

# **INFORMATION MEMORANDUM**

**ISSUED 27 SEPTEMBER 2024**

**GAM AVENUE SPORTS OPPORTUNITIES FUND AU**

**US Units (USD Partial Paid Class)**

**AU Units (AUD Fully Paid Class)**

**MANAGER: GAM International Management Ltd (ARBN 628 845 483)**

**TRUSTEE: K2 Asset Management Ltd ACN 085 445 094, AFSL 244393**

## IMPORTANT INFORMATION

The units (the **Units**) in the GAM Avenue Sports Opportunities Fund AU (the **Fund**) are offered solely on the basis of the information contained in this confidential information memorandum dated 27 September 2024 (as may be amended, restated and/or supplemented from time to time, the **Information Memorandum**). The Fund is a wholesale Australian domiciled unregistered unit trust.

K2 Asset Management Limited ACN 085 445 094, AFSL 244393 is the trustee (**K2** or the **Trustee**) of the Fund and GAM International Management Ltd ARBN 628 845 483 is the investment manager (**GAM** or the **Manager**) of the Fund. The Manager is a limited liability company incorporated in England on 26 March 1984. It is part of a group of companies under GAM Holdings AG with offices worldwide (**GAM Group**) and is authorised and regulated by the Financial Conduct Authority (**FCA**) for the provision of investment services in the United Kingdom. It is registered with the US Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended, and is registered with the US Commodity Futures Trading Commission as a commodity pool operator and commodity trading advisor. Its main business is the provision of investment management services, providing institutions, intermediaries and fund investors access to a diverse range of specialist investment strategies. GAM is exempt from the requirements to hold an Australian Financial Services Licence in respect of the financial services it provides to wholesale investors in Australia and is regulated by the FCA in the UK under UK laws which differ from Australian laws.

With over 35 years' experience, GAM invest clients' capital using active strategies across discretionary, systematic and specialist solutions. By focusing on superior investment returns, a differentiated product offering, global distribution strength and operating efficiency GAM seeks to deliver sustainable growth for all stakeholders.

GAM Group has offices in 14 countries and collectively managed more than AUD 38 million in assets for institutions, financial advisers and private investors.

This Information Memorandum is issued by the Manager on a strictly confidential basis and is a summary of the significant information relating to an investment in the Fund.

The Manager has not caused or otherwise authorised the issue of this Information Memorandum. None of the Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to the Trustee for inclusion in this Information Memorandum.

The Fund has 2 classes, one fully paid (AU) and one partially paid (US). The Offer contained in this Information Memorandum relates to US Units and AU Units in the Fund. No person is authorised to give any information or to make any representations in connection with the Offer other than those contained in this Information Memorandum and the documents referred to herein and any subscription or purchase of units made by any person on the basis of statements or representations not contained in or inconsistent with the information contained herein shall be solely at the risk of the subscriber or purchaser.

The Offer contained within this Information Memorandum is only available in Australia to Wholesale Clients (as defined in section 761G of the Corporations Act) or to persons to whom disclosure is not required under Chapter 6D or Part 7.9 of the Corporations Act and where such offer would not contravene any applicable law. This Information Memorandum has been made available to the recipient on the basis that the recipient is, and warrants and represents that it is such a person. If the recipient of this Information Memorandum is not such a person, this document must be returned to the Manager and any copies destroyed or deleted. The Fund, the Trustee and the Manager do not bear any liability or responsibility to determine whether a person is able to apply for Units pursuant to this Information Memorandum. The Offer and/or invitation is set out entirely in

this Information Memorandum and applications for Units will only be offered to, and can only be purchased by, investors who are classified as Eligible Investors.

This Information Memorandum has not been, and is not required to be, lodged with ASIC or any other government body or regulator. This Information Memorandum does not purport to be all-inclusive and does not necessarily contain all the information that a prospective investor may desire in deciding whether or not to subscribe to or purchase the Units. Importantly, this Information Memorandum is not required to and does not include all the information that would be required in a product disclosure statement for retail investors. Any invitation to acquire Units will be an offer that does not require disclosure for the purposes of the Corporations Act. Neither this Information Memorandum nor the Target Fund Private Placement Memorandum (PPM) is a Prospectus or Product Disclosure Statement as defined in the Corporations Act. Accordingly, neither this Information Memorandum nor the Target Fund PPM is required to, and does not, contain all the information which would be required to be contained in a Product Disclosure Statement or Prospectus. The Fund is not, and is not required to be, registered as a managed investment scheme under the Corporations Act.

No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability is or will be accepted by the Trustee or the Manager as to or in relation to the accuracy or completeness of this Information Memorandum or any other written or verbal information made available to any recipient or their advisors in connection with any further investigation of the Fund.

To the best of the Trustee and Manager's knowledge, they have taken all reasonable care to ensure that the information contained herein is accurate as at the date stated herein. The Trustee and the Manager expressly disclaim any and all liability based on such information, errors in such information, or omissions in such information. In particular, no representation or warranty is given as to the accuracy of any financial information contained in this Information Memorandum or as to the achievement or reasonableness of any forecasts, projections, management targets, prospects or returns.

Prospective investors should not construe the contents of this Information Memorandum as investment, legal, business, accounting, tax or other advice. The information contained in this Information Memorandum is general information only and does not take into account your objectives, financial or taxation situation or needs. You should read this Information Memorandum in its entirety and before acting on the information contained in this Information Memorandum you should consider the appropriateness of the information in this document having regard to your objectives, financial and taxation situation and needs. You should seek independent professional advice with respect to all legal, tax, financial and related matters concerning an investment in the Fund and, indirectly, the Target Fund.

Investments in the Fund are not deposits with or any liabilities of the Trustee, the Manager or any Distributor and are subject to investment risk, including possible delays in repayment and loss of income and capital invested and are suitable only for investors who do not require immediate liquidity for their investments. Under the terms of the Trust Deed, Investors of the Fund have an interest in all assets of the Fund, which may be used to meet all liabilities arising in respect of the Fund.

An investment in the Fund involves significant risks. Prospective investors should have the financial ability and willingness to accept the risk characteristics of the Fund. Any losses in the Fund will be borne solely by investors in the Fund. Investors should be able to bear the economic consequences of investment in the Fund, including the possibility of the loss of their entire investment.

None of the Trustee, the Manager or any Distributor guarantee the performance of the Fund, the rate of income, the return of capital to the Investors, any particular rate of return or any taxation consequences of any investment made in the Fund. There can be no assurance that the Target Fund will be able to implement its investment strategy, achieve its investment objective or avoid substantial losses.

This Information Memorandum is qualified in its entirety by the terms of the Trust Deed for the Fund.

To the maximum extent permitted by law, the Trustee, the Manager and their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) and representatives bear no liability for any loss or damage, howsoever arising and whether foreseeable or not, which results from any person acting in reliance in whole or in part on any information in this Information Memorandum, or any information provided or made available in connection with any further enquiries.

The Trustee is not obliged to accept applications and reserves absolute discretion in limiting or refusing any application for Units. The Trustee and the Manager are not liable to compensate the recipient of this Information Memorandum for any costs or expenses incurred in reviewing, investigating, or analysing any information in relation to the Fund, in the course of submitting an application for Units or otherwise.

The information in this Information Memorandum is qualified in its entirety by reference to the confidential private placement memorandum of the Target Fund (as may be amended, restated and/or supplemented from time to time, the **Target Fund PPM**) and the terms of the Limited Partnership Agreement of the Target Fund as amended, restated, supplemented or otherwise modified from time to time (the **Target Fund LPA** and, together with the Target Fund PPM, the **Target Fund Documents**). Each of the Target Fund PPM, and the Target Fund LPA is annexed to this Information Memorandum. The Target Fund Documents, along with the Fund Documents (as defined below), should be reviewed carefully and in their entirety prior to making a decision to invest in the Fund. If the terms described in this Information Memorandum are inconsistent with or contrary to the terms of the Target Fund Documents, the Target Fund Documents will prevail. The Target Fund Documents are only being made available in relation to your interest in investing in the Fund, and the distribution of the Target Fund Documents does not constitute an offer or invitation to invest in the Target Fund.

Certain information in this Information Memorandum may change from time to time. We will notify you where we indicate that we will give notice of such changes. Where updated information includes no materially adverse information, we may advise you from time to time of a website where we will publish that updated information. An investor can also obtain this information by contacting the Registrar on the email or phone number listed in the Directory.

Capitalised terms in this Information Memorandum are defined terms and they are listed in the Definitions and Interpretation section or defined elsewhere in the Information Memorandum.

This Information Memorandum does not constitute a direct or indirect offer of securities in the US or to any U.S. Person as defined in Regulation S under the Securities Act of 1933 as amended (**US Securities Act**). The Trustee may vary this position and offers may be accepted on merit at the Trustee's discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by the Trustee and may not be offered or sold in the US to, or for, the account of any U.S. Person except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

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## 1. DIRECTORY

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|----------------------|---|
| <b>FUND</b>          | GAM Avenue Sports Opportunities Fund AU                 |
| <b>MANAGER</b>       | GAM International Management Ltd                        |
| <b>TRUSTEE</b>       | K2 Asset Management Ltd<br>ACN 085 445 094, AFSL 244393 |
| <b>REGISTRAR</b>     | Apex Fund Services Pty Ltd ACN 118 902 891              |
| <b>CUSTODIAN</b>     | Apex Fund Services Pty Ltd ACN 118 902 891, AFSL 303253 |
| <b>ADMINISTRATOR</b> | Apex Fund Services Pty Ltd ACN 118 902 891              |
| <b>TARGET FUND</b>   | Avenue Sports Opportunities Fund (Offshore), L.P.       |

## CONTACT US

### Trustee

K2 Asset Management Ltd  
Level 44  
101 Collins Street  
Melbourne VIC 3000  
Phone: +613 9691 6111  
Email: [invest@k2am.com.au](mailto:invest@k2am.com.au)  
Web: [www.k2am.com.au](http://www.k2am.com.au)

### Manager

GAM International Management Ltd  
8 Finsbury Circus  
London EC2M 7GB  
United Kingdom  
Phone: +612 8277 4132  
Email: [support@gam.com](mailto:support@gam.com)  
Web: [www.gam.com](http://www.gam.com)

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

Unless defined elsewhere in this Information Memorandum or unless the context indicates otherwise, capitalised words and expressions in this Information Memorandum have the meaning as described below.

