



# EQUITY STORY

## GROWTH FUND

### Equity Story Growth Fund

Issued by

Boutique Capital Pty Ltd  
ACN 621 697 621  
The Trustee of the Fund  
AFSL 508011

#### **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.**

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## **Issuer**

This Information Memorandum has been prepared by Boutique Capital Pty Ltd (ACN 621 697 621 (**Boutique**) in its capacity as Trustee (**Trustee**) of the Equity Story Growth Fund (**Fund**). Boutique Capital is the holder of Australian Financial Services Licence 508011. This Information Memorandum relates to an offer to subscribe for Units in the Fund.

Boutique's function should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any applicant. Boutique does not guarantee the success or performance of the Fund or the returns (if any) to be received by Unitholders.

## **Interpretation**

In this Information Memorandum, "we", "our" and "us" are references to Boutique and "you" and "your" are references to a potential investor in the Fund or a Unitholder.

Capitalised terms used in this Information Memorandum are defined in the Glossary section.

## **No guarantee**

All prospective Unitholders 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, Investment Advisor 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 Trustee. However, to the maximum extent permitted by law, neither the Trustee 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 we have 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 Trustee, the Investment Advisor, or any of their respective officers, employees, agents or advisers that a prospective Unitholder invest in Units, or that an investment in the Trust is a suitable investment for any particular Unitholder.

Prospective Unitholder 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 Unitholder 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 Trustee, 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 prevails. 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 cannot be used by investors in any other jurisdiction (except where permissible under the laws of that jurisdiction and with our prior written approval). Units in the Fund 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 (see '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 sections 761G and 761GA 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 Trustee 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 Investment Advisor, 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 Investment Advisor, 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, Investment Advisor, 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 Investment Advisor, the Investment Advisor; 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, using the 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. Investors do not have a right to redeem their investment 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 [info@boutiquecapital.com.au](mailto:info@boutiquecapital.com.au). 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. Prospective Unitholders 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 Unitholders 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 17 February 2022. 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 Trust, 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 and Licensee**

Boutique Capital Pty Ltd  
PO Box 690  
Spit Junction 2088  
Telephone: +1800 541 155  
Email: [info@boutiquecapital.com.au](mailto:info@boutiquecapital.com.au)

### **Tax Advisor**

BDO Perth  
38 Station St,  
Subiaco WA 6008

### **Fund Manager**

Equity Story Fund Pty Ltd  
Level 1  
357 Sydney Road  
Balgowlah  
NSW 2093

### **Legal Advisor**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000





## 2. FUND KEY FEATURES

Key Feature	Summary	For more information please refer to section
<b>Trustee and Licensee</b>	Boutique Capital Pty Ltd. AFSL 508011	Section 3
<b>Fund Manager</b>	Equity Story Fund Pty Ltd (ACN 642 009 783) (Corporate Authorised Rep 001282433). The Fund Manager will be responsible for making all investment decisions in relation to the Fund.	Section 3
<b>Investment Vehicle</b>	Equity Story Growth Fund, an Australian unit trust.	Section 4
<b>Investment Type</b>	The Fund will operate an Equity fundamental and technical strategy focusing on medium to long term growth opportunities.	Section 4.3
<b>Investment Objective</b>	The Fund aims to outperform The BarclayHedge Hedge Fund Index ( <b>Benchmark</b> ) on a net of fees basis. There is no guarantee that the objective will be achieved. It is merely an indication of what the Trustee aims to achieve over the relevant period. The Fund may not be successful in meeting this objective. Returns are not guaranteed. The objective does not take into account a Unitholder's tax position or the impact of fees on returns.	Section 4.1
<b>Investment Strategy</b>	<p>The Fund will primarily make investments in both a basket of well-established and strong performing global hedge funds as well as allocating directly to high quality equity investment opportunities with strong fundamentals.</p> <p>The Fund structure enables the Investment Advisor to invest in Global Fund Managers that are often not accessible to individual investors without access to such a structure.</p> <p>Separate to the investments into Global Funds Managers, the Investment Advisor will utilize our in-house fundamental and technical research analysis developed over ten years which has historically delivered excellent stock picking results, our overall strategy will see investments in medium and long term growth opportunities with a strong emphasis on up and coming companies both domestically and internationally.</p> <p>We take an active approach which enables us to act quickly to changing market trends and we are not afraid to move to a majority cash position if we believe this is in the best interest of our investors.</p> <p>Our investment analysis and thesis is a blended process which uses both top down and bottom up approach.</p> <p>While our investment horizon is generally long term we will take advantage of short term opportunities as they present themselves on a case by case basis.</p> <p>Our main objective is to stack the odds in our favour on a risk reward basis in any investment we pursue.</p>	Section 4.3

