

EMERALD OPPORTUNITIES FUND

INFORMATION MEMORANDUM

Fund Manager

Global Funds Management Corporation Pty Ltd

ACN 630 539 543

Corporate Authorised Representative No. 001278006 of JRP Securities Pty Ltd

AFSL 455657

Trustee

Melbourne Securities Corporation Limited

ACN 160 326 545

AFSL 428289

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Units offered by this Information Memorandum should be considered speculative.**

IMPORTANT NOTICE

Information Memorandum

This Information Memorandum relates to an offer to subscribe for Units in the Emerald Opportunities Fund (**Fund**). Melbourne Securities Corporation Limited (ACN 160 326 545) AFSL No. 428289 (**Trustee**) is the Trustee of the Fund and the issuer of the Units. The Trustee has appointed Global Funds Management Corporation Pty Ltd (ACN 630 539 543) (**Fund Manager**), Corporate Authorised Representative No. 001278006 of JRP Securities Pty Ltd (ACN 167 104 163) AFSL No. 455657 as the manager of the Fund. The Fund Manager is the issuer of this Information Memorandum.

No guarantee

Investors should consider the summary of key risks set out in the Information Memorandum.

An investment in the Fund does not represent a deposit with, or liability of, the Trustee or any of its related bodies corporate and is subject to certain investment risks, including possible delays in repayment and loss of income and capital invested. None of the Trustee, Fund Manager or their respective related bodies corporate guarantee the performance of the Fund, the repayment of capital or any particular rate of return.

This Information Memorandum has been prepared to the best knowledge of the Fund Manager. However, to the maximum extent permitted by law, neither the Fund Manager nor its related bodies corporate and their directors warrant the accuracy or completeness of this Information Memorandum or accept any responsibility or liability for any loss or damage, which results from an action or reliance, in whole or part, on such material. Past performance is not indicative of future results.

General information only

In preparing this document the Fund Manager has not taken into account the investment objectives, financial situation or particular needs of any particular investor. Before making an investment decision, investors should obtain their own investment advice, taking into account their own investment needs and financial circumstances.

This Information Memorandum is not to be considered as a recommendation by the Fund Manager, the Trustee, or any of their respective officers, employees, agents or advisers that a prospective Investor should invest in Units, or that an investment in the Trust is a suitable investment for any particular Investor.

Prospective Investors should conduct and rely upon their own investigation and analysis of the information in this Information Memorandum and other matters that may be relevant to them in considering whether to acquire Units.

In considering an investment in Units, prospective Investors must make and will be taken to have made, their own independent investigation and analysis of the information in this Information Memorandum. Independent expert advice (including from an accountant, lawyer or other professional adviser) should be sought before making a decision to invest in Units.

Trust Deed

This Information Memorandum is intended to provide a guide to the principal features of the Fund. An investment in the Fund is subject to the terms of the Trust Deed. This Information Memorandum is not a comprehensive statement of the Trust Deed or of all of the terms applicable to an investment in the Fund. Nothing in this Information

Memorandum limits or qualifies the rights, powers or discretions conferred upon the Fund Manager, except as otherwise provided under the Trust Deed. In the event of any inconsistency between the Trust Deed and this Information Memorandum, the Trust Deed shall prevail. A copy of the Trust Deed may be obtained from the Trustee upon request.

Offer to persons in Australia

This Information Memorandum can only be used by investors receiving it (electronically or otherwise) in Australia and New Zealand and cannot be used by investors in any other jurisdiction (except where permissible under the laws of that jurisdiction and with the prior written approval of the Trustee). Units are not available for purchase by investors in the United States of America or by any other United States of America persons or controlled persons, subject to the prior written approval of the Trustee (refer to the 'US Person' definition on the Application Form).

Confidential

This Information Memorandum is provided to recipients on a confidential basis for their sole and exclusive use in assessing an investment in the Fund and may not be used for any other purpose or provided to any other person.

Wholesale clients only

This Information Memorandum is intended only for "wholesale client" investors (as defined under section 761G of the Corporations Act). This document is not a disclosure document or product disclosure statement for the purposes of the Corporations Act and has not been, and is not required to be, lodged with ASIC. This Information Memorandum has not been prepared to the same level of disclosure required for a product disclosure statement or prospectus.

Updated Information

The Fund Manager may, but without being under any obligation to do so, update or supplement this Information Memorandum. Any further information will be subject to these conditions.

Currency

References to dollars or "\$" are references to AUD dollars unless otherwise indicated.

No Responsibility for contents of Information memorandum

To the maximum extent permitted by law:

- (a) no representation, warranty or undertaking, express or implied, is made;
- (b) no responsibility or liability is accepted by the Trustee, the Fund Manager or any of their respective officers, employees, agents or advisors or any other person as to the adequacy, accuracy, completeness or reasonableness of this Information Memorandum; and
- (c) no responsibility for any errors or omissions from this Information Memorandum, whether arising out of negligence or otherwise, is accepted.

This Information Memorandum contains various opinions, estimates and forecasts which are based upon assumptions that may not prove to be correct or appropriate. Except to the extent implied by law, no representation or warranty as to the validity, certainty or completeness of any of the assumptions or the accuracy of the information, opinions,

estimates or forecasts contained in this Information Memorandum is made by the Trustee, the Fund Manager or any of their respective officers, employees, agents or advisers.

Acknowledgments

Investors acknowledge that:

- (a) no person has been authorised to give any information concerning the Trustee, the Fund Manager, Trust or the Units other than as contained in this Information Memorandum and, if given, that information cannot be relied upon as having been authorised by the Trustee or, to the extent it relates to the Fund Manager, the Fund Manager; and
- (b) they have been afforded an opportunity to request, and have received and reviewed, all information considered by them to be necessary or appropriate to verify the accuracy of, or to supplement the information contained in, this Information Memorandum and to make an informed decision about investing in the Trust.

No contract

This Information Memorandum, including any update or supplement to it, does not and will not form part of any contract for the subscription for Units that may result from Investors' or their advisers' review, investigation or analysis of the Trust.

Accuracy of projections and Forecasts

All projections and forecasts in this Information Memorandum are for illustrative purposes only, and on the basis of any assumptions described in this document. Actual results may be materially affected by changes in economic and other circumstances. The reliance that Investors place upon the projections and forecasts is a matter for their own commercial judgment. No representation or warranty is made that any projection, forecast, assumption or estimate contained in this Information Memorandum should or will be achieved. All figures referred to in this Information Memorandum are expressed in Australian dollars.

Speculative Investment and Liquidity not Guaranteed

An investment in Units is to be considered speculative. Liquidity in the Units generally cannot be guaranteed. Redemption of Units and any offer for sale of Units must be made in accordance with the Trust Deed. Units offered under this Information Memorandum, when issued, will not be listed on any stock exchange.

Information memorandum available electronically

This Information Memorandum can be requested in electronic form by contacting the Trustee by email at trustee@msc.group. Any person reviewing the Information Memorandum electronically may request a paper copy of the Information Memorandum free of charge.

The Application Form attached to this Information Memorandum contains a declaration that the applicant has personally received the complete and unaltered Information Memorandum prior to completing the Application Form. Investors should read the Information Memorandum in its entirety before completing the Application Form.

Anti-money laundering legislation

Further information may be required from you from time to time to comply with the *Anti*

Money Laundering and Counter Terrorism Financing Act 2006 (Cth). By applying for Units under this Information Memorandum, you undertake to provide us with all additional information and assistance reasonably required.

Definitions

Defined terms and abbreviations used in this Information Memorandum are explained in the Glossary, located near the end of this Information Memorandum.

Other Jurisdictions

This Information Memorandum does not constitute an offer or invitation to subscribe for Units in any jurisdiction where, or to any person to whom, it would not be lawful to make an offer. If Investors are located outside Australia they should comply with all laws of the relevant jurisdiction applicable to an application for Units.

Date of Information memorandum

The information contained in this Information Memorandum has been prepared as of 24th September 2024. Neither the delivery of this Information Memorandum nor any offer or issue of the Units implies or should be relied upon as a representation or warranty that there has been or will be no change since that date in the affairs or financial condition of the Fund, or that the information contained in this Information Memorandum remains correct at, or at any time after, that date.