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| <b>Administrator</b>         | Apex Fund Services Pty Ltd is the administrator of the Fund.  |
| <b>AFSL</b>                  | an Australian Financial Services Licence (as that term is defined in the Corporations Act).   |
| <b>Application Amount</b>    | the aggregate amount payable by an investor in connection with its application for Units (including, for the avoidance of doubt, its Distribution Fee).   |
| <b>Applicable Percentage</b> | has the same meaning as set out in Section 5.3.   |
| <b>ASIC</b>                  | the Australian Securities and Investments Commission or if it ceases to exist, any regulatory body or authority as then serves substantially the same objects.  |
| <b>ASIC Relief</b>           | means an exemption or declaration granted by ASIC which gives relief from certain requirements of the Corporations Act, each as amended from time to time.  |
| <b>Available Commitment</b>  | with respect to an Investor from time to time, the amount of such Investor's Capital Commitment which has not yet been drawn down in accordance with the Trust Deed, including any Capital Contributions which have been returned to an Investor.   |
| <b>AU Class</b>              | a Class of Units which is denominated in AUD.   |
| <b>AU Units</b>              | a Unit in the AU Class which requires the Investor to fund their Capital Commitment in one instalment upon the application to issue Units.  |
| <b>AUD</b>                   | Australian dollars.   |
| <b>Business Day</b>          | a day other than a Saturday or a Sunday on which banks are open for general banking business in Melbourne, Victoria or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Melbourne, the city in which the administrator performs such functions. |
| <b>Capital Call</b>          | any request by the Trustee for cash payments from Investors, including (without limitation) a request for the payment of unpaid Capital Commitments.  |

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| <b>Capital Call Notice</b>                       | the notice in which is specified the amount of Capital Call.   |
| <b>Capital Commitment</b>                        | in respect of each Investor, the amount of capital that the Trustee has determined to accept from the Investor as set out in the books and records of the Fund.  |
| <b>Capital Contribution</b>                      | the amount of capital contributed by each Investor to the Fund or deemed to be contributed to the Fund under the Trust Deed, except as otherwise provided in the Trust Deed and excluding Late Capital Interest. |
| <b>Class or Classes</b>                          | a class of Units in issue or to be issued in the Fund, including but not limited to US Units and AU Units.   |
| <b>Commencement Date</b>                         | -when the Manager notifies the Trustee that there are sufficient Capital Commitments in the Fund to make an Offer.   |
| <b>Corporations Act</b>                          | the <i>Corporations Act 2001</i> (Cth) and a reference to the Corporations Act or a provision of it includes a reference to the Corporations Act or that provision as modified by any applicable ASIC Relief.    |
| <b>Custodian</b>                                 | Apex Fund Services Pty Ltd ACN 118 902 891, AFSL 303253, while it remains custodian of the Fund, or any other entity holding or appointed to hold Fund Assets as custodian for the Trustee.                      |
| <b>Custody and Fund Administration Agreement</b> | the agreement between the Trustee and the Custodian (if any) regarding the provision of custody and administration services to the Fund.   |
| <b>Default</b>                                   | the failure of an Investor to timely pay in full any requested capital contribution as specified in the Capital Call Notice.   |
| <b>Directory</b>                                 | the details of the parties in Section “1. Directory”.  |
| <b>Distributions</b>                             | means income from the Target Fund paid to its investors, including the Fund.   |
| <b>Distributor</b>                               | any person that is appointed by the Manager as a distributor of Units from time to time and identified as such in the relevant Subscription Agreement.   |

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| <b>Eligible Investor</b>      | any person who meets the eligibility requirements for the Fund as set out in this Information Memorandum at Section 6.2.   |
| <b>Establishment Expenses</b> | has the same meaning as set out in Section 5.6.  |
| <b>Fund</b>                   | GAM Avenue Sports Opportunities Fund AU.   |
| <b>Fund Assets</b>            | all property, rights and income of the Fund including taxation credits attaching to income of the Fund   |
| <b>Funded Commitment</b>      | the portion of an Investor's Capital Commitment which has been called and fully paid to the Fund by such Investor (or its successors).   |
| <b>Fund Documents</b>         | collectively: <ul style="list-style-type: none"> <li>• this Information Memorandum;</li> <li>• the Trust Deed; and</li> <li>• the Subscription Agreement.</li> </ul>                           |
| <b>GST</b>                    | has the meaning given in the GST Law.  |
| <b>GST Law</b>                | has the meaning given in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).  |
| <b>GST Regulations</b>        | means the <i>A New Tax System (Goods and Services Tax) Regulations 2019</i> (Cth).   |
| <b>Indirect Investor</b>      | means an Investor who invests in the Fund through a Platform.  |
| <b>Information Memorandum</b> | this information memorandum as amended, restated and/or supplemented from time to time. For the avoidance of any doubt, the Target Fund PPM does not form part of this Information Memorandum. |
| <b>Invested Capital</b>       | the aggregate amounts committed by the Fund to all investments that have not been realised or permanently written down.  |

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| <b>Investment Period</b>      | The period until the fifth anniversary of the final closing date of the Target Fund. Unless the Investment Period is terminated earlier (a) at the election of the General Partner of Target Fund at any time after at least 75% of the aggregated combined commitments of the Target Fund has been invested or committed to be invested; (b) by a vote of the Limited Partners of the Target Fund and the investors in the Onshore Parallel Partnership and any other Parallel Partnership representing at least 75% in combined interest in the Target Fund; (c) in accordance with certain key person events pertaining to Marc Lasry and Sonia Gardner; or (d) a determination made by the Target Fund's General Partner that due to market conditions affecting the viability of the investment strategy, the Investment Period should be terminated. |
| <b>Investor</b>               | any person registered as the holder of a Unit.   |
| <b>Issue Price</b>            | the price at which Units are issued as described in Section 6.4.   |
| <b>Liquidity Opportunity</b>  | For the Target Fund, on or before 31 December following the tenth anniversary of the Target Fund closing date and upon every successive four-year anniversary of such date, the Target Fund General Partner will use its commercially reasonable efforts to provide each partner in the Target Fund with the opportunity for liquidity in respect of all or a portion of its interest in the Target Fund.  |
| <b>Management Agreement</b>   | the management agreement between the Trustee and the Manager.  |
| <b>Management Fees</b>        | has the same meaning as the fee described in Section 5.1.  |
| <b>Manager</b>                | means GAM International Management Ltd   |
| <b>NAV or Net Asset Value</b> | as of any date:<br><br>(a) with respect to the Fund, the value of the Fund Assets less any liabilities of the Fund (other than liabilities representing rights attaching to Units), and<br><br>(b) with respect to the Units of a class, the Net Asset Value of the Fund attributable to that class divided by the total number of Units in that class outstanding as of such date. The Net Asset Value of the Fund will not take  |

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|  | into account undrawn Capital Commitments, calculated in accordance with the Trust Deed.  |
| <b>Offer</b>   | the offer to investors to apply for US Units or AU Units under this Information Memorandum.  |
| <b>Onshore Partnership; Parallel Partnerships; Funds</b> | <b>Parallel Feeder Partnership</b> The General Partner of the Target Fund has established the Avenue Sports Opportunities Fund, L.P., a Delaware company ( <b>Onshore Parallel Partnership</b> ) to facilitate the investment by taxable U.S. investors and certain tax-exempt U.S. investors. On or before the final closing date of the Target Fund, one or more additional parallel partnerships ( <b>Parallel Partnerships</b> ) may be established by the General Partner of the Target Fund for legal, regulatory, tax or other reasons. |
| <b>Platform</b>  | a platform is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers, and can include platforms known as Investor Directed Portfolio Services (or <b>IDPS</b> ).   |
| <b>Platform Operator</b>                                 | means the entity responsible for operating a Platform.   |
| <b>Portal</b>  | a web-based portal which may be made available to potential investors in the absolute discretion of the Manager, which allows potential investors to complete the Subscription Agreement and submit a subscription online instead of submitting a hard copy.   |
| <b>Privacy Act</b>                                       | the <i>Privacy Act 1988</i> (Cth) as amended from time to time.  |
| <b>Registrar</b>   | Apex Fund Services Pty Ltd ACN 118 902 891, AFSL 303253, while it remains registrar of the Fund, or any other entity appointed pursuant to the Trust Deed to provide registrar services.   |
| <b>Run-Off Investment</b>                                | means, in respect of a Run-Off Investor, the investments of the Fund as at the time:<br><br>(a) the Investor meets the criteria set out in the Trust Deed which enables the Trustee to compulsorily redeem all of the Units held by such Investor; or<br><br>(b) the Trustee makes a determination to compulsorily redeem all of the Units held by an Investor pursuant to the Trust Deed.   |
| <b>Run-Off Investor</b>                                  | means a person whose Units are subject to compulsory redemption pursuant to the Trust Deed.  |

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| <b>Service Providers</b>              | the service providers appointed by or in relation to the Fund, including the Manager, Registrar, Administrator, Custodian and any other entity contemplated by the Information Memorandum.   |
| <b>Sharing Proportion</b>             | means, in respect of a Run-Off Investor and a Run-Off Investment, that persons Capital Contributions divided by the total Capital Contributions referable to the relevant Run-Off Investment as at the date of disposal or realisation of the relevant Run-Off Investment. |
| <b>Special Resolution</b>             | means a resolution approved by at least 75% of Members entitled to vote on the resolution.   |
| <b>Subscription Agreement</b>         | the subscription agreement, including the subscription agreement completed through the online Portal (if the availability of such Portal link has been provided to you) in respect of an Eligible Investor (as defined below) as amended from time to time.                |
| <b>Target Fund</b>                    | means the Avenue Sports Opportunities Fund (Offshore), L.P.  |
| <b>Target Fund Clawback</b>           | the mechanism under the Target Fund LPA which allows the Target Fund or the General Partner to recall distributions made to investors in the Target Fund, including the Fund.  |
| <b>Target Fund General Partner</b>    | Avenue Sports Opportunities Fund GenPar, LLC, a Delaware limited liability company   |
| <b>Target Fund Investment Manager</b> | Avenue Capital Management II, L.P., a Delaware limited partnership and an investment adviser registered with the US Securities and Exchange Commission   |
| <b>Target Fund LPA</b>                | the Limited Partnership Agreement of the Target Fund, as amended from time to time.  |
| <b>Target Fund Management Fee</b>     | has the same meaning as set out in Section 5.3.  |
| <b>Target Fund PPM</b>                | the private placement memorandum of the Target Fund as amended, restated and/or supplemented from time to time.  |
| <b>Term</b>                           | <p>The date that is 12 months following the termination of the Target Fund unless:</p> <ul style="list-style-type: none"> <li>(a) extended by the Manager for a single period of 12 months;</li> <li>(b) terminated earlier by the Trustee;</li> </ul>                     |

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|                            | <p>(c) terminated earlier pursuant to a Special Resolution where the Trustee or Manager is subject to an Insolvency Event or is in material breach of an Investment Document; or</p> <p>(d) extended pursuant to a Special Resolution,</p> <p>in accordance with the Trust Deed.</p> |
| <b>Transfer</b>            | the transfer made in any manner by an Investor of all or any part of its Units in the Fund and includes anything which results in a change of economic, legal or beneficial interest in a Unit.  |
| <b>Transferee</b>          | the entity to whom a Transfer is to be made.   |
| <b>Transferor</b>          | the Investor that proposes to effect a Transfer.   |
| <b>Trust Deed</b>          | the trust deed of the Fund dated 25 September 2024, as amended from time to time.  |
| <b>Trustee</b>             | means K2 Asset Management Ltd.   |
| <b>Unfunded Commitment</b> | an Investor's Capital Commitment minus the Funded Commitment of such Investor.   |
| <b>Units</b>               | means units in the Fund, and includes US Units and AU Units as the context requires.   |
| <b>US or United States</b> | the United States of America, including its territories and possessions or areas subject to its jurisdiction.  |
| <b>US Class</b>            | a Class of Units which is denominated in USD.  |
| <b>US Units</b>            | a Unit in the US Class which requires the Investor to fund their Capital Commitment over time, following receipt of Capital Call Notices.  |
| <b>USD</b>                 | US dollars.  |

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| <b>U.S. Person</b> | as defined under the U.S. Securities Act of 1933, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder. |
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## **INTERPRETATION**

In this Information Memorandum:

- (a) Days are calendar days unless otherwise specified as Business Days.
- (b) Unless otherwise stated, all dollar amounts referred to in this Information Memorandum are Australian Dollars (AUD).
- (c) References to “Manager” throughout this Information Memorandum are references to GAM Investment Management Ltd in its capacity as the manager of the Fund.

### 3. THE FUND

#### *The Trustee*

K2 Asset Management Ltd ACN 085 445 094, AFSL 244393, is the Fund's trustee.

The Trustee's responsibilities and obligations as the Fund's trustee are governed by the Trust Deed, the Corporations Act and general trust law.

#### *The Manager*

GAM International Management Ltd, is the issuer of this Information Memorandum and has been appointed by the Trustee as the investment manager of the Fund. The Trustee has appointed Apex Fund Services Pty Ltd as Custodian to hold the assets of the Fund. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

#### *Overview of the Fund*

The following provides a general overview of the structure and principal features of the Fund. It should be read in conjunction with and is qualified in its entirety by the Trust Deed. The Trust Deed is available at the online portal link provided to you, and is an integral part of this offering. In the event that the terms described herein are inconsistent with or contrary to the terms of the Trust Deed, the terms of the Trust Deed shall prevail.

The Fund is an unregistered managed investment scheme governed by the Trust Deed, structured with the expectation that it qualifies as an Australian managed investment trust. The Fund is intended to operate as a feeder fund and invest substantially all of its assets in the Target Fund, but investors will not be subscribing for an interest in, or direct investors of, the Target Fund. The Fund comprises assets which are acquired in accordance with the Fund's investment strategy. Direct investors receive Units in the Fund when they invest. In general, each Unit represents an equal interest in the assets of the Fund subject to liabilities; however, it does not give investors an interest in any particular asset of the Fund. The Fund is a closed ended fund, with a targeted end date of November 2024 for applications. This is a target only and may not be achieved and the Trustee may determine to accept applications, or close the Fund to new application, at any time.