<b>Fund Domicile</b>	Australia.	"IMPORTANT NOTICES" Section
<b>Fund Currency</b>	Australian Dollars.	"IMPORTANT NOTICES" Section
<b>Structure</b>	<p>Boutique Capital Pty Ltd is the Trustee of, and issuer of Units in, the Fund offered in this Information Memorandum and has prepared this Information Memorandum. The Fund is a unit trust and is not a registered managed investment scheme under the Corporations Act.</p> <p>The Trustee will be responsible for implementing all investments in relation to the Fund under the sole instructions of the Investment Advisor.</p>	"IMPORTANT NOTICES" Section
<b>Investor Eligibility</b>	Wholesale Clients (as defined in the Corporations Act 2001).	"IMPORTANT NOTICES" Section
<b>Applications</b>	<p>Monthly, on one Business Days' notice to the Administrator.</p> <p>Applications will be processed on the first Business Day of each month.</p>	Section 5.4
<b>Minimum Initial Investment and Minimum holding</b>	\$100,000*.	Section 5.1
<b>Minimum Additional Investment</b>	\$50,000*.	Section 5.1
<b>Redemptions</b>	<p>Monthly, with 3 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. See page 12 for information on the ability to suspend or defer redemptions, in the best interests of Unitholders.</p> <p>Minimum Investment Period for new investors is 12 months. Additional investments will not be subject to the Minimum Investment Period.</p>	Section 6.2
<b>Minimum redemption amount</b>	\$50,000*.	Section 6.1
<b>Buy/Sell Spread</b>	+/-0.25%.	Section 6.5
<b>Unit pricing frequency</b>	Monthly.	Section 7
<b>Distributions</b>	30 June each year (if any). Distributions will be automatically reinvested in the Fund unless otherwise notified by the Unitholder.	Section 8

<b>Fees and expenses</b>	<p><b>Management fee:</b> 2.00% p.a. (exclusive of GST) of the Net Asset Value of the Fund, payable monthly in arrears.</p> <p><b>Performance fee:</b> 20.0% (exclusive of GST) on the Fund's outperformance of the Benchmark.</p> <p><b>Expenses:</b> All expenses properly incurred by the Trustee and Fund Manager and its agents.</p>	Sections 11.1 and 11.2
<b>Taxation</b>	The Fund is not intended to pay tax, as all income of the Fund will be distributed to Unitholders at least annually. Refer to the 'Taxation Considerations' section for more information.	Section 12
<b>Administrator</b>	Boutique Capital	Section 9.3
<b>Minimum Investment Period</b>	All investors commit to a minimum 12 month investment period.	Section 6.4
<b>For further information contact:</b>	<p>Boutique Capital</p> <p>Telephone: 1800 541 155</p> <p>Email: info@boutiquecapital.com.au</p>	

\*Unless the Trustee determines otherwise in its discretion



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### **3. ABOUT THE INVESTMENT ADVISOR AND THE TRUSTEE**

#### **3.1 The Investment Advisor**

The Trustee has engaged the services of the Investment Advisor to make the investment recommendations for the Fund. The key member of the Investment Advisor, who will be responsible for the investment recommendations in relation to the Fund, is Peter Kopetz.

Mr Kopetz is a highly experienced business analyst & investor.

2015 - Present

Head Equities Analyst - Equity Story

2009 - 2015

Equities Analyst - State One Stockbroking

2006 - 2009

Equities Analyst & Portfolio Administrator - DJ Carmichael

2001 - 2006

Senior Auditor & Share Administrator - Asgard

#### **3.2 The Trustee**

Boutique Capital is a specialist manager focusing on boutique funds seeking to deliver bespoke solutions to investors. Investment portfolios are constructed primarily using single asset class allocations.

Designated business functions are supported by experienced external service providers in Legal, Administration, Taxation and Audit.

Boutique Capital provides institutional grade solutions for clients seeking to access exposure to narrow investment classes.

The Managing Director of Boutique Capital, Mr Tim Baker, has more than 20 years' experience in risk management, funds management and trading activities both domestically and in international markets. He has worked in London, Singapore and Sydney for world renowned Investment banks and has established and operated both small and large hedge funds in Australia and most recently was the CEO of Resource Super.

Boutique Capital will be responsible for the implementation of all investment recommendations on behalf of the Fund and will act as the investment manager of the Fund, overseeing the Investment Advisor. As set out above, Boutique Capital will operate under the sole direction of the Investment Advisor.



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## 4. ABOUT THE FUND

### 4.1 Operation of the Fund

The Trustee will operate as the investment manager who will be responsible for the execution of investment recommendations in relation to the Fund. The Investment Advisor is the sole advisor to the Fund and the Trustee will only act on the recommendations of the Investment Advisor.