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1. CORPORATE DIRECTORY

Trustee

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AFSL No. 428289
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Melbourne Victoria 3000
Telephone: 1300 798 790
Email: trustee@msc.group
Website: www.msc.group

Auditor

William Buck
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Melbourne Victoria 3000

Fund Manager

Global Funds Management Corporation Pty Ltd
Corporate Authorised Representative of
JRP Securities Pty Ltd
AFSL No. 455657
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Telephone: +61 417 985 527
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Administrator

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Melbourne Victoria 3000
Telephone: 1300 798 790
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2. FUND KEY FEATURES

Key Feature	Summary	Section Reference
Trustee	Melbourne Securities Corporation Limited (ACN 160 326 545), AFSL No. 428289	Section 3
Fund Manager	Global Funds Management Corporation Pty Ltd (ACN 630 539 543) Corporate Authorised Representative No. 001278006 of JRP Securities Pty Ltd (ACN 167 104 163) AFSL No. 455657(Licensee)	Section 3
Investment Vehicle	Emerald Opportunities Fund, an Australian unit trust	Section 4
Investment Type	The Fund will invest in a portfolio of securities primarily comprising of Australian listed shares. The Fund may also invest in unlisted Australian shares, ETFs and non-Australian listed and unlisted shares.	Section 4.4
Investment Objective	The Fund aims to outperform the Australian Small Ordinaries Accumulation Index (Benchmark) annually on a net of fees basis. The Fund may not be successful in meeting this objective. Returns are not guaranteed	Section 4.1
Investment Strategy	<p>The Fund Manager blends fundamental bottom-up, top-down analysis with share price momentum and trend interpretation creating a rules based discretionary strategy.</p> <p>A combination of bottom-up analysis with share price and trend momentum interpretation seeks to identify fundamentally strong, listed and unlisted Australian and non-Australian companies when a positive technical price environment which suggests the company is entering a period of aggressive price appreciation.</p>	Section 4.2
Fund Type	Unregistered managed investment scheme (open ended unit trust)	Section 13.3
Fund Domicile	Australia	"Important Notice" Section
Fund Currency	Australian Dollars	"Important Notice" Section
Structure	Melbourne Securities Corporation Limited is the Trustee of, and issuer of Units in, the Fund (a unit trust) offered under this Information Memorandum. The Fund is	"Important Notice" Section

	not a registered managed investment scheme under the Corporations Act. The Fund Manager manages the Fund's investment portfolio	
Investor Eligibility	Wholesale Clients (as defined in the Corporations Act)	"Important Notice" Section
Applications	Monthly, on 3 Business Days' notice to the Administrator. Applications will be processed on the first Business Day of each month	Section 5.4
Minimum Initial Investment	\$50,000.00*	Section 5.1
Minimum Additional Investment	\$10,000.00*	Section 5.1
Redemptions	Monthly, with 20 Business Days' prior written notice to the Administrator. Redemptions will be processed on the last Business Day of each month, and it is expected that redemption proceeds will be paid within 15 Business Days'. Redemptions may be suspended or deferred in certain circumstances	Section 6.2
Buy Spread	1.00% will be added to the Net Asset Value per Unit when applying for new Units in the Fund	Section 6.5
Sell Spread	1.00% will be deducted from the Net Asset Value per Unit when redeeming Units from the Fund	Section 6.5
Unit pricing frequency	Monthly	Section 7
Distributions	30 June each year (if any). Distributions will be automatically reinvested in the Fund unless otherwise notified by the Unitholder	Section 8
Management and Performance Fees	Contribution fee: If you have been introduced to the Fund by a third party distributor, then a contribution fee of 2% (exclusive of GST) of the investment amount is payable on your initial investment in the Fund but not additional investments following your initial investment or in respect of distribution reinvestments. This amount will be deducted from application monies.	Section 11.1
	Management fee: 1.25% p.a. (exclusive of GST) of the Net Asset Value of the Fund, payable monthly in arrears.	Section 11.2
	Performance fee: 20% (exclusive of GST) on the Fund's outperformance of a hurdle rate of 8% above the Benchmark return on a net of fees basis, payable annually	Section 11.3

Expenses	All expenses properly incurred by the Trustee and their agents are payable out of the Fund	Section 11.5
Taxation	It is not intended for the Fund to pay tax, on the basis that all income of the Fund (if any) will be distributed to investors. Refer to the 'Taxation Considerations' section for more information	Section 12
Administrator	MSC Abacus Pty Ltd ACN 630 730 684	"Important Notice" Section

*Unless the Trustee determines otherwise in its discretion.

3. THE FUND MANAGER AND THE TRUSTEE

3.1 The Fund Manager

Global Funds Management Corporation Pty Ltd manages the investment portfolio of the Fund.

The Fund Manager is a specialist fund manager focusing in thematic 'bottom up' trading strategies and employing rule based efficient portfolio management techniques to protect investors capital. Investment portfolios are constructed primarily using listed equities.

James Titcombe – Fund Manager/Director

James Titcombe has worked in the financial services industry since 1999, having relocated to Australia from the UK in 2006 and is accredited in generic and specialist knowledge and skills components for securities and managed investments. Working in finance from 2007 to 2017, James has held a variety of roles within the Australian stockbroking industry, spending three years as a Risk and Compliance Officer, before transitioning to an advice based role providing services incorporating portfolio management, wealth creation strategies, strategic investment and asset allocation to retail, wholesale and institutional clients.

James joint founded Global Funds Management Corporation to focus on the successful portfolio management/ wealth creation role within his business and create a range of products for investors with varying risk appetites.

Chris Jones – Fund Manager/Director

Having two decades of experience in the Australian finance industry working for wholesale boutique investment funds and stockbroking firms, Chris has a large breadth of expertise including retail and wholesale advice, portfolio management, corporate transactions, asset allocation and operational management of listed fund structures. His role has required forming close working relationships with fund managers, custodians and service providers around the globe. Chris has experience of monitoring all daily operations of funds including the executing/reporting of trades, maintenance of internal models/spreadsheets and all related settlement administration. His roles have also seen him manage all ongoing service providers of the investment advisory business. Chris has knowledge of the financial markets and related products having spent time as part of investment panel for fund managers giving technical advice for implementation within risk management frameworks and efficient portfolio management schemes primarily under the collective investment schemes rules. Chris' expertise includes assisting in the setup, launching and ongoing running of both OEIC structures in the UK and EIF funds domiciled in Gibraltar. Chris is a joint founder of Global Funds Management and co manages the Australian Growth Fund.

John Zamboni – Executive Director

John Zamboni is an Executive Director of Emerald Capital Pty Ltd and is also a Director of several other private companies. He is a professional investor and was the cornerstone investor behind several ASX listed companies. He has vast experience with technology in the mining industry and his interests are associated with disruptive and digital technologies and is a big advocate of renewable energy. He is currently a member of the Australian Institute of Company Directors and holds an Accounting and Finance degree and a Master of Business

Administration from Murdoch University, Western Australia. John is the Executive Director of Global Funds Management and provides oversight of all the business operations.

Designated business functions are supported by top tier external service providers in legal, administration, taxation and audit.

3.2 The Trustee

Melbourne Securities Corporation Limited is the trustee of the Fund. The Trustee, an entity within the MSC Group, is a professional trustee holding AFSL No. 428289.

In its role as the trustee of the Fund, the Trustee provides regulatory compliance oversight as legislated by the Corporations Act and in reference to ASIC guidelines.

In exercising its powers and duties, the Trustee must:

- act honestly and in the best interests of all investors at all times;
- exercise a reasonable degree of care and diligence;
- treat each class of investors equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to investors;
- comply with the Trust Deed and all applicable laws;
- ensure that Fund assets are separated from the property of the manager and other entities; and
- assume ultimate responsibility for any complaints by investors or regulatory enquiries.

The Trustee has the power to operate the Fund and manage Fund assets in the event of impropriety of the Fund Manager or breach of the Investment Management Agreement.