#### *Classes*

The Trustee may, in accordance with the Trust Deed issue different Classes having differing terms of issue, fees, rights to distributions and denominated in AUD or other currencies, as further described in this Information Memorandum or Subscription Agreement. The Offer in this Information Memorandum relates to two classes of Units in the Fund, as set out further below. Both Classes of Units require the Investor to fund their Capital Commitment following receipt of one or more Capital Call Notices from the Trustee; however this does not preclude the Trustee from requesting the Investor's entire Capital Commitment in one Capital Call Notice.

(a) **US Units** – this Class of Units is denominated in USD.

(b) **AU Units** – this Class of Units is denominated in AUD.

An applicant can make an election as to which Class of Units they apply for in the Subscription Agreement.

The different Classes of Units issued in the Fund (if any) may differ inter alia in their fee structure, distribution policy, transfer rights, information disclosure, liquidity arrangements or any other criteria to be determined by the Trustee and as contained in the relevant Information Memorandum or Subscription Agreement. Such different terms and conditions may be preferential to the Investors of the relevant classes.

### *Redemptions*

The Fund is a closed-ended fund, and generally redemptions are not permissible. For further information, please see Section 6.10 “Redemptions” below.

### *Indirect Investors*

If you invest in the Fund through a Platform you will not become an investor in the Fund. The operator or custodian of the Platform will be the investor entered in the Fund’s register and will be the only person who is able to exercise the rights and receive the benefits of a direct investor. Your investment in the Fund through the Platform will be governed by the terms of your Platform. Please direct any queries and requests relating to your investment to your Platform Operator. Unless otherwise stated, the information in the Information Memorandum applies to direct investors. Indirect Investors do not receive reports or statements from us and the Platform Operator’s application and withdrawal conditions determine when you can direct the Platform Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the disclosure documents and terms and condition issued by the Platform Operator.

### *Notice to Investors*

Investors in the Fund will not be investors in the Target Fund, will have no direct interest in the Target Fund, will have no voting rights in the Target Fund, will not be parties to the governing documents of the Target Fund and will have no standing or right to assert direct claims or have any direct recourse against the Target Fund or any general partner, managing member or other equivalent person of the Target Fund (each such person, individually and/or collectively, as the context requires, the **Target Fund Manager**) and their respective affiliates or any of their respective advisors, officers, directors, employees, partners or members. The Target Fund Manager is not responsible for the formation or operation of the Fund and has not endorsed and makes no recommendation with respect to the Offer. Only the information contained in the annexures hereto, was obtained from the Target Fund Manager. The Target Fund Manager has not verified (and disclaims any obligation to verify) the accuracy or completeness of such information or this Information Memorandum and Investors cannot rely on the Target Fund Manager having verified or passed upon the accuracy or completeness of such information or this Information Memorandum. Such information contained in this Information Memorandum does not purport to be complete and is subject to and qualified in its entirety by the more detailed information in the Target Fund Documents. Each investor in the Fund should review the Target Fund Documents prior to deciding to invest in the Fund.

No Target Fund Manager entity (including, without limitation, the Target Fund itself) makes any representation regarding, and each of them expressly disclaims any liability or responsibility to any Investor in the Fund for, such information or any other information relating to the Target Fund set forth therein or omitted therefrom. None of the Target Fund, the Target Fund Manager or any of their respective affiliates: (i) is responsible for the organisation, operation or management of the Fund; (ii) has participated in the offering of Units in the Fund; (iii) participated in the preparation of any of the documents governing the Fund, including this Information Memorandum and the Trust Deed; or (iv) makes any representation with respect to the adequacy or sufficiency of the information contained in this Information Memorandum to any Investor in the Fund regarding the Target Fund or undertakes any responsibility to update any information contained herein for the purpose of the offering of Units.

## **4. INVESTMENT OBJECTIVE AND TARGET FUND INVESTMENT STRATEGY**

### **4.1 Investment objective**

The purpose of the Fund is to invest substantially all of its investable assets in the Target Fund, provided that in the case of the AU Class, a portion of the Capital Commitment may be invested in money market funds or other cash equivalent investments pending capital calls from the Target Fund. However, a portion of the Capital Commitments made by Investors in connection with their Capital Commitments may not be committed to the Target Fund and instead may be used by the Trustee to cover any working capital requirements of the Fund (including, without limitation, to be made available in the event of a Default of an Investor and to cover fees and any other liabilities). Consequently, an Investor in the Fund will likely have less exposure to the assets of the Target Fund as compared to an investor that has committed the same amount directly to the Target Fund.

**THERE CAN BE NO ASSURANCE THAT THE TARGET FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED. INVESTMENT RESULTS MAY SUBSTANTIALLY VARY OVER TIME.**

#### *Borrowing & hedging*

The Fund may, but is not required to, hedge against currency risk when the currency of a Class differs from the currency of the Target Fund. In particular, it is expected that the Fund will seek to hedge Capital Commitments in the US Units during the Investment Period and may seek to hedge part or all of Invested Capital in the US Units thereafter, but is under no requirement to do so.

The Fund may use financial leverage for general fund expenses, managing the bridging of Capital Contributions, currency hedging, and distributions in accordance with the Trust Deed. However, financial leverage will not be used for the purposes of increasing investment exposure.

The maximum borrowing (if any), at the time such borrowing is entered into, shall not exceed 30% of aggregate Capital Commitments.

In order to obtain borrowing, the Trustee may, acting on behalf of the Fund, provide collateral as security for such borrowings of the Fund. Inter alia, the Trustee may provide such collateral by pledging the Fund's assets and/or the Available Commitments of Investors.

Whilst the use of derivatives or other financial instruments is permitted under the Trust Deed, any such use will only be for hedging and will not occur for speculative purposes.

### **4.2 ESG disclosure**

Neither the Trustee nor the Manager takes into account matters of responsible investing, environmental factors, sustainability, impact and other social considerations into account in respect of the Fund. The Fund is not intended to be an investment targeting standards or outcomes relating to, or incorporating consideration of, such factors. Whilst it is the Trustee's and the Manager's understanding that the Target Fund Investment Manager does take certain ESG, ethical or sustainability factors into account in operating its business or in making investment decisions (and the management of investments) in respect of the Target Fund, an investment in the Fund may not be suitable (as it is not represented to be suitable) for prospective investors with any specific environmental, social or governance (ESG), ethical or sustainability related investment objectives or criteria and the Fund is not intended to be

marketed as meeting an investor's specific investment objectives or criteria. Neither the Trustee nor the Manager is the author or issuer of the Target Fund PPM and are not responsible for any statement contained in the Target Fund PPM.

### 4.3 Target Fund investment strategy

As set out in the Target Fund PPM, the Target Fund seeks to produce attractive, risk-adjusted returns by making investments, directly or indirectly, in a wide variety of sports teams, leagues, owners, sports-related media and entertainment rights, sports-related real estate, facilities and other sports intellectual property-adjacent businesses. The Target Fund will additionally target growth opportunities within emerging leagues, sports-affiliated real estate, sports media, sports-related financial services and other sport-adjacent businesses in the emerging global sports markets. The Target Fund may also seek to make opportunistic investments or co-investments in sports-related businesses or issuers that are ancillary to the sports industry, such as sports gaming, sports licensing businesses and sports-related real estate.

#### *Investments*

The intention of the Target Fund is to construct a diversified portfolio across a wide variety of sports, emphasising businesses that have robust recurring revenue bases, strong growth potential, the ability to attract a sizeable audience and the ability to further scale. The Target Fund Investment Manager seeks opportunities that are available at an attractive or discounted price point for maximum growth potential and returns on investments.

The Target Fund targets preferred equity investments with an attractive entry value that are senior to common equity and mitigates risk through negotiated covenants and contractual dividend payments. The preferred equity investments of the Target Fund are in premier sports teams and other sports related businesses, targeting low 15-20% loan to value ratios. In addition, these investments may be structured to allow the preferred equity investors the option of choosing and toggling between cash and payment-in-kind payments, enhancing the liquidity to existing owners while complying with league imposed restrictions which focus on curtailing leverage and averting the possibility financial distress. The Target Fund Investment Manager believes that a convertible preferred equity structure will generally allow the Target Fund to realise capital gain from future increases in valuations.

While the Target Fund's geographic focus is predominantly North American and European sports, the Target Fund will look to participate in growth opportunities within emerging sports leagues and teams in Africa, Asia, South America and Australia. The Target Fund Investment Manager is of the belief that a blended approach will provide the opportunity for a balanced mix of domestic stability and emerging opportunities. The Target Fund Investment Manager intends to focus on teams and other sports-related businesses that have an ability to attract a sizable, growing audience with revenue streams that bring both stability and growth potential.

## 5. FEES AND COSTS

This section shows fees and other costs that Investors may be charged for an investment in the Fund. Tax details are set out in Section 8 of this Information Memorandum.

Investors should read all the information about fees and costs in this section, together with the Trust Deed for the Fund, because it is important to understand their impact on their investment.

**Important Note: In addition to the costs set out below of investing in the Fund, Investors will also be subject (indirectly through the Fund) to the fees and expenses which are imposed in the Target Fund. As such, it is important to review the Target Fund PPM, including without**

limitation “Distributions of Income and Capital”, “Management Fee”, “Transaction Fees”, “Organisational Expenses” and “Operating and Other Expenses” in section 6 “Summary of Terms and Conditions”, to understand the nature and extent of these fees and expenses.

### 5.1 Management Fee

This is a fee collected by the Manager for its services as manager in overseeing the operations of the Fund. The Management Fee (payable monthly in arrears) is based on the aggregate Capital Commitments and Invested Capital of the Fund and determined as follows (in each case, amounts stated are exclusive of any applicable GST):

- (a) 0.50% p.a. of the Invested Capital for the AU Class; and
- (b) 0.25% p.a. of the Capital Commitments for the US Class.

The Management Fee is calculated as of the beginning of the applicable month. This Management Fee will be pro-rated by the Trustee in the event that the Management Agreement does not commence at the start of the month or terminate at the end of the month, and will also be adjusted to reflect any intra-period contributions to, or distributions from, the Fund. The Management Fee is payable out of the Fund Assets.

### 5.2 Performance fees

No performance fee is payable to the Trustee or Manager in relation to its role in the Fund.

### 5.3 Fees and expenses of the Target Fund

The Target Fund Manager is entitled to a management fee calculated semi-annually in advance on 1 January and 1 July of each year (**Semi-annual Calculation Date**) and payable quarterly in advance as of the first business day of each calendar quarter. The Target Fund Manager’s management fee payable in respect of any Semi-annual Calculation Date will be calculated as follows:

- (i) until the earlier of the end of the Investment Period and the first date in which a successor Target Fund begins to charge a management fee (**Initial Target Fund Management Fee Adjustment Date**) for each semi-annual period, 0.875% (or 1.75% p.a.) of the aggregate commitments of the Target Fund’s Limited Partners as at 1 January and 1 July;
- (ii) after the Initial Target Fund Management Fee Adjustment Date until the four-year anniversary of the Target Fund following the consummation of the initial Liquidity Opportunity (**2<sup>nd</sup> Target Fund Management Fee Adjustment Date**) for each semi-annual period, 0.75% (or 1.5% p.a.) of the Actively Invested Capital of the Target Fund’s Limited Partners as at 1 January and 1 July; and
- (iii) after the 2<sup>nd</sup> Target Fund Management Fee Adjustment Date, for each semi-annual period, 0.625% (or 1.25% p.a.) of the Actively Invested Capital of the Target Fund’s Limited Partners as at 1 January and 1 July.

For the purposes of the Target Fund management fees, **Actively Invested Capital** has the following meaning:

In respect of each Limited Partner in the Target Fund, as outlined in the partnership agreement, the Limited Partner's aggregate capital contributions to the Target Fund (including any alternative investment vehicles) minus the Limited Partner's capital contributions in respect of: (a) investments for which there has been a disposition, to the extent of such disposition, (b) written-off investments and (c) Target Fund expenses.