### 4.2 Investment Objective

The Fund aims to outperform The BarclayHedge Hedge Fund Index (**Benchmark**) on a net of fees basis.

There is no guarantee that the objective will be achieved. It is merely an indication of what the Investment Advisor aims to achieve over the relevant period. The Fund may not be successful in meeting this objective. Returns are not guaranteed. The objective does not take into account a Unitholder's tax position or the impact of fees on returns.

### 4.3 Investment strategy

The Investment Advisor of the Fund intends to allocate to both a basket of well-established and strong performing global hedge funds as well as allocating directly to high quality equity investment opportunities with strong fundamentals.

The Fund structure enables the Investment Advisor to invest in Global Fund Managers that are often not accessible to individual investors without access to such a structure.

The Fund intends to allocate between what the Investment Advisor considers to be the best performing international managers who exhibit the following traits:

- Established during or prior to 2007
- Solid long-term performance
- Consistent outperformance of the overall Hedge Fund industry
- Minimum \$200m funds under management
- Primarily Long/Short Bias.

As well as investments into the Equity Story Investment strategy:

Separate to the investments into Global Funds Managers, the Investment Advisor will utilise in-house fundamental and technical research analysis developed over ten years which has historically delivered excellent stock picking results, the overall strategy will see investments in medium and long term growth opportunities with a strong emphasis on up and coming companies both domestically and internationally.

The Investment Advisor takes an active approach which enables them to act quickly to changing market trends and they are not afraid to move to a majority cash position if they believe this is in the best interest of investors.

The Investment Advisors investment analysis and thesis is a blended process which uses both top down and bottom up approach. While their investment horizon is generally long term they will take advantage of short term opportunities as they present themselves on a case by case basis. The Advisors main objective is to stack the odds in their favour on a risk reward basis in any investment they pursue.

#### **4.4 Investment Process**

The Investment Advisor will utilise the Equity Story research to develop a portfolio of investment strategies.

Equity Story is one of Australia's leading online share advisory services. As at the date of this Information Memorandum, Equity Story has, over the past six years, provided clients more than 600 completed trading recommendations with specific entry and exit points, based on internally developed quantitative models.

The Fund will seek to implement the research capabilities over listed equities both domestically and internationally with the ability to take both long and short exposures.

#### **4.5 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 will allocate to both listed equities, soon to be listed equities as well as international managed investment schemes.

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

The Fund may invest in the following asset classes including (subject to the scope of the applicable Australian Financial Services Licence):

- (a) Australian and international listed securities (in both developed and emerging markets);
- (b) Securities expected to list on Australian or international exchanges within 12 months of the date of investment; and
- (c) Cash, cash-like investments and foreign currencies.
- (d) Domestic and International Managed Investment Schemes.

The Fund may short sell investments.

#### **4.6 Use of derivatives**

The Fund does not intend to invest in derivatives.

#### **4.7 Borrowings**

It is the Investment Advisor's intention that no commercial borrowings of cash will be undertaken in the Fund other than temporary overdrafts which may be used as a means of managing certain cash flows. Should we wish to alter this policy, we will advise Unitholders. The Fund may borrow securities for the purposes of short selling.



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## **5. APPLICATIONS**

### **5.1 What is the minimum investment amount?**

The minimum initial investment in the Fund is \$100,000. The minimum additional investment in the Fund is \$50,000.

The Trustee has the discretion to accept initial and additional investments below these minimums at its discretion.

### **5.2 How to invest?**

If you wish to invest, please complete the Digital Application Form which will be delivered to the Administrator.

All applicants must satisfy the requirements for a “wholesale client” under the Corporations Act. We reserve the right to reject any application for Units. See the Application Form for more details.

Cleared funds must be electronically transferred into the relevant bank account details (set out below) no later than 5pm (Sydney time) at least one Business Day 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 5pm (Sydney time) at least one Business Day prior to the relevant Subscription Day (or such earlier or later time as the Trustee may determine).

The bank account details for application purposes are as follows:

Bank:	Westpac
For the Account of:	Equity Story Growth Fund
BSB:	032-102
Account Number:	378 270
Reference:	[Unitholder Name]

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 agrees otherwise. No third-party payments will be permitted.

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. The Fund receives any interest earned on unallocated application monies.

### **5.3 How to invest more in the Fund?**

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

### **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 end of the calendar month in which the application was received by the Trustee.

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 Trustee, 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**

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





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## **6. REDEMPTIONS**

### **6.1 What is the minimum redemption amount?**

The minimum redemption is \$50,000. A requested partial redemption which would cause the Unitholder's investment to fall below the minimum holding of \$100,000 will not be permitted, or we 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.

The Minimum Investment Period for new investors is 12 months. Additional investments will not be subject to the Minimum Investment Period.