All bank accounts of the Fund are held by the Trustee or its appointed custodian on behalf of investors. The Trustee ensures that investment decisions comply with the Trust Deed.

The Trustee is required to meet strict financial guidelines as set out in the Corporations Act and under the conditions of its AFSL, including holding adequate professional indemnity insurance, maintaining a minimum net tangible assets and it must produce regular cash flow projections to ensure it has the financial resources to meet its obligations on an ongoing basis.

In adherence with Corporations Act requirements, the Trustee is subject to an independent financial audit. It is also subject to an independent compliance audit on an annual basis.

4. ABOUT THE FUND

4.1 Investment Objective

The core objective of the Fund is to provide investors with long-term capital growth by investing in quality Australian companies while implementing discretionary strategies to magnify returns and preserve capital.

The Fund aims to outperform the Australian Small Ordinaries Accumulation Index annually on a net of fees basis.

There is no guarantee that the Fund will achieve this objective. It is merely an indication of what the Fund Manager is seeking to achieve over the relevant period. Returns are not guaranteed. The objective does not take into account an individual investor's tax position or the impact of fees on returns.

4.2 Investment strategy

The Fund Manager blends fundamental bottom-up, top-down analysis with share price momentum and trend interpretation creating a rules based discretionary strategy.

A combination of bottom-up analysis with share price and trend momentum interpretation seeks to identify fundamentally strong listed and unlisted Australian and non-Australian companies when a positive technical price environment prevails, which suggests the company is entering a period of aggressive price appreciation.

The Fund Manager may also choose to move the Fund's assets entirely to cash during times of uncertainty or market volatility; the philosophy being to maintain objectivity over a long-term investment horizon.

The Fund Manager may use ETFs for hedging purposes if market conditions support.

The Fund Manager may invest in unlisted Australian companies and non-Australian listed and unlisted companies for up to the aggregate of 30% of the funds under management.

The Fund Manager has the capability and depth of experience to invest in listed equities across a wide range of market sectors and industries located in Australia and overseas.

4.3 Investment Process

The Fund Manager will implement the strategy using a thematic bottom-up fundamental approach, in order to assess the merits of the relevant company objectively. Active technical insight drives discretion to ensure market conditions and sentiment is supportive, integral to risk management controls.

Assuming inclusion criteria has been met, and broader conditions are supportive, the Fund manager aims to maintain an unconstrained concentration of approximately 30 companies in the Fund's portfolio focussing on companies < \$500m market capitalisation at the time of purchase

Throughout the process, the Fund Manager's primary focus is on stock selection. Therefore the portfolio's weightings may differ significantly from those of the Benchmark.

Risk control features of the Portfolio will include:

- (a) **Single investment concentration Limits.** The Fund Manager will seek to limit the maximum exposure to any single investment at 30% of the Net Asset Value of the Fund, as at the time of investment.
- (b) **Overseas and unlisted concentration Limits.** The Fund Manager will seek to limit the maximum exposure to the aggregate of all unlisted Australian shares and listed and unlisted non-Australian shares at 30% of the Net Asset Value of the Fund, as at the time of investment.
- (c) **Efficient Portfolio Management (EPM).** The Fund Manager will utilize trailing stop profit/losses for each position within the Fund.
- (d) **Index Market Sentiment Filter.** The Fund Manager applies an Index filter which determines whether new positions will be taken.

4.4 Investments of the Fund

The types of investments undertaken by the Fund will reflect the objective of the Fund and the investment strategy adopted.

The Fund Manager has the discretion to vary the types of investments of the Fund as set out in this Information Memorandum, but will give Unitholders prior notice of any significant alteration to the Fund's objectives or strategy.

The Fund may invest in a range of asset classes including:

- (a) Australian listed securities/ listed ETF's (in both developed and emerging markets); and
- (b) Australian unlisted securities (in both developed and emerging markets); and
- (c) non-Australian listed and unlisted securities (in both developed and emerging markets); and
- (d) cash and cash equivalent investments (for example treasury bonds and certificates of deposit).

4.5 Borrowings

The Fund does not intend to borrow funds for investment or other purposes.

4.6 Currency management

Currency is not actively managed, the Fund is unhedged. The Fund is denominated in Australian dollars. The assets of the Fund will be denominated in a variety of foreign currencies, and the exchange rates of those currencies compared to each other and the Australian dollar may change over time. Any changes to exchange rates will therefore affect the Fund when its assets are valued in Australian dollars. For example, a change in the value of the Australian dollar relative to other currencies may negatively impact the value of an investment in the Fund.

5. APPLICATIONS

5.1 What is the minimum investment amount?

The minimum initial investment in the Fund is \$50,000.00. The minimum additional investment in the Fund is \$10,000.00.

The Trustee may accept initial and additional investments below these minimum amounts in its discretion.

5.2 How to invest?

If you wish to invest, please complete the accompanying Application Form and forward it to the Administrator, at the address details shown in the Application Form.

All applicants must satisfy the requirements for a "wholesale client" under the Corporations Act. The Trustee reserves the right to reject any application for Units. Refer to the Application Form for more details.

Cleared funds must be electronically transferred into the relevant bank account details (set out below) no later than 5:00 pm (Sydney time) at least two (2) Business Days' prior to the relevant Subscription Day (or such earlier or later time as the Trustee may determine). The Application Form must also be received by the Administrator no later than 5:00 pm (Sydney time) at least two (2) Business Days' prior to the relevant Subscription Day (or such earlier or later time as the Trustee may determine).

Please note: Funds must be transferred from a bank account in the name of the applicant(s) as appears in the registration details on the Application Form. The Administrator will only accept transfers in Australian Dollars, unless the Trustee (in consultation with the Fund Manager) agrees otherwise. No third party payments will be permitted.

An executed version of the application form may be e-mailed to the Administrator at registry@msc.group.

Early applications are recommended to ensure the deadlines are met, as applications received after these cut off times for any particular Subscription Day may be processed at the next relevant Subscription Day. Applicants will not earn any interest on unallocated application monies.

5.3 How to invest more in the Fund?

Subsequent additional investments may be made by completing the Additional Investment Application Form (available from the Administrator) and sending this to the Administrator as above.

5.4 How will applications be processed?

Applications will generally be processed on the Subscription Day. The application price will be the Unit price as at the immediately preceding Valuation Day. Please refer to Section 6.5 and 7 for further details regarding application prices and Fund/Unit valuation.

The Trustee has the discretion to accept or reject (in whole or in part) any application received. By sending a completed Application Form and application monies to the Administrator, you are making an offer to become a Unitholder and

you are agreeing to be legally bound by the terms of this Information Memorandum and the Trust Deed.

5.5 No Cooling Off Rights

Investors eligible to invest in the Fund are not entitled to cooling off rights.

6. REDEMPTIONS

6.1 What is the minimum redemption amount?

The minimum redemption amount is \$5,000.00. A requested partial redemption which would cause the Unitholder's investment to fall below the minimum holding of \$50,000 will be permitted at the sole discretion of the Trustee or the Trustee may redeem the total holdings of the relevant Unitholder.

The Trustee has the discretion to vary the minimum redemption amount or waive the minimum holding in its discretion.

6.2 How to redeem?

Any Unitholder may request using the redemption form to redeem any of their Units (**Redemption Request**). Redemptions are generally permitted provided that a Redemption Request is received with all information in order by the Administrator no later than 5:00 pm (Sydney time) at least 20 Business Days' prior to the proposed Redemption Day (being the last Business Day of each month unless otherwise determined by the Trustee). The Trustee may at its discretion allow redemptions at other times and with longer or shorter notice periods.

Redemption Requests can either be mailed, emailed to the Administrator. Redemption Requests which are initially received by fax or e-mail will be processed. However, the original Redemption Request should follow in original form thereafter. The Redemption Request must be signed by the Unitholder or authorised signatories and must specify the investor number and amount for redemption (in dollars or Units held). Unitholders should note that redemption proceeds will only be paid into the original account in the name of the Unitholder from which the subscription proceeds were derived or, upon approval of the Trustee, to another account in the name of the Unitholder. Note that normal bank charges may apply.