The Target Fund management fee is pro rated for any partial periods but will not be returned to a Limited Partner in the event of a distribution from the Target Fund to the Limited Partner during a quarter. The Target Fund management fee otherwise attributable to a Limited Partner may in the sole discretion of the Target Fund Investment Manager be waived or reduced.

#### **5.4 Distribution Fees**

A Distributor may be entitled to fees in connection with an investment in the Fund (**Distribution Fee**). The amount of such Distribution Fee and the manner in which it is paid is specified in the Subscription Agreement.

Unless otherwise expressly stated, such amounts are not recoverable from the Fund Assets.

#### **5.5 Service Providers**

The Trustee, Administrator, Registrar, Custodian and other service providers (collectively, **Service Providers**) of the Fund shall also be entitled to fees for their services in respect of the Fund. Such fees, including Trustee fees payable in accordance with the Trust Deed of the Fund, shall be recovered from the Fund Assets as an expense of the Fund.

#### **5.6 Establishment Expenses**

The Trustee has extensive powers under the Trust Deed to be reimbursed for all establishment, organisational and offering fees, costs and expenses, including the out-of-pocket expenses of the Trustee, the Manager, and their respective affiliates and agents incurred in the formation of the Fund, and offering of interests in the Fund (**Establishment Expenses**). Establishment Expenses may include costs relating to legal, taxation, ratings agency, trustee, advisory, registry and Manager engagement expenses incurred in establishing the Fund.

The initial Establishment Expenses, as determined by the Trustee in its discretion (other than any distribution related fees and expenses) will be amortised over a period determined by the Trustee in its discretion over the Fund's first sixty (60) month period of operations; provided, however, that the Trustee may change the period in its discretion. Other Establishment Expenses, in the Trustee's discretion, may be amortised over a period determined by the Trustee. The unamortised balance of such costs and expenses may be excluded from the Fund's financial statements under Australian accounting principles, and as a result, the net asset value reported on the Fund's financial statements may differ from the Fund's Net Asset Value and the Net Asset Value used for the purposes of determining the value of Units, the amount and timing of fees and other calculations. If, at any time, the effect of this accounting treatment becomes material to the Fund's financial statements or at such other time as determined by the Trustee in its discretion, the unamortised balance of such Establishment Expenses may be included in full as a liability on the Fund's financial statements for purposes of calculating its Net Asset Value at such time.

#### **5.7 Expense recoveries**

The Trustee has extensive powers under the Trust Deed to be reimbursed for all expenses incurred by the Trustee in relation to the proper performance of its duties. In addition, the Manager and the Service

Providers shall be entitled to be reimbursed for managing and administering the Fund. There is no limit under the Trust Deed for expenses incurred in relation to the proper performance of the Trustee's, Manager's and the Service Providers' duties.

It is expected that Trustee shall pay out of the Fund Assets all operational costs and expenses incurred.

#### **5.8 Abnormal expense recoveries**

The Trustee and Manager may recover abnormal expenses (such as costs of Investor meetings, changes to the Trust Deed, defending or pursuing legal proceedings) from the Fund Assets. Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year.

#### **5.9 Adviser commissions**

Other than in respect of any Distribution Fee, neither the Trustee nor the Manager currently pay any commission or other similar payments to financial advisers.

#### **5.10 Changing expenses and different fees may apply to different Classes**

The terms of issue of different classes of Units may provide for different fees in respect of different Classes of Units.

The Trustee may, in its discretion, issue one or more additional Classes of Units in multiple closings. In such event, the Trustee will allocate expenses among the Classes of Units on a fair and reasonable basis using such methodology or methodologies as it determines, which methodology or methodologies are inherently subjective and may be changed or otherwise modified from time to time, which changes or modifications could result in one or more Classes of Units bearing less (or more) than it otherwise would have borne without such changes or modifications. In addition, the methodologies applied may vary based on the type of expense being allocated. Although the Trustee will allocate such expenses in a manner that it determines is fair and reasonable, other fair and reasonable options may exist that would result in allocating expenses in a different manner between one Class of Units relative to another Class of Units.

#### **5.11 Equalisation**

The Fund may use equalisation methodology to ensure that unitholders entering the Fund are not to the disadvantage of existing unitholders and that Distributions from the Target Fund are allocated to unitholders appropriately entitled. Equalisation may result in units being issued to individual Classes.

#### **5.12 Taxation**

Tax details are set out in the Taxation section in Section 8 of this Information Memorandum.

#### **5.13 GST**

Unless stated otherwise, all fees and costs outlined in this Information Memorandum are exclusive of GST and as a consequence, GST may be payable in addition to the amounts specified in this Information Memorandum.

## **6. INVESTMENT IN THE FUND**

### **6.1 Subscription process**

The subscription process applicable in respect of the Units is set out in the Subscription Agreement or on the Portal if the availability of such Portal has been communicated to you.

By acquiring Units, each Investor fully adheres to and accepts the Fund Documents which determine the relationship between the Investors, the Fund, the Trustee, as well as among the Investors themselves. All Investors are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Trust Deed, copies of which are available with the Subscription Agreement, or via the Portal (if communicated to you). The provisions of the Trust Deed are binding on the Investors and all persons claiming through them.

Investors whose subscriptions are accepted by the Trustee will be advised by the Trustee of the portion of their respective Capital Commitments that they will be required to contribute to the Fund (and any interest thereon, if applicable), and by a certain date. Investors will be required to make such payments as described in the below Section 6.9 "Closings".

The Trustee is entitled to refuse at its own discretion applications and temporarily or permanently suspend or limit the issue of Units. In addition, the Trustee may accept an application in whole or in part and as such, an applicant may have a lower Capital Commitment to the Fund than set out in its application form.

The Trustee or its agents are entitled to refuse any application or transfer in whole or in part for any reason, and may in particular prohibit or limit the sale or transfer of Units in certain countries if such transaction might be detrimental to the Fund or result in the Units being held directly or indirectly by a person who is not an Eligible Investor or if such subscription or transfer in the relevant country is in contravention of the local applicable laws.

The application or Transfer of Units and any future transactions shall not be processed until the information required by the Fund or agents acting on its behalf, included but not limited to know your customer and anti-money laundering checks, is received.

### **6.2 Eligible Investors**

The Offer and/or invitation is set out entirely in this Information Memorandum and applications for Units will only be offered to, and can only be purchased by, investors who:

- (a) have the net worth, investment objectives, investment experience and sophistication, based on information received from or representations made by such investors, believed to be reliable, that such an investment in the Units is suitable for such investors;
- (b) qualify as "wholesale clients" for the purposes of Section 761G of the Corporations Act; and
  - (i) are not "U.S. Persons" as defined in Rule 902 under the U.S. Securities Act of 1933, as amended) (**U.S. Persons**),
  - (ii) are not acquiring Units for the benefit of a "U.S. Person" nor with a view to the offer, sale or delivery, directly or indirectly, of the Units within the United States or to a "U.S. Person",

- (iii) are not subscribing on behalf of or funding its Capital Commitment with funds obtained from any “U.S. Person”,
- (iv) was not in the United States when any offer to sell or issue and offer to purchase the Units were made to such investor or by such investor,
- (v) was not in the United States at the time the offer was accepted, and
- (vi) at the time its order to buy the Units was originated, was outside of the United States, except for offers and sales to discretionary or similar accounts (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated or resident in the United States.

If an applicant does not meet the criteria to be considered an Eligible Investor, then their application will be rejected.

The Units offered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any U.S. state or other jurisdiction. The Units will be offered and sold under exemptions provided under the Securities Act and the rules promulgated thereunder and other exemptions of similar import in the laws of the states and jurisdictions where the offering will be made. The Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**). Consequently, investors will not be afforded the protections of the Investment Company Act.

### 6.3 Initial investments

The minimum Application Amount for any potential investor is USD5 million for the US Units or AUD500,000 for the AU Units. Applications must also provide supporting identification documents as part of the requirements of Anti-Money Laundering and Counter Terrorism Financing regimes. Please note that the Trustee may require additional information or documentation about the investor(s) in addition to those detailed in the Subscription Agreement before accepting any applications.

Applications made in respect of an offer will only be accepted if received by such time and dates as the Trustee may determine in its absolute discretion.

Units will be issued at the Issue Price. The way in which the Issue Price is determined is described below. Units will generally be issued on the Business Day immediately following the relevant Capital Contribution. On issue, an acknowledgement will be issued to the Investor.

### 6.4 Determining the Issue Price

The Issue Price is calculated on a per Unit basis in accordance with the Trust Deed.

The Trustee expects that the Issue Price in respect of all Units issued will be USD1.00 or AUD1.00 per Unit, as the case may be, no matter which closing the Investor subscribes for Units in, and the first Capital Call and all subsequent Capital Calls will likewise be at USD1.00 or AUD1.00 per Unit. However if the Investor is a Subsequent Closing Investor, they will be required to pay an equalisation amount and transaction costs (if any). Please see Section 5.11 ‘Equalisation’ for more details.

If an Investor, by virtue of the timing by which they make or increase their Capital Commitment, causes the Fund to become a subsequent investor in respect of the Target Fund and bear late interest

charges, those amounts may be borne by the relevant Investor, either by way of transaction costs or by being required to reimburse the Fund for such amounts, on notice in accordance with the Trust Deed.

The Trustee has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available free of charge on request.

## **6.5 In specie payment**

No in-specie payment for Units will be accepted without the Trustee's consent.

## **6.6 Payment options**

In order to make a payment for Units, application monies should be paid in accordance with the Subscription Agreement and Capital Call Notices from time to time.

## **6.7 Contribution and Draw Down**

The Capital Commitment of each Investor will be drawn down by the Trustee on an as needed basis at such times as determined by the Trustee in its sole discretion.

Each request by the Trustee for cash payments from an Investor is referred to herein as a "Capital Call". The amount of such Capital Call shall be specified in each Capital Call Notice respectively. Each Capital Call Notice shall specify the amount required to be paid by such Investor to the Fund, whether such capital is called in satisfaction of such Investor's Capital Commitment, the number of Units to be issued to the Investor as a result of the Capital Call and the due date for such payment.

Each Investor will be obliged to make Capital Contributions to the Fund and pay any fees as specified in each Capital Call on or prior to the date specified in each such Capital Call Notice; no exceptions will be permitted for any reason. The failure to timely satisfy an obligation to make payments pursuant to a Capital Call will constitute a Default by the Investor and subject such Investor to the consequences described in more detail under the following section and as set forth in the Fund Documents.

The Trustee will give a maximum of 5 business days' notice to investors to meet any Capital Calls. The Trustee will call capital in advance of its subscription into the Target Fund.

Notwithstanding the above, the Trustee may make Capital Calls in its absolute discretion, and there is no guarantee that Capital Commitments will be called immediately or within any given timetable or any given number of calls and/or that Capital Commitments or Capital Contributions will be deployed into the Target Fund once committed or funded by an Investor to the Fund. This is because the Fund will have its own cash needs (i.e. in addition to capital commitments to the Target Fund), including amounts required to pay the Manager or Service Providers fees, operating expenses and to maintain reasonable reserves for future or contingent liabilities of the Fund. See Section 7 "Risk Factors" for a description of the risks associated with these arrangements.

Further, due to potential timing differences with capital calls by the Target Fund, a portion of the Capital Contributions made by Investors in connection with their Capital Commitment may not be immediately invested in the Target Fund and instead may be held and invested by the Fund in cash or short term liquid investments. An Investor should not expect to receive any return from the portion of the Fund that is holding cash or making short term liquid investments.

## 6.8 Defaulting Investors

An Investor that fails to make Capital Contributions when called or otherwise fails to comply with the terms of the Fund Documents, including (without limitation) making certain other payments required to be made under the Trust Deed or its Subscription Agreement, may be subject to certain adverse consequences including but not limited to forfeiture or sale of all or a portion of its Units.

