

Shenkman Opportunistic Credit Trust

Information Memorandum

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Contents

1. Fund at a glance	3
2. Who is managing the Fund	6
3. About the Fund Investments	7
4. Principal risks	9
5. Investing in the Fund	15
6. Fees and other costs	18
7. Other Important Information	20
8. Taxation	24
9. Glossary	27

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The offer under this Information Memorandum ("IM") is an offer to subscribe for units in the Shenkman Opportunistic Credit Trust (referred to throughout this IM as the "Fund") and was issued on 16 September 2024.

This IM has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the trustee of the Fund (referred throughout this IM as the "Trustee", "Equity Trustees", "us" or "we"). The issue of this IM is authorised solely by Equity Trustees. No other person (whether or not related to Equity Trustees) is responsible for any information contained in this IM. The investment manager of the Fund is Shenkman Capital Management, Inc. and is referred to throughout this IM as the "Investment Manager" or "Shenkman". The administrator of the Fund is State Street Australia Ltd and is referred to throughout this IM as "State Street" or the "Administrator". The Distributor of the Fund is Clearway Capital Solutions Pty. Ltd. and is referred to throughout this IM as the "Distributor" or "Clearway".

This IM has not been, will not be and is not required to be lodged with the Australian Securities and Investments Commission ("ASIC"). It does not constitute a product disclosure statement, prospectus or other disclosure document within the meaning of the Corporations Act.

This IM is prepared for your general information only. It is not intended to be a recommendation by the Trustee, the Investment Manager, the Distributor or any associate, employee, agent or officer of the Trustee, the Investment Manager, the Distributor or any other person to invest in the Fund. This IM does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this IM. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs and you may want to seek professional advice before making an investment decision. A glossary of important terms used in this IM can be found in the "Glossary" section.

This IM does not constitute an offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). The units in the Fund have not been, and will not be, registered under the US Securities Act or the laws of any State, and the Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended. The Fund may not be offered or sold in the US to, or for, the account of any US

Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

The Trustee, the Investment Manager, the Administrator, the Distributor and their respective employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or investment performance of the Fund. Past performance is no indication of future performance. Units are offered and issued by the Trustee subject to the Constitution of the Fund, and on the terms and conditions described in this IM. You should read this IM because you will become bound by it if you become a Unitholder of the Fund.

This Offer to subscribe for units in the Fund is only made to Wholesale Clients (as defined under the Corporations Act). In addition, this Information Memorandum may only be distributed in New Zealand to NZ Wholesale Investors (as defined in the Glossary). This Information Memorandum is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (NZ) and does not contain all the information typically included in such offering documentation. This offer to subscribe for units in the Fund does not constitute a "regulated offer" for the purposes of the Financial Markets Conduct Act 2013 and, accordingly, there is neither a product disclosure statement nor a register entry in respect of the offer.

If you received this IM electronically, a paper copy will be provided free upon request. Please call Equity Trustees on +61 3 8623 5000 for a copy.

This IM should be read together with the Constitution of the Fund. A copy of the Constitution is available from Equity Trustees by calling +61 3 8623 5000 or from the Distributor by calling +61 409 312 096.

Certain information in this IM relating to the Fund is subject to change. Where considered appropriate by Equity Trustees, we will notify you in writing of any changes. Copies of any updated information may be obtained:

- by calling Equity Trustees on +61 3 8623 5000
- by calling the Distributor on +61 409 312 096.

A paper copy of any updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the IM are exclusive of GST. All amounts are in Australian dollars unless otherwise specified and all references to legislation are to Australian law unless otherwise specified.