Redemptions will be paid in Australian Dollars, although if requested, payments may also be made by a distribution in specie of any Fund investments, at the discretion of the Trustee in consultation with the Fund Manager.

6.3 How will redemptions be processed?

The redemption price will be the redemption price as at the close of business on the next Valuation Day. If a Redemption Request is received after the deadline for receipt of Redemption Requests for any particular Redemption Day, it will be treated as a request for redemption on the following Redemption Day.

In the ordinary course of business, it is expected that proceeds from validly received and processed redemptions will be paid within 15 Business Days' after the Redemption Day. However, the Trust Deed allows the Trustee to have up to 45 Business Days' after the relevant Redemption Day to pay the proceeds of a Redemption Request.

When Units are redeemed, the Trustee may choose to distribute for tax purposes an amount of undistributed income to the redeeming Unitholder, including gains resulting from the realisation of any assets, to fund the redemption as part of the redemption process.

6.4 Are there any restrictions on redemptions?

If Redemption Requests are received by the Administrator with respect to any particular Redemption Day with an aggregate Net Asset Value of more than 20% (or such higher percentage as the Trustee in its discretion may determine) of the Net Asset Value of the Fund, the Trustee may, in its discretion, reduce each such request pro rata so that only Units with an aggregate Net Asset Value equal to 10% (or such higher percentage as the Trustee in their discretion may determine) of the Net Asset Value of the Fund are redeemed on that particular Redemption Day.

Redemptions are also dependent upon whether there is sufficient liquidity available and may be deferred or suspended.

Any deferred Redemption Requests will be deemed to have been submitted for the next Redemption Day without the need to submit a further Redemption Request. The deferral of Redemption Requests may occur at subsequent Redemption Days if Redemption Requests exceed the threshold specified above. A redeeming Unitholder's deemed Redemption Request will not have priority over other Redemption Requests, whether deemed or otherwise, submitted by other Unitholders for the relevant Redemption Day. If this mechanism has been utilised for three consecutive Redemption Days, it cannot be deployed on the fourth Redemption Day. The exercise of the reduction (and any discretions provided for herein) of each request for redemptions pursuant to this provision by the Trustee must only be exercised where in the opinion of the Trustee (acting reasonably) it is in the best interests of continuing Unitholders.

Under the Fund's Trust Deed, the Fund may suspend redemptions and/or the calculation of Unit prices (for such period as it determines) where:

- (a) it is, for any reason, impracticable for it to calculate the Net Asset Value; or
- (b) the redemptions would prejudice the Fund's or the Trustee's compliance with any applicable law; or
- (c) there would be insufficient cash retained in the Fund after complying with a Redemption Request to meet other liabilities and in the Trustee's opinion (in consultation with the Fund Manager) it is not in the interests of Unitholders for any of the Fund's assets to be sold in order to satisfy a Redemption Request; or
- (d) sufficient Fund assets cannot be realised at an appropriate price or on adequate terms or otherwise due to one or more circumstances outside the control of the Trustee; or
- (e) the Trustee reasonably estimates that it must sell 10% or more (by value) of all the Fund's assets to meet current unsatisfied Redemption Requests; or
- (f) there have been, or the Trustee anticipates that there will be, Redemption Requests which will involve realising a significant amount of the Fund's assets and the Trustee considers that if those Redemption Requests are all satisfied immediately, Unitholders who continue to hold Units may bear a disproportionate burden of capital gains tax or other expenses, or the meeting of those Redemption Requests would otherwise be to the existing Unitholders' disadvantage including (but not limited to) a material diminution in the value of the Fund's assets; or

- (g) in the opinion of the Trustee (acting reasonably) it is in the best interests of the Unitholders to suspend redemptions.

Any Redemption Request that is not processed, or for which a Unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately before the end of the suspension period.

6.5 What are the Application and Redemption Prices?

The application and redemption prices for Units are calculated in accordance with the Trust Deed and are based on the Net Asset Value divided by the number of Units on issue at the relevant time (rounded up unless otherwise determined by the Trustee). In general, the Net Asset value is the value of all assets, less all current and contingent liabilities (as determined by the Fund Manager).

The application price is the Net Asset Value per Unit, plus the buy/sell spread. The redemption price is the Net Asset Value per Unit, minus the buy/sell spread, further explained below.

Buy Spread	A Buy Spread of 1.00% will be added to the Net Asset Value per Unit in calculating the application Unit Price when applying for new Units in the Fund	Paid on application
Sell Spread	A Sell Spread of 1.00% will be deducted from the Net Asset Value per Unit for redeeming Units from the Fund	Paid on redemption

The transaction costs of buying and selling the Fund's investments are paid from the Fund. When you invest or redeem all or part of your investment, the Trustee uses a 'buy/sell' spread to recover estimated transaction costs associated with buying and selling the Fund's assets. The Trustee uses the buy/sell spread to direct transaction costs such as brokerage, commissions and bank charges to transacting investors rather than Unitholders remaining in the Fund. The buy/sell spreads are paid to the Fund and are not paid to the Fund Manager.

The Trustee has the discretion to waive or reduce the buy/sell spread on applications or redemptions where reduced or no costs are incurred. The Trustee will provide notification to Unitholders of any changes to the buy/sell spread.

The buy spread is not affected by the contribution fee because the application price is calculated after the contribution fee is taken from the investment amount.

6.6 Transfers

A Unit may only be transferred in accordance with the provisions of the Trust Deed. The Trustee reserves the right to refuse to register any transfer of Units to another person.

7. VALUATION OF THE FUND

In determining the Net Asset Value of the Fund, the Fund's assets and liabilities are valued on each Valuation Day. Generally, for Unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange. Other assets are generally valued at fair value. Any income entitlements and cash at bank are also included in asset values used to calculate the application and redemption price.

Generally, for Unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs (which includes management fees up to and including the calculation date and a performance fee if payable up to the date before the calculation date) and for costs (if any) that a Unitholder would ordinarily incur when investing in the Fund's underlying assets.

The Trustee has delegated to the Administrator the determination of the Net Asset Value of the Fund and the Net Asset Value per Unit, subject to the overall supervision and direction of the Trustee. In determining the Net Asset Value of the Fund and the Net Asset Value per Unit, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out above. For the purpose of calculating the Net Asset Value of the Fund, the Administrator and the Trustee will not be responsible for the accuracy of, financial data furnished to it by market makers and/or independent third party pricing services.

The Administrator or the Trustee may also use and rely on industry standard financial models or other financial models approved by the Trustee in pricing any of the Fund's securities or other assets. The Administrator may accept, use and rely on such prices in determining the Net Asset Value of the Fund and shall not be liable to the Fund in so doing.

8. DISTRIBUTIONS

To the extent net income is available for distribution at the end of the financial year, the Fund will make distributions annually following 30 June each year, or on such other day as the Trustee may in its discretion determine.

Distribution entitlements will be proportionate to the number of Units held by each Unitholder on each distribution calculation date and will be paid via direct deposit.

Unless otherwise requested by you in writing at least 20 Business Days' (or such lesser period as the Trustee may determine) before the scheduled distribution, any distribution entitlements payable to you will be automatically reinvested in the Fund. Distributions that are reinvested will be invested at the Net Asset Value per Unit without adjustment for the buy/sell spread.

Distributions will form part of your assessable income and be subject to tax for the tax year in which the Fund generated the income, even if your distributions are reinvested into the Fund. Each Unitholder should seek their own professional tax advice regarding the tax implications of any reinvestment of trust distributions.

Distributions will otherwise be made by the Trustee in accordance with the terms of the Trust Deed.

9. MATERIAL CONTRACTS

9.1 Trust Deed

The Trust Deed establishes the Trust and governs the rights and obligations of the Unitholders and the powers of the Trustee.

Pursuant to the terms of the Trust Deed, the Trustee may determine to create and issue Units of different classes with the rights, obligations and restrictions specified in their terms of issue. Each Unit gives Unitholders an equal and undivided interest in all of the Trust's assets. However, subject to certain exceptions a Unit does not give an interest in any particular asset of the Trust and does not entitle Unitholders to have any asset of the Trust transferred to them. Subject to the Trust Deed, Unitholders have the right to share in any distributions, the right to attend and vote at meetings of Unitholders and the right to participate in the proceeds of winding up of the Trust.