### **6.2 How to redeem?**

Any Unitholder may in writing request to the Trustee to redeem any of their Units (**Redemption Request**). A Redemption Request must be received by the Trustee no later than 5:00pm (Sydney time) at least 30 calendar days prior to the proposed Redemption Day. The Trustee may at its sole discretion allow redemptions at other times and with longer or shorter notice periods.

Redemption Requests can be either mailed or emailed to the Trustee. Redemption Requests which are initially received by email will be processed. However, the original Redemption Request should follow, in original format, thereafter. The Redemption Request must be signed by the Unitholder or authorised signatories and must specify the value or the number of Units to be redeemed (in dollars or units).

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 apply.

Redemptions will be paid in Australian Dollars, although payments may also be made in specie.

### **6.3 How will redemptions be processed?**

For Redemption Requests received before the relevant deadline, the redemption price will be the redemption price as at the close of business on the next Redemption Day. If the Redemption Request is received after the deadline for receipt of requests for any particular Redemption Day, it will be treated as a Redemption Request for the next relevant Redemption Day.

In the ordinary course of business, it is expected that proceeds from redemptions will be paid within fifteen (15) Business Days after the Redemption Day. However, the Trust Deed allows the Trustee to have up to forty-five (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 unit holder, 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?

The Minimum Investment Period for New Investors is 12 months. After the expiration of the 12-month period, Members will be entitled to redeem their Units in accordance with this Information Memorandum. For the avoidance of doubt, any additional investments by Members will not be subject to the Minimum Investment Period.

If Redemption Requests are received by the Trustee with respect to any Redemption Day with an aggregate value of more than 10% (or such higher percentage as the Trustee in its sole discretion may determine) of the Net Asset Value (**Redemption Threshold**), the Trustee may, in its sole discretion, defer the Redemption Request (**Deferred Redemption Request**) until such time that the Trustee can reduce the Redemption Request on a pro-rata basis so that only Units with an aggregate Net Asset Value equal to or below the Redemption Threshold are redeemed on that Redemption Day.

Any Deferred Redemption Request 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 the Redemption Requests exceed the Redemption Threshold. A Deferred Redemption Request will have priority over Redemption Requests. If the deferral occurs for three consecutive Redemption Days, it cannot be deferred 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 Directors must only be exercised where in the material best interests of continuing Unitholders.

Under the Trust Deed, the Trustee 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 Redemption Request 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 it is not in the interests of Unitholders for any of the Fund's assets to be sold in order to satisfy the 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 satisfied, 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) it is in the interests of the Unitholders to suspend redemptions.

In the event of a suspension where a Unitholder has lodged a Redemption Request, the Unitholder may cancel the redemption request at any time provided that such cancellation is received before the termination of the period of suspension. Where the Redemption Request is not cancelled, the day on which the redemption of the Units will be effected will be the first Redemption Day following the end of the suspension.

If the Trustee thinks fit, it may compulsorily redeem any of the Units held by a Unit Holder by giving one month's notice in writing to the Unit Holder of the Trustee's intention to redeem.

## **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 on each Subscription Day and Redemption Day (as relevant). In general, the Net Asset Value is the value of all assets, less all current and contingent liabilities (as determined by the Trustee).

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

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, we use a 'buy/sell' spread to recover estimated transaction costs associated with buying and selling the Fund's assets. We use the buy/sell spread to direct transaction costs such as brokerage, commissions and bank charges to transacting Unitholders rather than Unitholders remaining in the Fund. The buy/sell spreads are paid to the Fund and are not paid to the Trustee.

The buy/sell spread is +/-0.25%. We have discretion to waive or reduce the buy/sell spread on applications or redemptions where reduced or no costs are incurred. We will provide notification to Unitholders of any changes to buy/sell spread on the Fund's website.

## **6.6 Transfers**

A transfer of Units must be approved by the Trustee at its absolute discretion in accordance with the Trust Deed. We reserve the right to refuse to register any transfer of Units to another person.



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## 7. VALUATION OF THE FUND

In determining the Net Asset Value of the Fund and the Net Asset Value per Unit, the Fund's assets and liabilities are valued each Subscription Day and Redemption Day (as relevant). 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 recoverable 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, neither the Administrator nor the Trustee shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the prime broker, market makers and/or independent third party pricing services. The Administrator or 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.

If and to the extent that the Trustee is responsible for or otherwise involved in the pricing of any of the Fund's portfolio 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.



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**8. DISTRIBUTIONS**

To the extent of net income available for distribution at the end of June, the Fund will make distributions annually as at the end of June (i.e. the distribution calculation date), or on such other day as we 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 twenty (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 otherwise be made by the Trustee in accordance with the terms of the Trust Deed.