1. Fund at a glance

Feature	Summary
Fund	Shenkman Opportunistic Credit Trust
Trustee	Equity Trustees Limited
Investment Manager	Shenkman Capital Management, Inc.
Custodian and Administrator	State Street Australia Ltd
Prime Brokers/Custodians	Goldman Sachs & Co. Barclays Bank plc
Distributor	Clearway Capital Solutions Pty. Ltd
Auditors	PricewaterhouseCoopers
Investment objective	To maximize total return through a value-oriented strategy focused on event-driven situations across the corporate credit spectrum, including high-yield, stressed, distressed and special situation investments.
Investment Strategy	<p>The investment strategy utilizes an event driven approach that seeks to generate consistent alpha by profiting from mispricings across the corporate credit spectrum, including stressed, distressed, and performing bonds, loans, convertibles, and reorganized equity. The strategy focuses on event-driven opportunities, typically in underfollowed, liquid credits that suit one of six investment themes outlined below:</p> <ul style="list-style-type: none"> • <i>Stressed credit</i>: Credits trading at elevated yields where the Investment Manager has a favorable view on the fundamentals and upside/downside profile, does not think bankruptcy is the most likely outcome, and believes that the market will take a more favorable view on the credit. • <i>Market transition</i>: Investments based on the expected migration from one investor base to another; for example, distressed investors to traditional high yield managers. • <i>Catalyst Driven</i>: Long or short investments with a hard catalyst that is expected to drive security prices higher or lower. • <i>Capital Arbitrage</i>: Typically, long secured bonds/loans paired with short unsecured bonds, carried flat, and traded with a short bias. The expectation is that the secured – unsecured spread will widen. • <i>Restructuring / Deep Value</i>: Distressed credits where a restructuring of the balance sheet is needed, and the Investment Manager is favorable on the upside/downside profile. • <i>Liquidations</i>: Businesses that may not continue as going concerns in which the liquidation value of the assets is expected to generate an attractive return to creditors.

Feature	Summary
Types of investments	<p>The Investment Manager may invest the Fund's assets in a wide range of publicly- and privately-issued securities and debt obligations of U.S. and non-U.S. corporate issuers including: (i) notes and bonds, including, senior secured, senior unsecured, senior subordinated, subordinated, cash pay, pay-in-kind, zero coupon and toggle; (ii) performing and non-performing floating rate loans and participations, including secured and unsecured loans, first lien term loans, second lien term loans, third lien term loans, bridge loans, letters of credit, synthetic letters of credit, delayed draw term loans and revolvers; (iii) convertible securities, including convertible preferred securities, mandatory and convertible debt; (iv) equity securities, including common stock units, preferred stock, stock units, warrants and options on equity securities; (v) trade claims, receivables, trust certificates and asset backed securities; (vi) mezzanine financing and other privately-placed investments; and (vii) derivative transactions and credit-linked securities, including total return swaps, credit default swaps, and credit-linked notes. Equity investments may be acquired in conjunction with or concurrently with debt investments, received through the equitization of the Fund's debt investments in reorganizations or similar processes, in privately negotiated transactions or acquired in the open market. The investments may be performing or non-performing at the time of investment.</p> <p>While there are no limitations on the types of assets, securities, or other financial instruments in which the Fund may invest in seeking to achieve its objective, the Investment Manager expects to focus the Fund's investments on below investment grade (i.e., companies that have a credit rating equal to or lower than BB+ (Standard & Poor's) or Ba1 (Moody's) or that are not rated but have a non-investment grade credit rating profile) credit-related instruments predominantly originated in North America and Europe, although the Fund also may invest in areas outside of these geographies and the Fund may also invest in securities and debt obligations of investment grade companies. Investments will be denominated predominantly in U.S. dollars, but may include other developed world currencies. The Fund may seek to minimize the impact of currency rate fluctuations through the use of currency forwards or other instruments as available.</p>
Benchmark	The Fund is benchmark unaware.
Suggested investment horizon	Three to five years. The recommended investment timeframe may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investment in the Fund.
Structure; Suitability	The Fund is an open-ended collective investment vehicle structured as a multi-class Australian unit trust. Only Wholesale Clients and NZ Wholesale Investors (in the case of offers in New Zealand) may invest.
Currency	All applications and distributions will be made in AUD. The Investment Manager will seek to hedge all non-AUD exposure to the base currency of the Fund.
Minimum initial investment	A\$500,000. Lesser amounts may be received at the Trustee's discretion.
Minimum additional investment	None.
Minimum withdrawal amount	None.
Minimum balance	A\$500,000.
Risks	An investment in the Fund is subject to risks, which are summarized in the "Principal risks" section of this IM.

