. Consequently, it has been decided to terminate the Fund and return all proceeds to unit holders.

How is the Fund terminated?

Following termination of the Fund on the Termination Date, CIAL will take steps to wind up the Fund in accordance with the Fund's constitution. In short, CIAL will realise the assets of the Fund, pay any liabilities and expenses of the Fund, and distribute the net proceeds to any remaining unit holders according to the number of units they hold. Importantly, all of the costs of termination and winding up of the Fund will be borne by CIAL and will not be charged to the Fund.

Unit holders will cease to have an interest in the Fund, once the net value of the Fund has been distributed to all remaining unit holders.

Finally, the Fund's accounts will be audited by an independent registered auditor.

What action do I need to take?

You do not need to take any action in relation to your investment.

Once the assets of the Fund are realised and all liabilities and expenses paid, you will receive a distribution equal to your proportionate interest in the Fund and this will be paid to your nominated bank account. Although CIAL is entitled to make interim distributions, CIAL has advised that their intention is to make one final distribution on completion of winding up.

CIAL has a duty to complete winding up as soon as reasonably practicable.

What are the taxation implications?

Unit holders should seek their own tax advice in relation to the taxation implications of receiving their final distribution payments, taking into account their own particular circumstances

Broadly speaking, unit holders who hold their units on capital account and participate in the wind up of the Fund will make a capital gain or loss on the termination of the Fund, having regard to the amount by which their entitlement from the sale of the assets on winding up of the Fund exceeds (which will result in a capital gain) or is lower than (which will result in a capital loss) the cost base of their units.

The unit holder's cost base (and reduced cost base) will include the amount subscribed, together with any non-deductible incidental costs incurred in acquiring or disposing the units, reduced by any non-assessable income previously received from the Fund.

To the extent unit holders receive a final distribution of trust income, this final distribution of trust income may comprise an assessable income component or a non-assessable component – or both. In this regard:

- unit holders will be taxed on any assessable income component; and
- the non-assessable component is not assessable but reduces the unit holders' cost base/reduced cost base in their units - and so is relevant to calculating whether unit holders have made a capital gain or loss in respect of their units.

All unit holders will receive an annual tax statement containing a summary of the Fund's distributions for the year that will help them complete their income tax return.

Further questions

If you have any questions about the above, please contact your financial adviser or CIAL on 1800 449 859.

Yours sincerely

Robert Bishop
Director
Celsius Investments Australia Limited