The Trust Deed provides that:

- (a) Defaulting Investors, in connection with their default and failure to fund their pro-rata portion of the Fund's capital contribution to the Target Fund, may have the rights and remedies available to be used against them, assigned to the Target Fund General Partner or its affiliates.
- (b) The Target Fund General Partner or its affiliates, in connection with the Defaulting Investor may exercise all the rights and remedies provided in the Trust Deed, directly against the defaulting investor, as if the defaulting investor was a direct investor of the Target Fund.
- (c) Investors provide authorisation to the Fund to cooperate and assist the Target Fund General Partner and its affiliates with respect to any action the Target Fund General Partner or its affiliates takes to exercise the rights and remedies against the defaulting Investor.

In addition, Investors who have not failed to comply with their obligations to make payments in respect of the Fund may be subject to additional calls in relation to their Capital Commitment to fund the obligations that the Fund has in respect of a defaulting Investor (but only up to a maximum of their Capital Commitment).

Unless otherwise determined by the Trustee, a defaulting Investor must pay to the Fund interest on the default amount as simple interest at the rate of 10% per annum.

## 6.9 Closings

Once the Fund has been established, the Fund may have one or more closings (each, a **Closing Date**), as described in, and in accordance with, each Subscription Agreement and as determined by the Trustee in its sole and absolute discretion, at which Investors will be admitted to the Fund.

In the event the Fund has held at least one Closing Date and the Trustee determines that the aggregate Capital Commitments in relation to the Fund are insufficient, the offering of Units in relation to the Fund may be terminated retroactively at the sole discretion of the Trustee, unless the Fund has made a capital commitment to the Target Fund and such capital commitment has been accepted by the Target Fund (in which case the Fund cannot be terminated retroactively).

In the event that Trustee determines that the aggregate Capital Commitments in relation to the Fund are insufficient and the Fund is terminated retroactively, if subscriptions have been accepted by the Fund, the Trustee may still issue, and Investors will still be required to comply with, Capital Call Notices to pay certain expenses of the Fund, including (without limitation) the Management Fee and any Fund establishment and operational expenses. Following payment of any such Capital Call Notices, the Trustee will commence winding up the Fund in accordance with the Trust Deed.

## 6.10 Redemptions

An investment in the Fund is illiquid. Accordingly, an Investor may not voluntarily withdraw any amount from the Fund or cause its Units to be redeemed during the Term. There is unlikely to be a secondary market for Units in the Fund.

An Investor may be required by the Trustee to withdraw from the Fund in accordance with the Trust Deed in certain circumstances such as (but without limitation) where that person is a Defaulting Investor, ceases to be an Eligible Investor or where the continued participation of the Investor would, in the Trustee's reasonable opinion, have a material adverse effect on the Fund the Trustee, the Manager or other Investors, such as (without limit) a breach or violation of any representation or warranty, a Default or similar, as further detailed in this Information Memorandum.

Where an Investor is required by the Trustee to withdraw from the Fund, the relevant Units will be redeemed as at the next Business Day or such later time as determined by the Trustee in its absolute discretion. While the Fund is an unregistered managed investment scheme:

- (a) the redemption proceeds payable to the relevant former Investor will be equal to that former Investor's Sharing Proportion of the proceeds of the disposal, realisation of or distributions from the Run-Off Investments, less any expenses, fees, outgoings or other amounts in connection with the Run-Off Investments (in the Sharing Proportion); and
- (b) the amounts payable under paragraph (a)0 are payable to the former holder of the relevant Units within 30 days after a relevant Run-Off Investment has been realised or disposed of.

#### **6.11 Transfer of Units**

An investment in the Fund is illiquid. Except as expressly permitted in this Information Memorandum, no Investor may assign, sell, convey, pledge, mortgage, encumber, hypothecate or otherwise transfer in any manner whatsoever all or any part of its Units in the Fund (a "Transfer"). Any purported Transfer by an Investor shall be subject to the satisfaction of the following conditions:

- (a) the entity to whom such Transfer is to be made (a "Transferee") qualifies as an Eligible Investor;
- (b) the Investor that proposes to effect such Transfer (a "Transferor") or the Transferee shall undertake to pay all reasonable out-of-pocket expenses incurred by the Trustee on behalf of the Fund in connection therewith;
- (c) the Fund shall receive from the Transferee (A) such documents, instruments and certificates as may be requested by the Trustee, pursuant to which such Transferee shall agree to be bound by the Trust Deed and this Information Memorandum, (B) a certificate to the effect that the representations set forth in the Subscription Agreement are (except as otherwise disclosed to the Trustee) true and correct with respect to such Transferee as of the date of such Transfer, (C) a certificate or representation to the effect that the Transferee has agreed to accept any known or unknown tax liability of the Transferor in respect of the transferred interest, and (D) such other documents, opinions, instruments and certificates as the Trustee shall request; and
- (d) each of the Trustee and the Manager has given its prior written consent to such Transfer.

No attempted Transfer or substitution shall be recognised by the Trustee on behalf of the Fund and any purported Transfer or substitution shall be void unless effected in accordance with and as permitted by the Trust Deed and this Information Memorandum.

### **7. RISK FACTORS**

INVESTMENT IN THE UNITS MAY INVOLVE SIGNIFICANT RISKS AND REQUIRES THE CONSIDERATION OF COMPLEX MATTERS. PROSPECTIVE INVESTORS MUST POSSESS THE EXPERTISE, EXPERIENCE AND KNOWLEDGE AS WELL AS THE TECHNICAL AND

FINANCIAL MEANS TO UNDERSTAND, INVESTIGATE, EVALUATE AND ASSUME THESE RISKS. THEREFORE, EACH INVESTOR SHOULD ACKNOWLEDGE THE RISK FACTORS DESCRIBED IN THIS SECTION PRIOR TO MAKING A DECISION TO SUBSCRIBE FOR UNITS. INVESTORS SHOULD EVALUATE THE RISK / REWARD PROFILE OF THE INVESTMENT PRIOR TO SUBSCRIBING FOR ANY UNITS AND OBTAIN INDEPENDENT ADVICE IF NECESSARY, IN PARTICULAR, WITH RESPECT TO THE TAX CONSEQUENCES OF AN INVESTMENT IN UNITS.

PLEASE NOTE THAT THE BELOW IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED AS, A DEFINITIVE LIST OF ALL POSSIBLE RISKS TO WHICH INVESTORS MAY BE EXPOSED. THERE MIGHT BE FURTHER RISKS WHICH INVESTORS SHOULD TAKE INTO ACCOUNT WITH REGARD TO THEIR PERSONAL CIRCUMSTANCES AND WHICH GENERALLY APPLY OR WHICH ARE CURRENTLY NOT FORESEEABLE. INVESTORS SHOULD READ THE RISK FACTORS AND INVESTMENT CONSIDERATIONS DETAILED IN THE TARGET FUND PPM, ALL OF WHICH SHOULD ALSO BE CONSIDERED APPLICABLE, DIRECTLY OR INDIRECTLY, TO AN INVESTMENT IN THE FUND.

## **7.1 General**

Investment in the Fund should be considered only by sophisticated Investors who are willing and able to assume the risk of loss and degree of illiquidity involved by the type of investment made by the Fund.

## **7.2 Risks related to the Fund and its Service Providers**

### *No guarantee that the Fund will launch*

There is no guarantee that the Fund will launch, which may be due to any reason including that the required minimum aggregate Capital Commitments in respect of the Offer not being met.

In the event that Trustee determines that the aggregate Capital Commitments in relation to the Fund are insufficient and the Fund is terminated retroactively, if subscriptions have been accepted by the Fund, the Trustee may still issue, and Investors will still be required to comply with, Capital Call Notices to pay certain expenses of the Fund, including (without limitation) the Management Fee and any Fund establishment and operational expenses. Following payment of any such Capital Call Notices, the Trustee will commence winding up the Fund in accordance with the Trust Deed. Where the Fund is terminated in such circumstances, there is no guarantee that Investors will receive distributions from the Fund that are equal to their Capital Commitments.

### *Drawing down Capital Commitments*

There is no guarantee that Capital Commitments will be called immediately, or within any given timetable or any given number of calls. It is therefore possible that it may be some time before the full amount of an Investor's Capital Commitment is drawn down. This may result in opportunity costs while an Investor has outstanding Available Commitment.

### *Defaulting parties are subject to the discretion of the Trustee*

If an Investor fails to comply with a Capital Call Notice (and thus becomes a Defaulting Investor), the Trustee may amongst other things, delay or restrict such Defaulting Investor's right to receive distributions. For details please refer to Section 6.8.

### *Engagement of counsel or lawyers etc.*

The Trustee and the Manager, may engage one or more counsel, law firm or tax advisors to represent them in connection with the organisation of the Fund and the offer and sale of the Units, and not for any Investor or the Investors as a group. In connection with such representation, including the preparation of this Information Memorandum, counsel has relied upon certain information furnished to them by the Trustee, Manager and their affiliates, and has not investigated or verified the accuracy or completeness of such information.

#### *Anti-money-laundering*

The Trustee may be required by law, regulation or government authority to suspend the account of an Investor or take other anti-money-laundering steps. Where the Trustee is required to take such action, the Investor must indemnify the Fund against any loss suffered.

#### *Disclosure of confidential information*

The Trustee, Manager and their affiliates and/or certain Investors may be required by law or otherwise to disclose certain confidential information relating to an asset of the Fund. Such disclosure may affect the ability of the Fund to realise its investment in such asset, may affect the price that the Fund is able to obtain upon any subsequent realisation or may otherwise adversely affect the Fund.

#### *Disclosure of identity*

The Trustee and Manager may be required by law, regulation or government authority or where it is in the best interests of the Fund, to disclose information in respect of the identity of Investors.

#### *Indemnification*

The Trustee is itself entitled to be indemnified out of the capital of the Fund, in relation to the proper performance of its duties, and will indemnify and hold harmless the Manager and other Service Providers from liabilities arising from their activities on behalf of the Fund, unless such liabilities result from such indemnified person's fraud or such other cause events as specified in the respective Fund Documents or agreements relation to Service Providers. Such indemnification may impair the financial condition of the Fund.

#### *Termination of Service Providers*

The Trustee may terminate any agreement relating to any of the Service Providers in accordance with the terms thereof, which may adversely affect the management of the Fund and appointing replacement Service Providers may result in increased costs, reduced service and / or delays in dealing with the investments or reporting.

#### *Litigation risk*

Disputes may arise between the Trustee, the Service Providers and counterparties or other third parties in relation to an investment in the Target Fund which may lead to litigation. The cost of investigating, bringing or defending such claims and any settlements or judgements may have a negative impact on the Fund.

#### *Conflicts of interest*

The Trustee, the Manager, the Distributors, and their respective affiliates and any of their respective directors, officers, employees, partners, advisers, contractors or agents are involved in a wide range of

financial services and businesses in respect of which they may receive fees and other benefits and out of which conflicting interests or duties may arise.

#### *Cyber security risk*

The Trustee and the Service Providers are susceptible to operational and information security and related risks of cyber security incidents in relation to the Fund and its investors. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Trustee, Manager, Target Fund, or other Service Providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a fund's ability to calculate its NAV; impediments to trading for a fund's portfolio; the inability of fund unitholders to transact business with the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a fund invests, counterparties with which the fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

#### *Early termination*

The Fund may be terminated, liquidated and dissolved earlier than the Target Fund in certain limited situations outlined in the Trust Deed. If the Fund is terminated prior to the termination of the Target Fund, or in other limited circumstances, Investors may suffer adverse consequences as a result of the Fund disposing of its assets and may additionally miss out on subsequent positive performance delivered by the Target Fund.

#### *Liquidation period*

After the expiration of its Term, the Fund will be liquidated and any arising proceeds distributed to its Investors as set out in this Information Memorandum. There may be no established secondary market for the Target Funds' investments and therefore liquidation may last a significant period of time. As a result, distributions may be indeterminable both in size and timing of any payment. Liquidation costs may arise which could lead to lower distributable proceeds or no proceeds at all arising from a residual investment.

#### *Failure to make Capital Contributions*

If any Investor fails to fund its required Capital Contributions when due, the Fund's ability to achieve its investment objectives, satisfy obligations or otherwise continue operations may be substantially impaired. A Default by one or more Investors with substantial Capital Commitments could leave the Fund with insufficient capital to meet its funding obligations, and likely reduce returns to the Fund (if any).