Feature	Summary
Offering of Units; Applications	<p>Units will be issued on the first Business Day of each month and such other Business Day or Business Days as may be determined by the Trustee in its discretion from time to time (each, an "Offering Date"). Applications to the Fund together with the subscription monies must be received before 2:00pm Sydney time one Business Day prior to the applicable Offering Date.</p> <p>See the "Investment in the Fund – Applications" section of this IM for additional information.</p>
Withdrawals	<p>Withdrawals from the Fund are processed as of the last Business Day of each calendar quarter and such other Business Day or Business Days as may be determined by the Trustee in its discretion from time to time (each, a "Withdrawal Date"). Withdrawals from the Fund must be received by the Trustee before 2:00pm Sydney time 90 days before the applicable Withdrawal Date. Withdrawals are subject to a 25% per quarter investor-level gate. In certain circumstances, the Trustee may suspend consideration of withdrawal requests, or defer its obligation to pay the withdrawal price in respect of a withdrawal request it has accepted. Proceeds will generally be paid within 30 days of the Withdrawal Date.</p> <p>See the "Investing in the Fund – Withdrawals" section of this IM for additional information.</p>
Management fee	<p>1.0% plus GST (if applicable) per annum, paid monthly in arrears.</p>
Performance fee	<p>17.5% of the net performance (i.e., after management fees and expenses), subject to a high watermark, plus GST (if applicable). Returns are not guaranteed.</p> <p>See the "Fees and Other Costs – Performance Fee" section of this IM for more information.</p>
Other expenses	<p>Please refer to section headed "Fees and other costs" for more information about fees and other costs and expenses that can be recovered from the Fund.</p>
Distribution frequency	<p>Distributions will generally be paid within 30 days of the end of each calendar quarter, subject to available distributable income or at the discretion of the Trustee, with a reinvestment option available.</p>

2. Who is managing the Fund

The Trustee

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL No. 240975 ("Equity Trustees"), a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's trustee and issuer of this IM. Equity Trustees was established in 1888, by an Act of the Victorian Parliament, to provide trustee and executor services.

The company has evolved into a sophisticated financial services provider offering a broad range of products and services to a diverse client base. In addition to traditional trustee and estate management duties, the Equity Trustees range of services includes portfolio management, superannuation, philanthropy and trustee and responsible entity services for external fund managers.

Equity Trustees' responsibilities and obligations as the trustee of the Fund are governed by the Fund's Constitution as well as the general trust law.

The Investment Manager

Shenkman Capital Management, Inc.

Shenkman Capital Management, Inc., a New York corporation, was formed in 1985 and is a registered investment adviser regulated by the U.S. Securities & Exchange Commission pursuant to the U.S. Investment Advisers Act of 1940, as amended. Since its inception, the Investment Manager's business has been dedicated to researching and investing across the entire capital structure of highly levered companies. As of 30 June 2024, Shenkman and its affiliates managed over US\$33 billion of assets.

Shenkman is exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of the financial services it provides and is regulated by the SEC under US laws, which differ from Australian laws.

The Administrator

State Street Australia Ltd

The Trustee has appointed State Street to act as administrator for the Fund. In such capacity, the Administrator performs all general administrative tasks for the Fund, including keeping financial books and records and calculating the Net Asset Value of the Fund.

The Trustee has entered into an Administration Agreement with the Administrator, which governs the services that will be provided by the Administrator to the Fund.

The Investment Manager may at any time, in consultation with the Trustee, select any other administrator to serve as administrator to the Fund.

The Custodian

State Street Australia Ltd

The Trustee has appointed State Street to act as custodian for the Fund. The custodian holds the assets on behalf of the Fund and is responsible to the Trustee under a contractual relationship pursuant to a custody agreement.

The Investment Manager may at any time, in consultation with the Trustee, select any other custodian to serve as custodian to the Fund. It is intended that the prime brokers may provide custody services to a majority of the Fund's assets.

The Prime Brokers

Goldman Sachs & Co.

Barclays Bank plc

The Trustee has appointed Goldman Sachs & Co. and Barclays Bank plc to act as prime brokers for the Fund. In such capacity, the prime brokers will provide services to the Fund that may include margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilize the prime brokers for the purposes of executing transactions for the Fund. The prime brokers will also provide a custody service for a portion of the Fund's investments.