The Trust Deed should be read by prospective investors. The following is a list of some of the key provisions:

- (a) procedures for application and redemption of Units;
- (b) issue and redemption price;
- (c) valuation of assets;
- (d) distributions;
- (e) Trustee fees;
- (f) powers, rights and duties of the Fund Manager;
- (g) retirement or removal of the Fund Manager;
- (h) the holding of meetings of Unitholders;
- (i) limitation of liability and indemnity of the Fund Manager; and
- (j) winding up and termination of the Trust.

The Trust Deed shall not be amended unless the Trustee reasonably considers that the amendment will not adversely affect the rights of Unitholders.

If the Trustee reasonably considers that the amendment will adversely affect the rights of Unitholders, the Trustee will call a meeting of Unitholders who may, by special resolution, approve the amendment.

The Trust Deed also contains provisions regulating the holding of meetings of Unitholders.

By signing the Application Form, you will be bound by the Trust Deed. We recommend you review the terms of the Trust Deed and seek independent professional advice to understand the implications for you as a Unitholder.

A copy of the Trust Deed is available upon request.

9.2 Management Agreement

The Management Agreement (**Management Agreement**) is the primary document that appoints the Fund Manager as the exclusive Fund manager of the Fund. It outlines the powers of the Fund Manager in managing the portfolio and its obligations to the Fund and Trustee.

In terms of portfolio management, the Management Agreement outlines the investment guidelines and strategy and the structure of the Investment Committee. The Management Agreement also outlines the basis for valuing the portfolio and the permitted investments and also the reporting requirements to the Trustee.

The Fund Manager's appointment, including the fees payable and timing of payment to the Fund Manager are also covered by the Management Agreement.

The Management Agreement otherwise contains terms and conditions that are considered standard for an agreement of its nature.

9.3 Authorised Representative Agreement

The Licensee is the holder of AFSL No. 455657 under Part 7 of the Corporations Act.

The Fund Manager is appointed as a Corporate Authorised Representative of the Licensee under its AFSL to provide authorised services in relation to their role as Fund Manager respectively for the Fund on the terms and conditions set out in an Authorised Representative Agreement. The authorised services include those financial services which the Licensee is authorised to provide pursuant to its AFSL.

10. KEY RISKS OF INVESTING

10.1 General

A degree of risk applies to all types of investments, including investments in this Fund. Prospective investors should be aware that there is no guarantee that the implementation of the Fund Manager's investment process will not result in losses to Unitholders, including losses of capital. As investing in the Fund involves exposing your investment to a range of risks, it is important that you understand:

- (a) the risks involved in investing in the Fund;
- (b) how these risks compare with the risks of other investments;
- (c) how comfortable you are in exposing your investment to risk; and
- (d) the extent to which the Fund fits into your overall investment strategy.

Risk can mean different things to different people. It can mean the risk that your investment may fail to achieve the returns that you expect. This includes situations in which your investment may suffer substantial declines in value. It also includes situations in which your investment goals will not be met because the type of investments you chose did not provide the potential for adequate returns. Risk is also often defined to mean investment volatility. That means the extent to which an investment varies in value over a given period. Often, investments offering higher levels of return also exhibit higher levels of short-term volatility.

Investment strategies which seek to minimise risk are at times described in the context of diversification. Diversification of itself may not be sufficient to mitigate all risks described below.

10.2 Types of risk

Investments are subject to many risks, not all of which can be predicted or foreseen. Below we have listed the ones we believe to be most relevant to this investment and have broadly explained each risk. The risks set out in this section are not intended to be exhaustive. Many risks are outside the control of the Trustee and Fund Manager. Before making an investment decision, you should obtain your own investment advice, taking into account your own investment needs and financial circumstances. A prospective investor contemplating an investment in the Fund should consider the entire contents of this Information Memorandum before making a decision to invest in the Fund.

10.3 Risks relating to the Fund and Fund Manager

(a) Fund risk

Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. The Trustee may close the Fund to further investments if, for example, it is considered appropriate given the investment objective and investment strategy of the Fund. The Trustee may also terminate the Fund by notice to Unitholders.

An investment in the Fund is governed by the terms of the Trust Deed for the Fund, as amended from time to time. There is also a risk that investing in the Fund may give different results from holding the underlying assets of the Fund directly because of:

- (a) income or capital gains accrued in the Fund at the time of investing; and
- (b) the consequences of investment and redemption decisions made by other investors in the Fund; for example, a large level of redemptions from the Fund may lead to the need to sell underlying assets which would potentially realise income and/or capital gains.

The Trustee aims to manage these risks by monitoring the Fund and acting in Unitholders' best interests. A winding up of the Fund will result in realisation of tax positions (both income and capital) at that time.

There can be no assurance that the Fund's investment objective will be achieved, or that a Unitholder will receive a return on their investment. An investment in the Fund should only be undertaken by investors that have the capacity to withstand a partial or even complete loss of their investment and who have a capacity to assess and assume risk. There may be times when an investment in the Fund may be illiquid. There may also be occasions when the Fund Manager and its affiliates encounter potential conflicts of interest in relation to the Fund.

(b) **Fund Manager risk**

The investment style of an Fund Manager can have a substantial impact on the investment returns of the Fund. No single investment style performs better than all other investment styles in all market conditions. Investment performance will also depend on the skill of the Fund Manager in selecting, combining and implementing investment decisions. Given the Fund relies heavily on the ability of the Fund Manager to identify investments that will outperform other investments, should the Fund Manager make the wrong decision, the Fund may have negative returns. Changes in the personnel of the Fund Manager, may also have an impact on investment returns of the Fund.

10.4 Risks relating to the Investment Program

(a) **Market risk**

Generally, the investment return on a particular asset is correlated to the return on other assets from the same market, region or asset class. Market risk is impacted by broad factors such as interest rates, availability of credit, economic uncertainty, changes in laws and regulations (including government responses to financial crises and laws relating to taxation of the Fund's investment), trade barriers, currency exchange controls, political environment, investor sentiment and significant external events (e.g. natural disasters). These factors may affect the level and volatility of the prices of securities or other financial instruments and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

(b) **Volatility risk**

The Fund's investment program may involve the purchase and sale of relatively volatile securities and other instruments. Fluctuations or

prolonged changes in the volatility of such instruments can adversely affect the value of investments held by the Fund.

(c) **Liquidity risk – listed**

Under certain market conditions, such as during volatile markets when trading in a security or market is otherwise impaired, or due to economic, market, legal, political or other factors, the liquidity of the Fund's investment may be reduced. If a security is not actively traded it may not be readily bought or sold without some adverse impact on the price paid or obtained. If a Unitholder or a group of Unitholders' in the Fund seek to make large redemptions, then selling assets to meet those redemptions may result in a detrimental impact on the price received for those assets. In certain circumstances the Trustee may be required to suspend redemptions (refer to Redemption risk below) to allow sufficient time for a more orderly liquidation of assets to meet the redemptions.

(d) **Liquidity risk – unlisted**

The Fund may invest in unlisted securities that are not listed on any financial market, which means the investments are illiquid investments. There is currently no active secondary market for unlisted securities and it is unlikely that any active secondary market will develop. Lack of liquidity can affect the valuation of the assets of the Fund and may cause substantial restrictions on the transferability of such securities.

(e) **Redemption risk**

In certain circumstances (including where assets in which the Fund invests cannot be readily bought and sold such as unlisted securities, or market events reduce the liquidity of a security or asset class), there is a risk that the anticipated timeframe for meeting requests for redemption may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case, redemption from the Fund may take significantly longer than the anticipated timeframe or may be suspended or limited. Refer to Section 6 for more information.

(f) **Counterparty risk**

Generally, the Fund will not be restricted from dealing with any particular counterparty. The Fund is always subject to the risk that a counterparty may not timely settle a transaction, perform its obligations in accordance with contractual terms and conditions, or otherwise not perform its obligations to make due payment or delivery (thus causing the Fund to suffer a loss which may be material. Moreover, for some transactions, the Fund may be required to post collateral to its counterparty, and a failure of that counterparty or its affiliates could result in a loss of that collateral.