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## 9. MATERIAL CONTRACTS

### 9.1 Investment Management Agreement

The Trustee and Fund Manager, the Investment Advisor and Peter Kopetz entered into a management agreement pursuant to which the Trustee appointed the Fund Manager as the exclusive manager of the Fund and the Investment Advisor the exclusive advisor to the Fund (**Management Agreement**).

Pursuant to the Management Agreement, the Fund Manager has the power to appoint, authorize or delegate to any person, in whole or in part, the performance or exercise of any of its functions, duties, powers and discretions under the Management Agreement. As such, the Fund Manager has:

- (a) appointed the Investment Advisor to make all investment recommendations to the Fund;
- (b) sub-authorized Peter Kopetz to act on the Fund Manager's behalf in relation to dealing in Financial Products on behalf of another.

The Investment Advisor has authorized Peter Kopetz to act on its behalf in relation to the provision of Financial Product advice.

The Management Agreement continues indefinitely until validly terminated in accordance with its terms and otherwise formally sets out the investment strategy, investment guidelines, reporting obligations in relation to the fund and the fees payable to the Investment Advisor.

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

### 9.2 The Trust Deed

The Trust Deed should be read by prospective Unitholders. The following is a brief 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 Trustee;
- (g) retirement or removal of the Trustee;
- (h) the holding of meetings of Unitholders;
- (i) limitation of liability and indemnity of the Trustee; and
- (j) winding up and termination of the Fund.

We are prohibited from amending the Trust Deed unless we reasonably consider that the amendment will not adversely affect the rights of Unitholders.

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

A copy of the Trust Deed is available upon request.

### **9.3 Administration Agreement**

The Trustee has entered into an agreement (**Administration Agreement**) with the Administrator. The Administrator will perform certain administrative, accounting support, custodianship, audit support and registry services for the Fund. The Administration Agreement is on ordinary commercial terms.

The Trustee reserves the right to change the administration arrangement described above, in its discretion, and to appoint additional or alternative administrator(s) without notice to Unitholders. Unitholders will be notified in due course of any change to, or appointment of additional, administrator(s).

The Administrator will be a service provider to the Fund and has not been responsible for the preparation of this document or the activities of the Fund. The Administrator will not participate in the investment decision making process.

### **9.4 Prime Broker**

The Trustee will appoint a prime broker to provide clearing and settlement of transactions and securities lending services to the Fund. The agreement to be entered into between the Trustee and the prime broker will be on ordinary commercial terms and will contain terms and conditions that are considered standard for an agreement of that nature.

The Trustee reserves the right to change the prime brokerage arrangement described above, in its discretion, and to appoint additional or alternative prime broker(s) without notice to Unitholders. Unitholders will be notified in due course of any change to, or appointment of additional, prime broker(s).

The prime broker will be a service provider to the Fund and has not been responsible for the preparation of this document or the activities of the Fund. The prime broker will not participate in the investment decision making process.



## 10. KEY RISKS OF INVESTING

A degree of risk applies to all types of investments, including investments in this Fund. Prospective Unitholders should be aware that there is no guarantee that the implementation of the Investment Advisor's investment process will not result in losses to Unitholders, including losses to 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.

### 10.1 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 Investment Advisor. Before making an investment decision, you should obtain your own investment advice, taking into account your own investment needs and financial circumstances. A prospective Unitholder contemplating an investment into the Fund should consider the entire contents of this Information Memorandum before making a decision to invest in the Fund.

### 10.2 Risks relating to the Fund, Investment Advisor and Trustee

#### (a) Fund risk

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

Your 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:

- (i) income or capital gains accrued in the Fund at the time of investing; and



- (ii) the consequences of investment and redemption decisions made by other Unitholders 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.

We aim to manage these risks by monitoring the Fund and acting in Unitholders' best interests. Winding up 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 Unitholders 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 your investment in the Fund may be illiquid. There may also be occasions when the Trustee and its affiliates encounter potential conflicts of interest in relation to the Fund.

**(b) Investment Advisor risk**

The investment style of the Investment Advisor 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 Investment Advisor in selecting, combining and implementing investment decisions. Given the Fund relies heavily on the ability of the Investment Advisor to identify investments that will outperform other investments, should the Investment Advisor make the wrong decision, the Fund may have negative returns. Changes in the personnel of the Investment Advisor, may also have an impact on investment returns of the Fund.

**10.3 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**

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 we receive for those assets. In certain circumstances we 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) Redemption risk**

In certain circumstances (including where assets in which the Fund invests cannot be readily bought and sold, or market events reduce the liquidity of a security or asset class), there is a risk that the anticipated timeframe for meeting redemption requests 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 (see Section 6 for more information).