The Distributor

Clearway Capital Solutions Pty. Ltd

The Investment Manager has appointed Clearway Capital Solutions Pty. Ltd to act as distributor for the Fund. In such capacity, the Distributor is responsible for marketing the Fund to prospective investors, facilitating the applications of prospects investing into the Fund, and providing ongoing investor relation services with respect to Unitholders. The Investment Manager will compensate the Distributor out of the fees it receives for serving as investment manager to the Fund; Unitholders will not bear the cost of any fees paid to the Distributor.

3. About the Fund Investments

Investment Objective

The objective of the Fund is to maximize total returns through a value-oriented strategy focused on event driven situations across the corporate credit spectrum, including high-yield, stressed, distressed and special situation investments.

Investment Strategy

The investment strategy utilizes an event driven approach that seeks to generate consistent alpha by profiting from mispricings across the corporate credit spectrum, including stressed, distressed, and performing bonds, loans, convertibles, and reorganized equity. The strategy focuses on event-driven opportunities, typically in underfollowed, liquid credits that suit one of six investment themes outlined below:

- **Stressed credit:** Credits trading at elevated yields where the Investment Manager has a favorable view on the fundamentals and upside/downside profile, does not think bankruptcy is the most likely outcome, and believes that the market will take a more favorable view on the credit.
- **Market transition:** Investments based on the expected migration from one investor base to another; for example, distressed investors to traditional high yield managers.
- **Catalyst Driven:** Long or short investments with a hard catalyst that is expected to drive security prices higher or lower.
- **Capital Arbitrage:** Typically, long secured bonds/loans paired with short unsecured bonds, carried flat, and traded with a short bias. The expectation is that the secured – unsecured spread will widen.
- **Restructuring / Deep Value:** Distressed credits where a restructuring of the balance sheet is needed, and the Investment Manager is favorable on the upside/downside profile.
- **Liquidations:** Businesses that may not continue as going concerns in which the liquidation value of the assets is expected to generate an attractive return to creditors.

The Investment Manager employs a multi-pronged analytical approach to opportunistic investing based on a bottom-up research process with a strong emphasis on fundamental credit analysis, combined with event and legal analysis. Through such analysis, the Investment Manager will seek to consistently assess the risks of each investment and the Fund as a whole – in particular, the risk of a permanent loss of capital as opposed to mark-to-market price fluctuations – with a view toward generating superior risk-adjusted returns. The investment strategy is based on the belief that a thorough understanding of a company and its industry is essential to generating positive absolute returns. The Investment Manager expects to apply its substantial experience in analyzing and assessing a company's valuation, capital structure, financial performance and underlying industry dynamics in order to capitalize on market imbalances, event-driven situations and other mispriced opportunities. Such investments might include issuers that are the subject of corporate reorganizations, restructurings, liquidity crises, debt exchanges, mergers, spin-offs, leveraged buyouts or credit rating changes or other situations when the market may be mispricing an asset's intrinsic value.

The Investment Manager has substantial experience in, and may be an active participant in, certain restructurings and bankruptcy and conciliation proceedings with a view toward directing the outcome of, and allocation of value in, such transactions. Such strategies will include, without limitation, the participation in official and ad hoc creditors' or coordinating committees, the acquisition of strategic blocking positions in certain debt

instruments and the use of litigation-oriented investment strategies. The Fund may also participate in bankruptcy, insolvency or restructuring transactions by acquiring bank loan assignments or participations, trade claims and interests in the claims arising under executory contracts. The securities or other investments acquired by the Fund in a bankruptcy, insolvency or restructuring transaction may have to be held for extended periods of time.

Additionally, the Fund focuses on stressed and distressed investments, or securities and other obligations that the Investment Manager believes trade at a significant discount to their underlying fundamental or recovery values. From time to time, companies become financially distressed as a result of poor operating results, an excessive debt burden or a significant liability. A company in financial distress may seek new financing or announce a restructuring plan, either in the form of a court-supervised bankruptcy or insolvency proceeding, or an out-of-court restructuring of its indebtedness and other liabilities. If the Investment Manager believes that a successful financing, restructuring or reorganization is likely to be completed and that the value of the new consideration (cash and securities) to be received exceeds the current market price of the issuer's securities, then the Fund may make an investment in new or existing securities of the issuer.