### *Investor Default*

In the event an Investor Defaults with respect to any required Capital Contribution, the Trustee or its affiliate may call additional capital from the other Investors or utilise other Fund Assets such that the Fund will not be deemed to be in default with respect to its interest in the Target Fund. Any Investor that Defaults in making a required capital contribution may be subject to certain material adverse consequences pursuant to the provisions of the Trust Deed, including forfeiture of all or a portion of its Units. In addition, the Trustee or an affiliate thereof may, in its discretion, offer such Investor's forfeited interests to any other Investor or third-party.

If the Trustee fails to contribute all or any portion of a capital call in relation to the Target Fund as and when due, and such failure results from the Default of one or more Investors to contribute capital to the Fund, the Target Fund General Partner and Trustee may treat such default on a look through basis in accordance with the provisions of the Trust Deed. In summary, in these circumstances the Target Fund General Partner will treat the default as if it related to a portion only of the Target Fund units held by the Fund and the Trustee may assign to the Target Fund General Partner or an affiliate the ability to exercise all of the rights and remedies in connection with "Defaulting Investors" provided for in the Target Fund Documents directly against the defaulting Investor (as if the Investor was a direct investor in the Target Fund). Each Investor authorises the Trustee to cooperate with and assist the Target Fund General Partner or an affiliate with respect to any action the Target Fund General Partner or an affiliate takes to exercise its rights.

### *Credit risk to other investors*

Failure by Investors to comply with Capital Call Notices within the required timeframes may result in constraints, limits or penalties on the overall Fund. Investors should be aware that this may result in deleterious effects on their own investment even if they have complied with Capital Call Notices. Accordingly, each Investor should be aware that the success of an investment is not only dependent on themselves but all other Investors' ability to comply with Capital Call Notices.

### *Limited recourse*

The Trustee has been appointed to serve as the trustee of the Fund. The circumstances under which it can be held liable to the Fund are limited.

### *Classes of Units*

Units in the Fund may be issued in one or more separate Classes. Each Class issued may have separate assets and liabilities to other Classes. The Trustee intends to calculate the Net Asset Value of each Class exclusively by reference to the assets and liabilities it determines to be referable to the investment portfolio maintained in respect of the Class. It is also possible that any proposed offer of the Fund or a Class of Units does not occur or a Class of Units will not be launched, which may be due to any reason including (without limitation) that adequate minimum Capital Commitments for that Class (or the Fund as a whole) does not occur. Where the Fund or a Class is terminated in such circumstances, there is no guarantee that Investors will receive distributions from the Fund that are equal to their Capital Commitments.

It is intended that the assets and liabilities of each Class of Units will be managed separately from, and independently of, the assets and liabilities of other Classes. The Investors of a Class will have no rights whatsoever in respect of the assets of other Classes. Whilst it is not anticipated, if one or more Classes were to become insolvent, any creditors in respect of the insolvent portfolios, unless those creditors were contracted on a limited recourse basis, would be creditors of the Fund as a whole. Accordingly, they could proceed against any assets of the Fund, including investment portfolios referable to other

Classes. Similarly, the Investors of any Class would be subject to the insolvency of the Fund as a whole.

The use of segregated class language in trust deeds has not generally been considered by courts in Australia and it is uncertain how a court may interpret or apply these provisions.

In addition, the Trustee is indemnified out of the assets of the Fund as a whole. If a liability relates to a Class but there is insufficient property of that Class to satisfy the relevant liability, the Trustee may determine that the liability may be satisfied out of the assets referable to other Classes on such basis determined by the Trustee. Accordingly, Investors in a Class may, notwithstanding the Class provisions suffer losses due to liabilities referable to other Classes.

#### *Currency risk*

The value of investments may go down, as well as up, solely as a result of changes in currency exchange rates. If the Fund does not hedge the currency risks, the NAV per Unit can be impacted negatively. Vice versa, the NAV per Unit can be supported if those other currencies gain in value with respect to the Fund's reference currency. To the extent the Fund uses hedging instruments, the Fund will incur costs in connection with currency conversions. There is no assurance that hedging transactions will fully protect against the risk of currency fluctuations, and in fact may themselves involve additional risks and result in transaction costs.

#### *Taxation*

An investment in the Fund involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Fund will have investments, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Fund to its Investors (if any). No assurance can be given on the actual level of taxation suffered by the Fund. There is no assurance that the structure of the Fund will be tax efficient for any particular Investor and Investors should consult their own tax advisors on the tax implications for them of investing, holding and disposing of Units and receiving distributions in respect of Units in the Fund.

#### *No cooling-off period*

Investors are not entitled to a cooling off period under Australian law in respect of their Capital Commitment to or Units in the Fund.

#### *Lender default provisions*

A lender to the Fund may in certain circumstances be able to place the Fund in default, stipulate changes to the debt obligations or enforce a security against the investment or other asset of the Fund. This may lead to some or all of the equity in a transaction being impaired, investors may not get their anticipated returns (if any) and/or the Fund may be required to undertake litigation to challenge the lenders' action with an unknown level of cost or success.

#### *Fund distribution risk*

The Fund's ability to pay a distribution is subject to receiving income from its investment in the Target Fund. There can be no guarantee given in respect of the performance of the Fund, the return of your investment or whether any distributions will be made by the Fund.

#### *Redemption risk*

An investment in the Fund is illiquid. Accordingly, an Investor may not voluntarily withdraw any amount from the Fund or cause its Units to be redeemed during the Term. There is unlikely to be a secondary market for Units in the Fund.

#### *Compulsory redemption risk*

An Investor may be required by the Trustee to withdraw from the Fund in accordance with the Trust Deed in certain circumstances where the continued participation of the Investor would have a material adverse effect on the Fund, such as (without limitation) a breach or violation of any representation or warranty, a Default or similar.

#### *Leverage risk*

The Trustee in its capacity as trustee of the Fund has power to incur all types of obligations and liabilities including to borrow and raise money (whether or not on a secured basis and in any manner whatsoever including all forms of financial accommodation and debt facilities) provided that the amount of any borrowings or financial accommodation shall not exceed 30% of the aggregate Capital Commitments. The use of leverage may increase the Fund's exposure to rising interest rates, refinance risk, economic downturns, increase the volatility of returns and exacerbate losses.

#### *Operational risk*

Operational risk is the risk of loss or damage resulting from inadequate or failed internal processes, people and systems or from external events. The Trustee, the Fund and the Target Fund may experience losses, adverse consequences or damage due to a variety of operational risks, including inadequate or failed internal or external processes, people or systems, internal or external fraud, cyber security attacks or cyber incidents including deliberate or unintentional events, errors by counterparties under outsourcing arrangements and inadequate business continuity planning, and key person risk. The extent of exposure to losses from the operational risks of parties not under the Trustee's or the Fund's control may be determined, in part, by applicable law and/or contractual provisions that allocate or limit liability.

#### *Regulatory risk*

The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting managed investment schemes.

#### *Counterparty default risk*

Default by any of the Fund's counterparties or key service providers may negatively impact the performance of the Fund.

### **7.3 Risks specific to investing in the Target Fund**

#### *Participation in the Target Fund*

There is no guarantee that the interests of the other unitholders in the Target Fund will be aligned with those of the Fund. Therefore, the Target Fund General Partner may act in ways which it determines to be in the best interests of the unitholders of the Target Fund as a whole but which may not be consistent with the best interests of the Fund or its Investors.

The Target Fund General Partner may also have agreed side letters with certain unitholders in the Target Fund with respect to their interests in the Target Fund, which provide additional and/or preferential treatment for such unitholders which are not available to the Fund or its Investors.

#### *Concentration risk and underlying investment*

The Fund investing all or substantially all of its assets into the Target Fund is subject to particular risks. For a comprehensive understanding of the risks associated with an investment of this nature, the knowledge of the constitutional documents, prospectus and other fund documents relating to the Target Fund as well as of the risk factors disclosed, is therefore essential. In particular, Investors should consider the conflicts of interest-related risks and disclosures set out in the fund documents relating to the Target Fund.

#### *Lack of information*

Investors will need to make investment related decisions based on information provided in this Information Memorandum and limited information related to the Target Fund. There is no guarantee that all relevant information on the Target Fund will be received by the Fund or that the information received is accurate or free from error.

#### *No control over investments*

As the Fund's principal objective is to invest substantially all of its assets into the Target Fund, none of the Trustee, Manager or the Investors will have any direct control over the assets of the Target Fund, nor will they make any decisions with respect to the acquisition, management, disposition or other realisation of any investment made by the Target Fund or other decisions regarding the Target Fund's business and affairs. In particular, the Fund may be subject to Target Fund Clawback and neither the Trustee nor the Manager will have any control over, or any ability to mitigate, the circumstances in which the Fund may be subject to such a Target Fund Clawback.

#### *ESG risks*

The Target Fund may integrate certain aspects of responsible investing, environmental factors, sustainability, impact and other social considerations as part of its investment process, together with a consideration of sustainability risks. The materiality of such risks and the financial impacts on an individual asset and on the portfolio as a whole depends on industry, country, asset class, and investment style. Due to the nature of the Fund's investment in the Target Fund, Investors should note that, if the Target Fund unilaterally changes its environmental and/or social characteristics, the Fund's characteristics will be adapted accordingly. Investors should be aware that such changes can have a material impact on the environmental and/or social characteristics of the Fund, including its associated risk profile. The Fund will have limited or no control over such decisions by the Target Fund.

#### *Liquidity reserve*

The Trustee may create and maintain a liquidity reserve in the Fund to cover expenses and to provide a cash buffer. As a result of the cash drag which may occur for a significant period of time due to the differing commitment periods between the Fund and the Target Fund, such a liquidity reserve may adversely affect the performance of the Fund relative to that of the Target Fund. Conversely, the Fund may incur unexpectedly high expenses or cash demands, causing a liquidity shortfall which may increase borrowings and/or materially adversely harm the Fund.

#### *Target Fund data feed*

The Trustee will rely on the information and valuation data provided by the Target Fund, and such data may not always be provided in a timely manner and may contain valuation errors. In such cases, the Trustee may use alternative information based on reasonable estimate of valuations, including accruals regarding assets and liabilities. The Target Fund LPA and Target Fund PPM may be subject to change from time to time.

#### *Limited voting rights*

Investors will be investing in the Target Fund indirectly through the Fund and, therefore, will not be investing directly in the Target Fund as an investor. Accordingly, Investors will not be able to participate directly in votes otherwise afforded to investors of the Target Fund.

#### *Investors' rate of return*

The Fund shall have a different cost structure and different expenses as compared to the Target Fund, and the direct and indirect tax consequences to an Investor in the Fund may differ from the direct and indirect tax consequences that would have applied to such Investor had it invested directly in the Target Fund. To the extent that the cost structure and expenses of the Fund differ from, or add obligations in addition to, the cost structure and expenses of the Target Fund, or to the extent the tax consequences may differ as described above, the net returns on an investment in the Fund (if any) will differ from those that would have been achieved had the Investor invested directly in the Target Fund as an investor rather than through the Fund as a holder of the Units.

#### *No direct claim against the Target Fund*

Investors will not be investing directly in the Target Fund and will not be investors of the Target Fund. As such, Investors will have no rights, recourse or standing in respect of the Target Fund, or any of the Target Fund's underlying investments, nor will they have any ability to bring a direct contractual claim against a Target Fund or the Target Fund General Partner, investment advisor, investment manager or other similar party.

#### *Risks associated with unspecified transactions*

Being a fund of funds structure, the success of the Fund depends upon the Target Fund effectively managing its investments so that the investment objectives of the Fund can be achieved. Investors are entirely dependent on the judgement and ability of the staff of the Target Fund in sourcing and managing the assets of the Target Fund. There is no guarantee that the investment strategy of Target Fund is achievable and/or accessible at acceptable market prices. Matters such as the Target Fund Investment Manager's loss of key staff, or the failure of the Target Fund to perform as expected may negatively impact returns, risks and/or liquidity. The returns, risks and liquidity of the Target Fund may also be negatively impacted because of the nature of the investments assets they hold. Each asset that the Target Fund invest in has different risk factors, return drivers, and economic sensitivities. Accordingly, there can be no assurance that the Fund or the Target Fund will meet any of the projected targets.