**(e) Restructuring companies risk**

The Fund may invest in the securities of companies involved in mergers, consolidations, liquidations and re-organisations or as to which there exist tender or exchange offers, and may participate in such transactions. It may also purchase indebtedness and participations therein, both secured and unsecured, of debtor companies engaged in re-organisation or financial restructuring. Such investments also involve greater credit risks.

**(f) Specific security risk**

Individual securities such as shares are exposed to corporate influences such as changes in a company's business environment and profitability which may cause the value of the company's securities to increase or decrease. This in turn may impact the value of the Units.

**(g) Small and mid-sized companies risk**

Small and mid-sized companies may have a lower degree of liquidity in their securities, a greater sensitivity to changes in economic conditions and interest rates, and uncertainty over future growth prospects may all contribute to such increased price volatility. Additionally, smaller companies may be unable to generate new monies for growth and development, may lack depth in management, and may be developing products in new and uncertain markets, all of which are risks to consider when investing in such companies.

**(h) 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 many transactions, the

Fund is 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. See also Prime Broker risk below.

**(i) Prime Broker risk**

The Fund's investments may be borrowed, lent, pledged, charged, rehypothecated, disposed of or otherwise used by the prime broker for its own purposes, whereupon such assets will become the absolute property of the prime broker (or that of its transferee) or become subject to the charge created by such charge, pledge or rehypothecation, as the case may be. The Trustee will have a right against the prime broker for the return of equivalent assets and will rank as an unsecured creditor in relation thereto. As such, as is normal in prime broker agreements, there is a risk that the Trustee may not be able to recover such equivalent assets in full in the event of the insolvency of the prime broker. Any cash which the prime broker receives on the Fund's behalf will not typically be subject to the client protections conferred by relevant laws. The Fund will rank as an unsecured creditor to the prime broker in case of their insolvency. Accordingly, the Fund may not be able to recover equivalent assets in full should the prime broker become insolvent.

For further details, please see the section "Material Contracts".

**(j) 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.

**(k) 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.

**(l) Short Selling Risk**

The Fund may sell securities short. Selling securities short creates the risk of losing an amount greater than the initial investment, and can also involve borrowing and other costs which can reduce profits or create losses in particular positions.

**(m) 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.

**(n) Leverage risk**

The Fund may leverage its capital because the Trustee believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its securities in order to borrow additional funds for investment purposes. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses. Unitholders may experience increased volatility in the value of their investments.

**(o) Diversification risk**

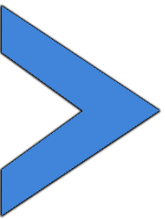
The Investment Advisor intends to seek to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. However, when the Fund's investment portfolio is concentrated in a small number of investments, the portfolio will be subject to a greater level of volatility.

**(p) Currency Risk and Hedging**

Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of the Fund. The Fund's foreign currency exposure may be over or under hedged or not hedged at all. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that hedging will be successful.

**(q) Foreign Investment and Emerging Markets Risk**

The Fund may, through its foreign investments (including emerging markets) and exposure to foreign currencies, have exposure to risks not usually associated with investing in Australia and other developed markets such as political, social and economic instability, difficulty in enforcing legal rights, unforeseen taxes and less stringent regulatory protections, reporting and disclosure. These factors may affect the value of the Fund, volatility of the Fund's returns and liquidity of the Fund's investments.



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## 11. FEES AND COSTS

### 11.1 Management Fee

The Trustee is entitled to a management fee of 2.00% per annum of the Net Asset Value of the Fund calculated monthly, and payable monthly in arrears. The management fee is charged for acting as Trustee of the Fund, managing its investments and overseeing the Fund's operations. A portion of this fee is paid to the Investment Advisor.

### 11.2 Performance fee

The Trustee is entitled to a performance fee where the relevant Fund's return exceeds the Benchmark return. This fee is calculated as 20.0% of the amount by which the Fund's return exceeds the Benchmark return during each six-month period ending 30 June and 31 December each year (**Performance Period**). The performance fee is calculated and accrued monthly and payable to the Trustee at the end of each Performance Period.

The return of the Fund must exceed return of the Benchmark during the Performance Period before a Performance Fee becomes payable to the Trustee. The return of the Fund is measured by its Net Asset Value per Unit (after management fees and adding back any distributions during the Performance Period and adding back any accruals for Performance Fees) (**Adjusted Unit**).

The returns of the Fund and the Benchmark are calculated from the beginning of a relevant Performance Period, subject to a high watermark.

Accrued Performance Fees are incorporated into the Net Asset Value of the Fund. The Performance Fee is calculated as the sum of the monthly fee accruals.

In the event that the return on an Adjusted 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 accrued and payable even if the Fund has a negative return, subject to a high watermark.

Where Units are redeemed, any accrued Performance Fees in respect of Units being redeemed will become payable. If the Trustee ceases to manage the Fund or the Fund is terminated, then any accrued or unpaid Performance Fees will become payable.