In the event that a counterparty defaults on its obligations for any reason, the Fund may incur replacement costs of transactions, losses associated with other assets which the failed transaction was intended to hedge, and fees and expenses in seeking redress (which may be uncertain in outcome). Furthermore, any misconduct on behalf of counterparties, including, without limitation, fraudulent activities, will increase the Fund's exposure to risk of loss.

For further details, please refer to section 9 "Material Contracts".

(g) **Credit risk**

There is a risk that an issuer of a security in which the Fund has invested will default on its obligations due to insolvency or financial distress, resulting in an adverse effect on the value of the Fund's investments and hence the Net Asset Value per Unit.

(h) **Regulatory risk**

Regulatory actions by governments and government agencies could materially affect the global markets, including the pricing of securities, and may limit the Fund's activities or investment opportunities.

(i) **Systemic risk**

The Fund is actively involved in globally linked financial markets and is subject to risk arising from a default by one or several large institutions that engage in substantial transactions and other activities with each other, and are dependent on one another to meet their liquidity or operational needs, so that a default by one institution creates the risk of a series of defaults by the other institutions. This risk is separate from the risk of dealing directly with a counterparty that fails and can impact participants in markets even if they do not have direct relationships or exposure to the defaulted financial institution. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

(j) **Diversification risk**

The Fund Manager intends to seek to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. However, in the event the Fund's investment portfolio is concentrated in a small number of investments, the portfolio will be subject to a greater level of volatility.

(k) **Valuation risk**

Some investments, such as unlisted and pre-IPO securities, may not have a readily ascertainable market price and may have valuations which vary markedly from their realisation value.

(l) **Pre-IPO investment risk**

The Fund's investment strategy may involve pre-IPO investments. There is no guarantee that investee companies will successfully list, list in the time frame anticipated at the point of investment or that the share price post listing will allow the Fund to profit on its investments. All investments in pre-IPO securities involve a high level of risk both specific to the asset class and more generally.

(m) **Currency risk**

The Fund is denominated in Australian dollars. All income and capital distributions to you will be made in Australian dollars.

The Fund may invest in non-Australian securities and as such, adverse movements in exchange rates to the Australian dollar does affect the value of capital and income of the Fund.

This is a risk because it is not expected that the Fund's foreign currency exposures will be actively hedged.

Currency markets are highly volatile and adverse movements in exchange rates against the Fund could lead to the Fund suffering losses.

(n) **Concentration risk**

From time to time, securities that rate highly in terms of their exposure to the Funds' strategy and objective may be more heavily concentrated in particular countries or industries (broadly or by sector) due to characteristics at the particular time. This may give rise to a concentrated exposure to a company, country or industry (broadly or by sector).

(o) **International investments risk**

Investing in non-Australian securities poses additional risks. The performance of non-Australian securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. In addition, the Fund may invest in securities in emerging markets which are typically more volatile than developed markets. Potentially adverse political, economic, legal and tax, or social conditions in those markets may affect Fund investment returns.

11. FEES AND COSTS

11.1 Contribution fee

The Fund Manager is entitled to receive any contribution fee paid by an Applicant to the Trustee, in respect of each application, up to a fee of 2% per Applicant. The Fund Manager will only charge a contribution fee on applications that have been received through an introduction from a third party distributor. The Fund Manager will pay the contribution fee to the third party distributor and will not retain it for itself. The contribution fee will be deducted from the investment amount as agreed with the Applicant (in which case the fee is payable by the Applicant). This fee is payable upon the issue of the Units to the Applicant.

The contribution fee will be paid out of application monies.

A contribution fee is not charged in respect of additional investments following your initial investment or in respect of distribution reinvestments.

11.2 Management fee

The Fund Manager is entitled to a management fee of 1.25% per annum of the Net Asset Value of the Fund calculated monthly, and payable monthly in arrears. The management fee is charged for managing the Fund's investment portfolio.

11.3 Performance fee

The Fund Manager is entitled to a performance fee if the Fund's return exceeds the Benchmark return above a performance hurdle. This fee is calculated as 20% of the amount by which the Fund's return exceeds a hurdle rate of 8% (**Hurdle Rate**) above the return on the Australian Small Ordinaries Index (**Benchmark**) on an annual basis. The performance fee is calculated by reference to a 12 month period between 1 July and 30 June each year (**Performance Period**).

The return of the Fund must exceed the Hurdle Rate of return above the Benchmark over the Performance Period before a performance fee becomes payable to the Fund Manager. The return of the Fund is measured by the change in the Net Asset Value per Unit over the Performance Period. The returns of the Fund and the Benchmark are calculated from the beginning of a Performance Period (or pro rata thereof for the initial period of less than 12 months) independently of the returns in prior periods.

Any accrued management and performance fees due and payable are incorporated into the Net Asset Value of the Fund.

In the event that the return on a Unit is less than the Benchmark during a Performance Period, no performance fee will be payable for that Performance Period.

The Benchmark may not always be positive and accordingly, a performance fee may be payable even if the Fund has a negative return.

Where Units are redeemed, any accrued fees in respect of Units being redeemed will become payable. If the Fund is terminated, then any accrued or unpaid fees will become payable.

11.4 Trustee fee

In consideration for the Trustee services provided to the Fund, the Trustee is entitled to a percentage of month end funds under management (gross assets of the Fund) calculated according to a scale (plus GST). By example, for funds under management up to \$50 million, a fee of 0.20% of funds under management (plus GST) is payable, subject to a minimum annual fee of \$28,000 (plus GST) and for funds under management of between \$50 million and \$100 million, a fee of 0.05% of funds under management (plus GST) is payable, quarterly in arrears and accrued on a monthly basis.

11.5 Expenses

All costs or general expenses incurred (or that will be incurred) by the Trustee in connection with the management of the Fund are payable out of the Fund. The Fund Manager is responsible for providing at its cost all staff, office space and office facilities required for the performance of its services. The Fund will pay all other expenses incidental to the Trustee and Fund Manager's operations, including, but not limited to, fees payable to the Fund's service providers (e.g. Administrator and custodian) and their reasonably incurred out of pocket expenses incurred on behalf of the Fund, taxes imposed on the Fund or the Trustee; governmental charges and duties; the Fund's advisers (e.g. legal, accounting and audit), investment research, printing and distributing the Information Memorandum, subscription materials, marketing materials and any reports and notices to Unitholders or prospective Unitholders. The Fund may also pay unanticipated expenses arising from its business, such as litigation and indemnification expenses. All costs and expenses associated with the launch of the Fund, including professional fees will be paid by the Fund and amortised over the period of up to 60 months from the commencement of the Fund.

11.6 GST

Fees and costs stated in this section are expressed exclusive of GST. The Fund will claim all input tax credits or reduced input tax credits as applicable for any GST incurred by the Fund. If the Trustee becomes liable to pay GST on any fees or costs, the Trustee is entitled to recover an amount with respect to GST from the Fund.

12. TAXATION CONSIDERATIONS

The summary Australian taxation information contained in this document is a general guide in relation to the Australian taxation implications applicable to the Fund for Australian resident investors who hold their units in the Fund on capital account.

The summary reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the Courts, as at the date of issue of this document. Further, as the Australian tax laws are subject to continual change, the summary should not be relied upon as a complete statement of all the potential tax considerations which may arise upon investing in the Fund.

12.1 Advice

The Trustee does not provide tax advice. As the tax treatment applicable to particular investors may differ, it is strongly recommend that investors seek advice from a suitably qualified adviser as to the Australian taxation implications (including capital gains tax (**CGT**) and Goods and Services Tax) of their proposed investment in the Fund.

12.2 Fund taxation

The Trustee, as the Trustee of the Fund, does not expect to be subject to Australian income tax (including CGT) in relation to the Fund, as it is intended that Unitholders will be presently entitled to all of the distributable income of the Fund in respect of each financial year.