#### *Key person risk*

In case the Target Fund's investment results are very positive during a specific period, the Target Fund may owe this success also to the qualification of the acting persons and thus the right decisions taken by the relevant persons involved. However, the composition of such persons may change. New decision makers may possibly act less successfully. The loss of the key persons may further increase the risks connected with management mistakes.

### *Distribution risk*

The Fund's ability to pay a distribution is subject to receiving income from its investment in the Target Fund. There can be no guarantee given in respect of the performance of the Fund, the return of your investment or whether any distributions will be made by the Fund.

### *Tax risks with respect to the Target Fund*

The Fund, the Manager and the Trustee have to rely fully on the information provided by the Target Fund's manager in the Target Fund PPM with respect to any tax risks as a result of the investment of the Fund in the Target Fund. The Fund will not be involved in any structuring at the level of the Target Fund and therefore any risks in this respect are outside the control of the Fund. Due to the blind pool character of the Target Fund, the Fund or Investors in the Fund may be subject to additional or unforeseen taxation as well as to withholding tax and other local source tax (and tax reporting obligations in accordance with these taxes) in jurisdictions where the Fund (or the Target Fund) operates or invests. These taxes may not be creditable or deductible by the Fund, and such taxes generally will not be eligible for relief under a tax treaty which an investor is otherwise entitled to benefit from. Furthermore, the Fund has no assurance that the Target Fund will take any steps to ensure efficient tax structuring of its investments to minimise the tax and charges indirectly borne by the Investors or the impact on the Fund. Distributions and/or the returns of the Fund may be decreased significantly as compared to what they might have been in the absence of such taxes or given efficient tax structuring.

### *Foreign investment risk*

As the Fund is investing all or substantially all of its assets into the Target Fund (a Cayman Islands exempted limited partnership), the Fund is subject to foreign investment risks such as changes in foreign exchange control regulations, foreign tax legislation and withholding tax, government policy, potentially volatile economies and political instability. Further, differences in accounting, legal, securities trading and settlement procedures can also impact on the value of the Fund's investments and/or the value of the Fund's investments in the Target Fund. Additionally, changes in official interest rates can have a positive or negative impact directly and indirectly on the value of your investment in the Fund and the returns of the Fund (if any).

### *Epidemic and pandemic risk*

Concerns about the spread of the novel coronavirus (**Covid-19**) and other outbreaks of health epidemics, pandemics and contagious diseases in the past have caused governments at various times to take measures to prevent the spread of viruses, including restrictions on travel and public transport and prolonged closures of workplaces. The outbreak of communicable diseases such as Covid-19 on a global scale may affect investment sentiment and result in volatility in global capital markets or adversely affect regional or global economies, which may in turn give rise to significant costs to the Fund and adversely affect the Fund's business and financial results.

## **8. TAXATION**

The following information is a general summary of the key Australian income tax, stamp duty, and GST implications of investing in the Fund for permanent Australian resident holders of the Units (in this section, a **Unitholder**) who hold their Units on capital account, do not hold their Units on revenue account or as trading stock, and are not subject to the Taxation of Financial Arrangement provisions. Non-resident Unitholders should seek their own advice in relation to the tax law implications of their investment in the relevant jurisdictions.

The information in this summary is general in nature. It does not constitute legal or tax advice and does not seek to address all of the tax issues that may be relevant to a prospective Unitholder. Tax issues are complex and tax laws, their interpretation and associated administrative practices may change over the term of an investment.

The tax treatment of an investment in Units will vary according to individual circumstances and prospective Unitholders are advised to seek their own independent tax advice in respect of their proposed investment in the Fund. All tax liabilities are, and will remain, the responsibility of each Unitholder. The Trustee is not responsible for any taxation or penalties incurred by Unitholders in any circumstance. The Trustee does not take into account the individual taxation position of Unitholders in the Fund and is not responsible for any taxation or penalties incurred by Unitholders in any circumstances.

The taxation summary is based on the Australian tax laws in force and the administrative practices of the Australian Taxation Office (the **ATO**) and the Australian State Revenue Offices generally accepted as at the date of this Information Memorandum. Any of these may change in the future without notice and legislation introduced may contain provisions that are currently not contemplated and may have retroactive effect.

## **8.1 Classification of the Fund**

The Fund is a trust. For Australian income tax purposes, the Trustee will generally not be required to pay income tax in respect of the net income of the Fund. Rather, the Unitholders will be required to account for and pay income tax on their respective shares of the net income of the Fund.

It is intended that the Fund will qualify as a “managed investment trust” (a **MIT**) for Australian tax purposes. If the Fund qualifies as a MIT, the Trustee may make an election to be treated as an “attribution managed investment trust” (an **AMIT**) under the AMIT provisions. The AMIT provisions are an elective income tax regime for qualifying MITs that provides for certain concessions in the Fund’s tax obligations.

Qualifying for MIT status is subject to satisfying various requirements, some of which may be beyond the Trustee and the Manager’s control, including that the Fund must be “widely held”. If the Fund ceases to qualify as a MIT or an AMIT, or if the Trustee does not elect for AMIT treatment to apply to the Fund, the Fund will be administered as an ordinary “flow through trust” for Australian tax purposes. The remainder of this summary assumes that the Fund will be an AMIT.

The Fund will not be a “withholding MIT”. Withholding MIT status (or lack thereof) is generally only relevant for non-resident Unitholders. The tax implications for such Unitholders are not covered in this tax summary and such Unitholders should seek their own independent advice.

## **8.2 Taxable income of the Fund**

Broadly, for Australian income tax purposes, the taxable income of the Fund for each tax year should be the sum of all amounts that are assessable income (such as distributions from the Target Fund, gains or losses on disposal or redemption of the investments of the Fund, and any interest received on the investments of the Fund), less all amounts that are allowable deductions (such as expenses or fees that the Fund incurs from time to time).

Where the Fund has a net tax loss for any particular tax year, the loss cannot be distributed to Unitholders, but may be carried forward to offset taxable income of the Fund in future tax years. The ability of the Fund to use prior tax years’ tax losses to offset taxable income in future tax years will be

subject to certain limitations under the trust loss rules, including limitations relating to a significant change in the underlying ownership or control of the Fund.

The trust loss provisions do not apply to capital losses. However, capital losses may only be applied to reduce capital gains for the purpose of determining the Fund's assessable income. To the extent that capital losses cannot be applied against capital gains in a particular tax year, they may be carried forward to offset capital gains derived in future tax years.

### **8.3 Taxation of Unitholders**

#### *Acquisition of Units*

For Australian capital gains tax (CGT) purposes, each Unitholder should be treated as having acquired their Units on the date such Units were issued to, or acquired by, such Unitholder. The tax cost base for Units should generally equal the issue or acquisition price paid for such Units plus incidental costs incurred in acquiring them.

#### *Distributions*

Unitholders should be assessable on their share of the taxable income of the Fund, which will be included in an annual distribution statement known as an "AMIT Member Annual Statement". Unitholders will (generally) be taxed on these amounts even if they are not distributed in cash.

Attributed amounts may have different tax characteristics, depending on such factors as the location of the underlying investment, the investment structure through which such investment is made and the characteristics of the particular types of distribution received.

#### *Unit tax cost base adjustments*

Where the taxable amounts attributed to a Unitholder are greater than the distribution in fact received by a Unitholder, the Unitholder's tax cost base in the Units will be increased by the difference. Conversely, where the distribution received by a Unitholder is greater than the taxable amounts attributed to that Unitholder (referred to as a "tax deferred distribution"), the Unitholder's cost base in the Units will be decreased by that difference. If the cost base of a Unitholder's Units is reduced to zero by tax deferred distributions, any further tax deferred distributions from the Fund will be taxable as a capital gain (to which the CGT discount may be applied, if applicable – see below).

#### *Sales and redemptions*

Unitholders must take into account any capital gain or loss derived upon the sale or redemption of each Unit. A capital gain arises upon the sale or redemption of a Unit if the capital proceeds exceed the tax cost base of the Unit. A capital loss arises if the tax cost base of the Unit exceeds the capital proceeds.

#### *CGT discount*

Unitholders should include in the calculation of their net capital gain or loss any capital gain distributed or attributed by the Fund. A Unitholder that is an individual, trustee of a trust (subject to certain conditions) or complying superannuation entity that has held their Units for twelve months or more (excluding the dates of acquisition and disposal) should be entitled to apply the applicable CGT discount factor to reduce any capital gain (after offsetting any current or prior year capital losses) on the disposal of those units. Currently, the CGT discount factor is 50% for individuals and trustees and

33 1/3% for complying superannuation entities. The CGT discount is not available to corporate entities.

To the extent the Fund receives a distribution that includes an amount representing an underlying capital gain made by a non-transparent investee entity (such as a corporate entity), such amount should be treated as an income amount and not a capital gain (and would not be eligible for CGT discount treatment).

The ATO has also taken the approach in TD 2017/23 that distributions of capital gains from a foreign trust (e.g. if the Target Fund were to invest in a foreign trust) will be included as assessable income of the Fund, and will not be eligible for CGT discount treatment, where the underlying asset is not taxable Australian property.

#### *Foreign income tax offsets*

A large part of the Fund's income will be foreign income. Unitholders may be entitled to claim a foreign income tax offset against their Australian tax liability for foreign income tax paid if the income (including capital gains) is included in their Australian assessable income. Each Unitholder may be entitled to claim a foreign income tax offset for any foreign taxes incurred by the Fund or the Target Fund, for example if a distribution to the Fund or the Target Fund is subject to a foreign withholding tax. This is subject to any limitations applying at the level of the Unitholder – in particular, foreign income tax offsets are limited to the amount of Australian income tax payable in respect of the Unitholder's foreign income, subject to averaging, with no carry-forward.

The ATO has adopted the approach in TD 2017/24 that distributions of capital gains by foreign trusts are taxable as trust distributions, and are not taxed as capital gains. It is not clear whether this should prevent Unitholders from claiming foreign income tax offsets in respect of any foreign taxes imposed on the underlying capital gains. Further consideration should be given to the availability of foreign income tax offsets should this situation arise.

Where a capital gain made by the Fund on redemption of an interest in the Target Fund is subject to foreign income tax, a Unitholder should be entitled to claim a foreign income tax offset for any foreign income taxes incurred by the Fund (if any), where the gain has been attributed to the Unitholder.

If less than 100% of the income or capital gains are assessable in Australia (for example, if a gain would be subject to discount CGT treatment), a credit will be available against the Australian tax payable for only that same proportion of foreign tax paid. This could apply to a capital gain made by the Fund on redemption of an interest in the Target Fund, if such capital gain is eligible for discount CGT treatment. For example, if only two thirds of any gain would be included in assessable income, then only two thirds of any foreign tax would be eligible for offset.

To the extent any wealth taxes are imposed, no foreign income tax offset will be available, as such tax is not a relevant tax on income, profit or gains. Similarly, no foreign income tax offset is available for stamp duties, transaction taxes and value added taxes.

#### *Tax File Number*

If a Unitholder does not quote a Tax File Number, Australian Business Number (in certain circumstances), or provide proof of a relevant exemption from quoting such numbers, the Trustee will be required to deduct tax from the Unitholder's distributions at the highest marginal tax rate plus the Medicare levy (in aggregate, currently 47%).

#### **8.4 Australian stamp duty considerations**

A Unitholder should not be subject to stamp duty in any jurisdiction on the transfer, issue and redemption of Units, except in circumstances where the Fund holds any direct or indirect interest in land or other dutiable property in Australia.

#### **8.5 Australian GST considerations**

No GST should be payable in respect of the transfer, issue and redemption of Units, and the making of any distributions to Unitholders, or the making of Capital Commitments or Capital Contributions.