#### **Performance Fee example**

The table below provides a dollar fee example based on a Unitholder with a \$250,000 investment in the Fund. The example assumes no other applications or redemptions have been made. The unit price at the beginning of the Performance Period is assumed to be \$1.00 per Unit. Please note that this is just an example and should not be taken as an indication or guarantee of future performance, nor an indication of the Performance Fee that may be charged in the future.

#### **Example:**

For the period 1 January to 30 June, we assume:

- (a) the Adjusted Unit Price increased from \$1.00 to \$1.10 (namely 10%);

(b) the Benchmark increased during this period 3%

Unit return	= \$0.10
Benchmark return	= \$1.00 * 3% = \$0.03
Outperformance	= \$0.10 - \$0.03 = \$0.07
Performance fee	= 250,000 units * \$0.07 * 20.0% = \$3,500.00

In this case, the Unitholder pays \$3,500.00 in performance fees on a pre-Performance Fee return of \$25,000.

### 11.3 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. Expenses are not capped in any way. The Trustee 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 its operations, including, but not limited to, fees payable to the Fund's Service Providers (e.g. Administrator and prime broker) and their 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.

### 11.4 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.



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## 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 Unitholders 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

We do not provide tax advice. As the tax treatment applicable to particular Unitholders may differ, we strongly recommend that Unitholders 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 Boutique Capital, 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.

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



## **12.8 Withholding tax**

Non-resident Unitholders (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 Unitholders 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 Unitholder's seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

## **12.10 FATCA AND CRS**

The Foreign Account Tax Compliance Act ("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.



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## **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 Indemnity for Manager**

The trustee indemnifies the Manager and Investment Advisor per the terms of the Investment Management Agreement.

### **13.4 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 Investment Advisor's rights or powers.

### **13.5 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.

### **13.6 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 us if there is a deficiency in the net assets of the Fund. Our right of recourse, and that of any creditor, is limited to the assets of the Fund.

Your liability is limited by the Trust Deed to the value of your Units (except where we incur a liability for tax as a result of your actions or inactions) but the courts are yet to finally determine the effectiveness of provisions like this.

### **13.7 Service Providers**

The Trustee reserves the right to appoint external service providers to the fund. Such appointments are not limited to, but could include Custodians,

Administrators and Prime Brokers. Any Service Provider appointments will be documented and all documentation is available to investors.

### **13.8 Privacy Policy**

The privacy of your personal information is important to us. We and the other service providers collect personal information so that we may provide you with the products and services offered by us including assessing your application and issuing Units in the Fund, and managing and administering your investment in the Fund.

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

We and the 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, we and the 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. We and the Administrator may also collect from applicants the names, addresses and contact details of their accountants or agents. If we and the Administrator do not collect your personal information, we and the Administrator will not be able to issue you with Units in the Fund, redeem Units or manage or administer your investment.

We and the 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 we outsource, in which case confidentiality arrangements apply. Your personal information will not be disclosed to overseas recipients by the Trustee. We aim to ensure that the personal information we retain about you is accurate, complete and up-to-date. If you provide us with incomplete or inaccurate information, we may not be able 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 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, the Administrator and/or the Trustee 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, the Administrator and/or the Trustee 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 to the Fund, the Administrator and/ or the Trustee 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 to us or the Administrator will be collected and handled in accordance with the Trustee's and the Administrator's privacy policies. Those privacy policies respectively contain further information about how an individual may access their personal information

held by us 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 we 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.boutiquecapital.com.au](http://www.boutiquecapital.com.au).

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 or the Administrator in accordance with those policies.

### **13.9 If you have a complaint**

A Unitholder who is dissatisfied with any service or product provided by us may lodge a complaint with us. We will aim to supply a confirmation letter to you and aim to have the complaint resolved as soon as practicably possible.

### **13.10 Consents**

Steinepreis Paganin has given, and has not withdrawn, its consent to be named in this Information Memorandum as lawyers for the Trustee, in the form and context in which it is made. Steinepreis Paganin does not make any statement (actual or implied) in this Information Memorandum, nor is a statement in this Information Memorandum based on a statement made by Steinepreis Paganin. Steinepreis Paganin has not authorised or caused the issue of, and takes no responsibility for, any part of this Information Memorandum. further, Steinepreis Paganin has not undertaken any due diligence on the Investment Advisor, Trustee, the Fund or the Offer and has not verified the Information Memorandum.

BDO Perth has given, and has not withdrawn, its written consent to be named in this Information Memorandum as accountant for the Trustee in the form and context in which it is named. BDO Perth does not make any statement (actual or implied) in this Information Memorandum, nor is a statement in this Information Memorandum based on a statement made by BDO Perth. BDO Perth has not authorised or caused the issue of, and takes no responsibility for, any part of this Information Memorandum.