Unitholders will be subject to tax on their share of the tax net income of the Fund, in proportion to their entitlement to the distributable income of the Fund, in the year in which their entitlement arises, irrespective of whether the income is distributed in cash after year end or reinvested in the Fund.

Unitholders may be entitled to franking credits which arise from franked dividends received in respect of the Fund's investment in Australian shares. Subject to various eligibility criteria, including the holding period rule, Unitholders can use the credits to reduce the tax liability on their share of the tax net income of the Fund or other assessable income. Excess franking credits may be refundable to resident individuals and complying superannuation entities, and in certain circumstances may give rise to tax losses for companies.

12.3 Managed Investment Trust (MIT) deemed CGT election

Subject to satisfying the eligibility requirements to be a MIT for deemed CGT treatment, the Fund may make the MIT deemed CGT election. Where the election is made, and subject to the Fund continuing to qualify as an MIT, the Fund would hold its eligible assets (including equities, and units in other trusts, but excluding derivatives and foreign exchange contracts) on capital account.

Where the Fund does not meet the MIT eligibility criteria, the Trustee endeavours to invest, divest and deliver returns in a manner consistent with holding investments on capital account for the purposes of the *Income Tax Assessment Act (ITAA) 1997*.

Realised capital gains distributed by the Fund should be included with an investor's other capital gains and losses. Capital gains distributed by the Fund should benefit from the discount available for assets held for 12 months or more. The amount of the discount is one-half for individuals and trusts, and one-third for

complying superannuation entities. Distributions of non-assessable amounts or returns of capital may give rise to reductions in the investor's tax cost base in the Fund or a capital gain if the tax cost base has been exhausted by such distributions received earlier.

If Unitholders redeem, switch or transfer any part of their investment in the Fund, it is generally treated as a disposal and Unitholders may be subject to CGT.

12.4 Foreign Income

The Fund may derive income from sources outside Australia. A Unitholder's share of the gross foreign income will be treated as foreign income for that Unitholder. Unitholder's may be entitled to a foreign income tax offset for any foreign tax paid by the Fund on the income.

12.5 Taxation of Financial Arrangements (TOFA) regime

The TOFA rules may apply to certain "financial arrangements" held by the Fund, such as derivatives. In broad terms, in calculating the net (taxable) income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation basis, and on revenue account. The Tax advisor of the Fund will assist the Trustee with compliance with the TOFA rules, as required by the tax legislation.

12.6 Goods and Services Tax (GST)

The Fund is registered for GST. The issue or redemption of units in the Fund and where applicable the receipt of any distributions are not subject to GST.

The Fund may be required to pay GST included in certain fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Trustee will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit.

To the extent that the Fund is investing in international securities, the Fund may be entitled to as yet undetermined additional input tax credit on the fees, charges or costs incurred. If the Trustee is unable to claim input tax credits on and/or reduced input tax credits on behalf of the Fund, the Trustee retains the ability to recover the entire GST component of all fees and charges.

Unitholders should seek professional advice with respect to the GST consequences arising from their investment in the Fund.

12.7 Tax File Number (TFN) / Australian Business Number (ABN)

Australian investors may notify us of their TFN, ABN (provided they are investing in the course of conducting an enterprise) or their exemption status. In the event that we are not notified of the details, tax may be deducted from gross payments including distributions of income at the highest marginal tax rate, including the Medicare Levy, until such time as the relevant TFN, ABN or exemption is provided. The collection, use and disclosure of your TFN will be in accordance with the tax laws and the Privacy Act.

The investor may be able to claim a credit in the investor's tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the investor authorises the Trustee to apply it in respect of all the investor's investments with the Trustee. If the investor does not want to quote their TFN or ABN for some investments, the Trustee should be advised.

12.8 Withholding tax

Non resident investors (if any) may have tax deducted from each distribution comprising of Australian sourced income at the relevant withholding tax rates. Withholding tax should not apply to the franked dividend component of distributions. Further, non resident investors will not be subject to tax in respect of their share of net capital gains in respect of assets of the Fund that do not constitute taxable Australian property.

12.9 Tax reform

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of this document. However, it should be noted that the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, reform is likely to escalate rather than diminish. Any reform

of a tax system creates uncertainty, whether it be uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

It will be necessary to monitor the progress of the reforms, and it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

12.10 Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard

The Foreign Account Tax Compliance Act (US) (**FATCA**) relates to US taxpayers and the Common Reporting Standard (**CRS**) is a broader framework for the exchange of financial account information between jurisdictions relating to all non-Australian taxpayers.

We are required to collect information about your tax status in order to comply with Australian laws to implement Australia's obligations under FATCA and CRS, which are regimes for the exchange of financial account information by Australia with foreign jurisdictions.

To comply with FATCA and CRS, as a financial institution, we must collect information about your tax status before opening your account and we are required to identify foreign accounts and provide information relating to foreign accounts and foreign controlling persons to the Australian Taxation Office. The Australian Taxation Office may then pass this information to other revenue authorities under exchange of information agreements that Australia has entered into with other jurisdictions. We cannot provide tax advice about the impact or compliance obligations of FATCA and CRS on you or your business activities.

If you do not provide this information, we may not be able to process your application. We encourage you to seek advice from a tax adviser if you are uncertain about what steps you need to take.

13. ADDITIONAL INFORMATION

13.1 Reporting

Monthly reports and statements will be provided to Unitholders.

Distribution statements will be provided to Unitholders following each annual distribution.

Following the end of the financial year at 30 June, Unitholders will receive access to an audited financial report for the Fund and have access to an annual tax statement. This information will be provided no later than 31 October of that year.

All reports and statements will be provided electronically.

13.2 Indemnity for trustee

To the extent permitted by the Trust Deed and law, the Trustee, as trustee, is indemnified from the Trust against any claim, action or damage, loss, liability, cost, expense or payment which it incurs or is liable for.

13.3 Nature of the Trust

The Trust is a unit trust and an unregistered managed investment scheme for the purposes of the Corporations Act. Each Unit gives the holder an undivided beneficial interest in the assets of the Trust. However, a Unit does not entitle the holder to have any of the assets of the Trust transferred to them or to interfere with any of the Trustee's or Fund Manager's rights or powers.

13.4 Termination of the Fund

The Fund will terminate on the first to occur of the following dates:

- (a) as and when required by law or the Trust Deed, including if wound up pursuant to the order of a court; or
- (b) the date specified by Trustee as the date that the Fund is to terminate in a notice given to Unitholders.

13.5 Limitation of Unitholder liability

The Trust Deed seeks to limit the liability of Unitholders to the price paid or agreed to be paid for a Unit. The Trust Deed provides that a Unitholder need not indemnify the Trustee if there is a deficiency in the net assets of the Fund. The Trustee's right of recourse, and that of any creditor, is limited to the assets of the Fund.

13.6 Privacy Policy

The privacy of your personal information is important. Personal information is collected in order to provide you with the products and services offered including assessing your application and issuing Units in the Fund and managing and administering your investment in the Fund.

Certain laws may require the Trustee and the other service providers to collect personal information, including the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth). The Trustee/Administrator collects personal information from the individual or their agent, unless it is unreasonable or impractical to do so.

The Trustee/Administrator may disclose and collect personal information from each other for the purposes referred to in this paragraph. Where an applicant is a company or a trust, the Trustee/Administrator may collect personal information from the company or trust, including name and contact details of a contact person, and names and addresses of major shareholders and directors. The Trustee/Administrator may also collect from applicants the names, addresses and contact details of their accountants or agents. If the Trustee Trustee/Administrator does not collect your personal information, the Trustee/Administrator will not be able to issue you with Units in the Fund, redeem Units or manage or administer your investment.

The Trustee/Administrator may take steps to verify information collected which may involve disclosure to and collection from third parties of personal information. Additionally, your information may be disclosed to third parties for certain purposes that are outsourced, in which case confidentiality arrangements apply. Your personal information will not be disclosed to overseas recipients by the Trustee. The Trustee/Administrator aim to ensure that the personal information retained about you is accurate, complete and up-to-date. If you provide incomplete or inaccurate information, it may not be possible to provide you with the products and services you are seeking.