A Unitholder may incur GST in respect of transaction costs associated with their investment in the Fund (e.g. making a Capital Contribution, dealing in Units). Further, a potential investor/Unitholder may incur GST in respect of Distribution Fees or other fees paid by such Unitholders in connection with investments into the Fund. In these circumstances a potential investor/Unitholder may be unable to recover some or all of the GST incurred on such costs as input tax credits, depending on their individual circumstances. Each potential investor/Unitholder should seek its own GST advice prior to investing in the Fund.

GST may apply to fees and expenses charged to the Fund, including certain fees paid to the offshore managers of the Target Fund (whereby the Fund may be directly liable for GST by way of a “reverse charge” or contractual obligation in a side letter to compensate the manager for that GST) or in respect of any in-kind contributions to the Target Fund. However, depending on the nature of these fees and expenses, and the activities to which they relate, the Fund may be entitled to input tax credits in respect of some or all of that GST. Relevantly under the GST Regulations, “recognised trust schemes” (which should include the Fund) are eligible for a reduced input tax credit of 55% or 75% of the GST paid on the acquisition of certain services.

## 9. DISTRIBUTIONS

The Fund may make distributions from time to time, and if the Fund does make any distributions then the expected source of funding for those distributions is expected to be distributions from the Target Fund.

In determining the amount of such distributions the Trustee may take into account the cash needs of the Fund including amounts required to pay for fees of the Manager or the Service Providers, capital commitments to the Target Fund, operating expenses and to maintain reasonable reserves for future or contingent liabilities of the Fund.

Payment of distributions is subject to the Fund receiving distributions from the Target Fund. If the Fund does not receive distributions from the Target Fund then the Fund will not be able to make any distributions.

In addition, the Fund may make other distributions at such other times as the Trustee determines in its discretion. Distributions may be comprised of income and/or return of capital and capital gains.

Distributions to Investors will be made based on each Investor's proportionate holding of Units at the end of the distribution period.

The Target Fund LPA contemplates the reinvestment of distributions as well as Target Fund Clawback, at the discretion of the Target Fund General Partner. If the Target Fund General Partner does determine to make periodic distributions, such distributions are normally expected to be distributed to Investors (after reduction for any portion thereof retained for the cash needs of the Fund including amounts required to pay for fees of the Manager or the Service Providers, capital commitments to the Target Fund, operating expenses and to maintain reasonable reserves for future or contingent liabilities of the Fund).

If the Fund

- (a) incurs any liability (under the indemnity provisions of the Fund Documents or otherwise); or
- (b) makes distributions to the Investors in circumstances relating to the Target Fund, where the Target Fund has distributed to the Fund and the Target Fund has informed the Trustee or Manager that such distributions are subject to a Target Fund Clawback obligation,

the Trustee may recall distributions previously made to the Investors may, by notice to Members redraw from past or present Members amounts distributed to those Members in respect of such amount payable by the Trustee to the Target Fund. Any amounts given back by an Investor shall not constitute a Funded Commitment. The Trustee may also hold back amounts from distribution for the purposes of managing reserves to pay any redrawn amounts.

The taxable income of the Fund may be allocated to Investors even where distributions have not been paid in cash – see Section “8. Taxation” above.

## **10. ADDITIONAL INFORMATION**

### **10.1 Term**

Subject to the applicable law, the Trustee anticipates it will commence winding up the Fund within six months of the termination of the Target Fund. However, the Trustee may terminate the Fund at any time on approval by Special Resolution. Where the Fund is terminated, the Trustee must distribute the net proceeds of the Fund Assets to Investors, subject to the rights of any particular class of Units, in proportion to the number of Units held.

### **10.2 Termination of the Fund**

The Trustee may terminate the Fund at any time by giving notice to Investors or in the circumstances provided in the Trust Deed. Where the Fund is terminated, the Trustee must sell all the Fund Assets and distribute the net proceeds to Investors, subject to the rights of any particular class of Units, in proportion to the number of Units held.

### **10.3 Our legal relationship with Investors**

The general law and the Trust Deed set out the rights and interests of the Investors and also set out the rights, duties and obligations of Trustee as the trustee of the Fund.

### **10.4 Removal of the Trustee and Manager**

The Trustee and the Manager may each retire on 60 business days written notice. The Trustee must retire when directed to do so by the Manager, and the Manager may appoint a new trustee for the Fund. The Trustee and the Manager may be removed by Special Resolution of Members in certain circumstances, for example where such person has engaged in misconduct, is insolvent or is required to do so under applicable law.

### **10.5 Trust Deed**

The Fund is governed by the Trust Deed that sets out the Fund's operation. The main provisions of the Trust Deed are summarised in this Information Memorandum. The Trust Deed is legally binding between Trustee and each Investor. To the extent of any inconsistency between this Information Memorandum and the Trust Deed, the provisions of the Trust Deed will prevail.

A copy of the Trust Deed is available on request from the Trustee, or on the Portal if the availability of such Portal has been communicated to you.

### **10.6 Amendments**

Other than in specified circumstances, such as where an amendment is of a formal or technical nature, is required to comply with applicable law or will not have a materially adverse effect on Members' rights, amendments to the Trust Deed may only be made if approved by Special Resolution, or if all Members and the Trustee agree. Where an amendment relates to the entitlement or obligations of a Member or the Manager to fees, capital or distribution, the affected person must consent to the amendment.

## **10.7 Rights and liabilities of Investors**

Investors may not interfere with Trustee's powers or exercise any rights in respect of any investment of the Fund. Under the Trust Deed, Investors may:

- (a) subject to the consent of the Trustee and payment of applicable expenses (if any, as determined by the Trustee), transfer units in the Fund;
- (b) attend and vote at meetings of the Fund; and
- (c) share in the income and capital distributions of the Fund.

Generally, the Trust Deed limits an Investor's liability to the Trustee to the value of that Investor's Capital Commitment. However, no absolute assurance can be given due to the fact that this has not been tested in superior courts.

## **10.8 Liability and indemnification**

Each of the Trustee and the Manager is indemnified out of Fund Assets for liabilities suffered or incurred in properly performing their duties, other than where those amounts are due to the relevant person's fraud, dishonesty, negligence, wilful misconduct, breach of trust or breach of duty or material breach of the Subscription Agreement, Management Agreement or Trust Deed.

## **10.9 Distributors**

The Manager may appoint one or more Distributor(s) in order to sell Units of the Fund or to refer or introduce potential investors to the Fund.

The Distributors will market, promote, distribute, and arrange the distribution of the Fund. The Distributors may delegate their marketing/distribution duties to sub-distributors or agents, which may or may not be an affiliate of any of the Service Providers to the Fund, subject to the Manager's non-objection.

Distributor fees can be paid by a number of means which can include an upfront fee paid in addition to an Investor's Capital Contribution or deducted from the Application Amount paid by the Investor. The prospect of receiving any such fees or compensation may provide the Distributor, sub-distributor and/or its salespersons with an incentive to favour Units of the Fund, and a prospective investor may wish to consider these arrangements when evaluating the Fund.

The Manager may replace or appoint additional Distributors at any time, who may have similar or different fee arrangements as described above.

## **10.10 Valuations**

The Net Asset Value of the Fund is determined by reference to the Fund Assets (expected to be predominantly the value of its investment in the Target Fund, but with all other assets being valued on a fair value basis) and the effect of expenses of the Fund (including Management Fees and fees of Service Providers), and is calculated by deducting the liabilities of the Fund from the aggregate value of the Fund Assets.

The Net Asset Value of the Fund will be calculated as at the last day of each calendar quarter, or such other times and dates as the Trustee may determine in its absolute discretion. In determining the value of the Fund's interest in the Target Fund, the Trustee will generally rely on the valuations provided to

it by the Target Fund General Partner. Valuations are intended to be undertaken quarterly, but may be undertaken at other intervals in the Trustee's absolute discretion.

#### **10.11 Amendments**

The Trustee may amend the Trust Deed with the approval of a special resolution of Investors. In addition, the Trustee may unilaterally amend the Trust Deed (without the approval of Investors) if the Trustee reasonably considers that the amendment will not materially adversely affect Investors' rights.

#### **10.12 Reporting**

Investors will be provided with reports which will include:

- (a) audited annual report
- (b) application and withdrawal confirmation statements
- (c) transaction statements; and
- (d) (where applicable) distribution and tax statements.

#### **10.13 Management Agreement**

The Trustee has appointed the Manager to assist in the management of the Fund Assets. The rights and duties of the Manager are set forth in the Management Agreement. The Manager is to perform portfolio management, investment and divestment functions with respect to the Fund, and be responsible for the day-to-day management of the Fund Assets.

#### **10.14 Custody and Fund Administration Agreement**

The Trustee has appointed the Administrator as the administrator of the Fund pursuant to the Custody and Fund Administration Agreement. Under the Custody and Fund Administration Agreement, the Administrator must perform certain administration, other administration services and facilities for the Fund. This includes setting up and providing "know-your-customer" services, providing accounting services, performing cash processing, calculating fund levels, providing services relating to debts, loans and banking, providing tax-related services, preparing internal reporting, providing regulator and compliance services, providing corporate services and providing assistance relating to acquisitions and dispositions. The Custody and Fund Administration Agreement also contains terms for the role of Custodian, responsible for holding the assets of the Fund, and Registrar, responsible for operating and maintaining the Fund's register, including provision by the Registrar of a web portal in relation to the Fund.

#### **10.15 Privacy**

The Australian Privacy Principles contained in the *Privacy Act 1988* (Cth) (**Privacy Act**) regulate the way in which we collect, use, disclose, and otherwise handle your personal information. The Trustee is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, the Trustee may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and

taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to the Trustee is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, the Trustee will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. The Trustee may also disclose it to other members of our corporate group, or to third parties (including the Manager) who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- (a) stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- (b) those providing services for administering or managing the Fund, including the Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- (c) our other service providers;
- (d) regulatory bodies such as ASIC, ATO, the Australian Prudential Regulation Authority and the Australian Transaction Reports and Analysis Centre; and
- (e) other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

The Trustee or the Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” of such communications by contacting us using the contact details below.

In addition to the above information, the Trustee’s Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of the Trustee’s Privacy Policy are available at [www.k2am.com.au](http://www.k2am.com.au).

## **10.16 Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)**

Australia’s AML/CTF laws require the Trustee to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that the Trustee must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation (**KYC Documents**) from new investors. Existing Investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or Investors do not provide

the applicable KYC Documents when requested, the Trustee may be unable to process an application, or may be unable to provide products or services to existing Investors until such time as the information is provided.

In order to comply with AML/CTF Laws, the Trustee may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). The Trustee may be prohibited by law from informing applicants or investors that such reporting has occurred.

The Trustee shall not be liable to applicants or Investors for any loss you may suffer because of compliance with the AML/CTF laws.

#### **10.17 Information on underlying investments**

Information regarding the underlying investments of the Fund will be provided to an Investor of the Fund on request, to the extent the Trustee is satisfied that such information is required to enable the Investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations and to the extent that the information is reasonably available to the Trustee.

#### **10.18 Foreign Account Tax Compliance Act (FATCA)**

The Australian Government has signed an intergovernmental agreement (**IGA**) with the United States of America (**U.S.**), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S. controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (**ATO**). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

#### **10.19 Common Reporting Standard (CRS)**

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

#### **10.20 Cooling off period**

No cooling off period applies to the offer made in this Information Memorandum, as the units offered under this Information Memorandum are only available to "wholesale clients" (for the purposes of Section 761G of the Corporations Act) in Australia.

#### **10.21 Complaints resolution**

The Trustee has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact them on:

The Complaints Officer  
K2 Asset Management Ltd  
Level 44, 101 Collins Street, Melbourne VIC 3000  
Phone: 03 9691 6111  
Email: [compliance@k2am.com.au](mailto:compliance@k2am.com.au)

The Trustee will acknowledge receipt of the complaint as soon as possible after receiving the complaint and, in any event, within 14 calendar days from receipt. We will seek to resolve your complaint as soon as practicable but not more than 45 calendar days after receiving the complaint.

The Trustee will act in good faith to ensure your complaint is investigated and resolved. If your issue has not been satisfactorily resolved within a further 30 days, you may be able to lodge a complaint with the Australian Financial Complaints Authority (**AFCA**).

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you follow the above procedures first.

**TARGET FUND PPM AND LPA**