Equity Story Fund Pty Ltd has given, and has not withdrawn, its written consent to be named in this Information Memorandum as Investment Advisor for the Fund in the form and context in which it is named.



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14. **GLOSSARY**

**Administrator** means Boutique Capital Pty Ltd (ACN 621 697 621) AFSL no. 508011 the Administrator of the Fund.

**Application Form** means the application form included in the “Application and other forms” section of this Information Memorandum.

**ASIC** means the Australian Securities and Investments Commission.

**Benchmark** means The BarclayHedge Hedge Fund Index.

**Business Day** means a day that is not a Saturday, Sunday or a public holiday or a bank holiday in Sydney, NSW.

**Trust Deed** means the Trust Deed for the Fund, as amended or replaced from time to time.

**Corporations Act** means the Corporations Act 2001.

**Financial Product** has the meaning given to it by Division 4 of Part 7.1 of the Corporations Act.

**Fund** means Equity Story Growth Fund.

**Fund Manager** means Boutique Capital Pty Ltd (ACN 621 697 621).

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

**Information Memorandum** means this offer document, as amended or supplemented from time to time.

**Investment Advisor** means Equity Story Fund Pty Ltd (ACN 642 009 783).

**Minimum Investment Period** means the minimum period new investments must remain within the fund.

**Net Asset Value** or **NAV** 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 Trustee in accordance with the Trust Deed.

**Offer** means the offer of Units under this Information Memorandum.

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

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

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

**Unitholder** means a holder of a Unit.

**Trustee** means Boutique Capital Pty Ltd (ACN 621 697 621) AFSL no. 508011 the Trustee of the Fund.



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## 15. APPLICATION AND OTHER FORMS

### 15.1 How to Invest

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

- (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.
- (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 \$100,000 per Unitholder, unless otherwise approved by Trustee. Each Unitholder will need to qualify as a Wholesale Client.

Application monies should be sent by electronic transfer to:

Bank:	Westpac
For the Account of:	Equity Story Growth Fund
BSB:	032-102
Account Number:	378270
Reference:	Unitholder Name

NB: Cash will not be accepted.

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.

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

Digital applications must be received by the unit registry by the relevant cut-off time and date.

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

## **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:
  - (i) net assets of at least A\$2.5 million (including the net assets of any company or trust controlled by the applicant), or
  - (ii) 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);
- (b) A statutory declaration that the applicant:
  - (i) holds an Australian financial services licence, or
  - (ii) is a 'professional investor' as otherwise defined in the Corporations Act.
- (c) Documentation confirming that the applicant satisfies Section 761GA of 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 (a), (b) or (c) 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 by contacting the Trustee and requesting an Additional Investment 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 Unitholder	Correct Name	Incorrect Name	Signature Required
<p><b>Individual/ joint investors</b> use full name of each applicant, do not use initials</p>	<p>Alexander John Smith Laura Sue Barden</p>	<p>Alex Smith Laura S Barden</p>	<p>signature of each applicant</p>
<p><b>Company</b> use full company title, do not use abbreviations</p>	<p>ABC Pty Ltd XYZ Limited</p>	<p>ABC P/L ABC Co XYZ Inc.</p>	<ul style="list-style-type: none"> <li>• by two directors, or</li> <li>• by a director and a secretary, or</li> <li>• if there is only one director by that sole director</li> </ul>
<p><b>Trusts/minors</b></p> <ul style="list-style-type: none"> <li>• use Trustee(s)/ individual(s)name(s)</li> <li>• use trust/minor name as designation</li> </ul>	<p>Paul Ryan Smith ATF &lt;Smith Family Trust&gt; Paul Ryan Smith&lt;Joel Smith&gt;</p>	<p>Paul Smith Family Trust Joel Smith</p>	<ul style="list-style-type: none"> <li>• signature of each Trustee/individual</li> <li>• if Trustee is a company see above</li> </ul>
<p><b>Superannuation fund</b></p> <ul style="list-style-type: none"> <li>• use Trustee(s)personal name(s)</li> <li>• use fund name as designation</li> </ul>	<p>Amy Rachel Wood ATF &lt;Amy Wood Super Fund&gt; ABC Pty Ltd ATF &lt;Smith Superannuation Fund&gt;</p>	<p>A R Wood Super Fund Smith Super Fund</p>	<ul style="list-style-type: none"> <li>• signature of each Trustee</li> <li>• if Trustee is a company, see above</li> </ul>
<p><b>Deceased estates</b> use executor(s) personal names, do not use name of the deceased</p>	<p>John Smith &lt;Est Jane Smith A/c&gt;</p>	<p>Estate of the Late Jane Smith</p>	<p>signature of the executor(s)</p>