Each applicant will be required to acknowledge that in connection with the services provided to the Fund that their personal data may be transferred and/or stored in various jurisdictions in which the Trustee/Administrator and/ or its affiliates have a presence, including to jurisdictions that may not offer a level of personal data protection equivalent to the applicant's country of residence. Each applicant will also be required to acknowledge in the Application Form that the Fund, and the Trustee/Administrator may disclose the subscriber's personal data to each other, to any affiliate, to any other service provider to the Fund or to any regulatory body in any applicable jurisdiction to which any of the Fund, and the Trustee/Administrator is or may be subject. This includes copies of the applicant's Application Form and any information concerning the applicant in their respective possession, whether provided by the applicant, the Trustee/Administrator or otherwise, including details of that applicant's holdings in the Fund, historical and pending transactions in the Fund's units and the values thereof, and any such disclosure, use, storage or transfer shall not be treated as a breach of any restriction upon the disclosure, use, storage or transfer of information imposed on any such person by law or otherwise.

You acknowledge that any personal information you provide will be collected and handled in accordance with the Trustee's privacy policies. Those privacy policies respectively contain further information about how an individual may access their personal information held by Trustee/Administrator and the other service providers and seek the correction of such information, how an individual may complain about a breach of the Australian Privacy Principles, and how the Trustee/Administrator and the other service providers respectively will deal with such a complaint. A copy of the policy of the Trustee's privacy policy can be found at www.msc.group.

By submitting any form or any other paperwork relating to your investment you consent to your personal information being collected and handled by the Trustee/Administrator in accordance with those policies.

13.7 Complaints

Should you have any complaints, please notify the Fund Manager in writing or by phone using the contact details provided in the Corporate Directory. The Fund Manager will acknowledge any complaint within 10 Business Days of receiving it. The Fund Manager will endeavour to investigate any complaint and decide what action (if any) to take and to notify you of this decision in writing within 10 Business Days of receipt of your complaint.

14. GLOSSARY

Administrator means MSC Abacus Pty Ltd (ACN 1630 730 684).

AFSL means Australian Financial Services Licence.

Application Form means the application form attached to this Information Memorandum.

ASIC means the Australian Securities and Investments Commission.

Benchmark has the meaning set out in Section 11.3.

Business Day means a day that is not a Saturday, Sunday or a public holiday or a bank holiday in Melbourne, Australia.

Corporations Act means the Corporations Act 2001 (Cth).

Fund or **Trust** means the Emerald Australian Growth Fund, an unregistered managed investment scheme structured as a unit trust.

Fund Manager means Global Funds Management Corporation Pty Ltd (ACN 630 539 543).

GST means Goods and services tax as defined in the A New Tax System (Goods and Services Tax) Act 1999.

Hurdle Rate has the meaning set out in Section 11.3.

Information Memorandum means this document.

Licensee means JRP Securities Pty Ltd (ACN 167 104 163) AFSL No. 455657.

Management Agreement has the meaning set out in Section 9.2.

Net Asset Value means the net asset value of the Fund, being the total value of the Fund assets less the liabilities of the Fund, as determined by the Fund Manager in accordance with the Trust Deed.

Offer means the offer of Units under this Information Memorandum.

Performance Period has the meaning set out in Section 11.3.

Redemption Day means the last Business Day of each month and/or such other time or times that the Trustee may determine.

Redemption Request has the meaning set out in Section 6.2.

Subscription Day means the first Business Day of each month and/or such other time or times that the Trustee may determine.

Trustee means Melbourne Securities Corporation Limited (ACN 160 326 545) AFSL no. 428289.

Trust Deed means the Trust Deed in relation to the Fund, as amended or replaced from time to time.

Unit means an undivided interest in the Fund as set out in the Trust Deed.

Unitholder means a holder of a Unit.

Valuation Day means the last Business Day of each month and/or such other time or times that the Trustee may determine.

15. APPLICATION AND OTHER FORMS

15.1 How to Invest

To invest in the Fund you will need to complete and sign the attached Application Form, including the Appendices:

- (a) Supply of Tax File Numbers (**TFN**) is discretionary. It is not an offence if you decide not to supply your TFN. If you do not supply your TFN, however, tax will be deducted from your income earned at the highest marginal tax rate (plus Medicare levy) and forwarded to the Australian Taxation Office. These deductions will appear on your statements. A form is attached for your convenience.
- (b) Joint applications must be signed by all applicants. Joint investments will be deemed to be held as Joint Tenants.
- (c) Applications under Power of Attorney must be accompanied by a certified copy or the original of the Power of Attorney with specimen signatures.

The minimum initial investment in the Fund is \$50,000 per investor, unless otherwise approved by the Trustee. Each investor will need to qualify as a Wholesale Client.

Investors must also complete either Appendix A or Appendix B. These appendices contain important information which will assist in processing your investment.

Application monies should be sent by electronic transfer to:

Funds must be transferred from a bank account in the name of the applicant(s) as appears in the registration details on the Application Form. No third party payments will be permitted. Cash will not be accepted.

The Administrator will only accept transfers in Australian Dollars, unless the Trustee agrees otherwise.

The Application Form must be received by the Administrator by the relevant cut-off time and date.

Applications must be received no later than 5pm (Sydney time) at least two (3) Business Day prior to the relevant Subscription Day (or such earlier or later time as the Trustee may determine).

Please send completed Application Forms to:

registry@msc.group

15.2 How do you qualify as a Wholesale Client

If you are investing \$500,000 or more in the Fund you are automatically deemed to be a Wholesale Client and no additional documentation is required. If you are investing less than \$500,000 additional documentation will be required to certify that you are a Wholesale Client in the form of one of the following:

- (a) A qualified accountant's certificate (issued within the last 2 years) certifying that the applicant has:

- (a) net assets of at least A\$2.5 million (including the net assets of any company or trust controlled by the applicant), or
- (b) a gross income for each of the last two financial years of at least A\$250,000 (including the gross income of any company or trust controlled by the applicant).

OR

(b) A statutory declaration that the applicant:

- (a) holds an Australian financial services licence, or
- (b) is a 'professional investor' as otherwise defined in the Corporations Act.

Please complete and provide the attached "Wholesale Client Certificate" with the Application Form if you are relying on one of the categories of Wholesale Client listed in paragraph 1 or 2 above.

Please contact the Administrator if you need assistance in providing the appropriate documentation to certify that you are a Wholesale Client.

15.3 Regular Information

Following acceptance of your application, you will be sent an application advice. You should check the details on the advice carefully and contact the Administrator if you have any questions.

15.4 Additional Investment

Additional investments can be made using the Additional Investment Application Form.

15.5 If You Have Any Questions?

If you have any questions about any matter relating to the Fund, please telephone the Trustee or Administrator.

Examples of correct names and required signatures

Type of Investor	Correct Name	Incorrect Name	Signature Required
Individual/ joint investors use full name of each applicant, do not use initials	Alexander John Smith Laura Sue Barden	Alex Smith Laura S Barden	signature of each applicant
Company use full company title, do not use abbreviations	ABC Pty Ltd XYZ Limited	ABC P/L ABC Co XYZ Inc.	<ul style="list-style-type: none"> by two directors, or by a director and a secretary, or if there is only one director by that sole director

Trusts/minors <ul style="list-style-type: none"> • use Trustee(s)/ individual(s)name(s) • use trust/minor name as designation 	Paul Ryan Smith ATF <Smith Family Trust> Paul Ryan Smith<Joel Smith>	Paul Smith Family Trust Joel Smith	<ul style="list-style-type: none"> • signature of each Trustee/individual • if Trustee is a company see above
Superannuation fund <ul style="list-style-type: none"> • use Trustee(s)personal name(s) • use fund name as designation 	Amy Rachel Wood ATF <Amy Wood Super Fund> ABC Pty Ltd ATF <Smith Superannuation Fund>	A R Wood Super Fund Smith Super Fund	<ul style="list-style-type: none"> • signature of each Trustee • if Trustee is a company, see above
Deceased estates use executor(s) personal names, do not use name of the deceased	John Smith <Est Jane Smith A/c>	Estate of the Late Jane Smith	signature of the executor(s)

APPLICATION FORMS