The opportunistic investment strategy implements short positions via single-name shorts as well as capital arbitrage paired long-shorts. Single-name shorts are based on credit-specific factors, where the Investment Manager believes the security is over-valued and/or there is likely to be an event that will impair the company's value. Additionally, single-name shorts may be positioned to hedge against an expected market or industry event, which the Investment Manager thinks could negatively impact other positions in the portfolio. The investment strategy's Capital Arbitrage theme typically contains trades that are structured with long positions in secured bonds/loans, paired with short positions in unsecured bonds, with flat carry, and traded with a short bias.

Methods of Analysis

The Investment Manager believes that the greatest driver of superior absolute and risk-adjusted performance is rigorous, bottom-up, fundamental research. The Investment Manager also believes that high yield companies: (i) are relatively complex with regard to financial management and covenant requirements to bondholders; (ii) lack thorough Wall Street analyst coverage; and (iii) require significantly greater financial modeling and due diligence than investment grade companies. This complexity and opaqueness provides the opportunity to achieve attractive risk-adjusted returns.

The Fund's strategy takes advantage of the Investment Manager's bottom-up investment process to inform portfolio decisions. The hallmark of the Investment Manager's investment process is in-depth fundamental credit analysis conducted by the Investment Manager's credit research team. The analytical process incorporates both quantitative and qualitative factors to determine the creditworthiness of potential investments and includes a thorough review of the issuers using public information, financial statements, and discussions with company management. The analysis covers historical and projected operating performance and trends, including liquidity, cash flow and a break-even analysis. The Investment Manager also focuses on capital structure, covenants, management track record, relative value, and a comparative industry analysis. Investment candidates are analyzed in depth at a variety of risk levels. Investments are not made on the basis of one single factor.

Industry attractiveness is an important driver in the Investment Manager's investment decision process. In addition, the Investment Manager may consider a company's desirability to be acquired.

Relative value across companies' capital structures is an important element to the Investment Manager's tactical asset allocation process. The Fund will emphasize or de-emphasize certain parts of companies' available capital structures during varying macro-economic conditions or depending upon the Investment Manager's view of the environment for the leveraged finance markets.

In response to, or in anticipation of, a corporate event, the Investment Manager conducts a detailed analysis of the business and financial condition of the relevant company, analyzes the processes surrounding the event and determines how the anticipated outcome of the event may affect the trading prices of the issuer's securities. Based on this analysis, the Fund attempts to purchase these securities at a discount to what it believes their value will be on the consummation of the proposed event and may structure investments to seek to maximize potential returns. In making event-driven investments, the Fund may invest at any or all levels of an issuer's capital structure, including equity and debt securities and derivative products. Investments may be both long and short.

Investment Universe

The Investment Manager may invest the Fund's assets in a wide range of publicly- and privately-issued securities and debt obligations of U.S. and non-U.S. corporate issuers including: (i) notes and bonds, including, senior secured, senior unsecured, senior subordinated, subordinated, cash pay, pay-in-kind, zero coupon and toggle; (ii) performing and non-performing floating rate loans and participations, including secured and unsecured loans, first lien term loans, second lien term loans, third lien term loans, bridge loans, letters of credit, synthetic letters of credit, delayed draw term loans and revolvers; (iii) convertible securities, including convertible preferred securities, mandatory and convertible debt; (iv) equity securities, including common stock units, preferred stock, stock units, warrants and options on equity securities; (v) trade claims, receivables, trust certificates and asset backed securities; (vi) mezzanine financing and other privately-placed investments; and (vii) derivative transactions and credit-linked securities, including total return swaps, credit default swaps, and credit-linked notes. Equity investments may be acquired in conjunction with or concurrently with debt investments, received through the equitization of the Fund's debt investments in reorganizations or similar processes, in

privately negotiated transactions or acquired in the open market. The investments may be performing or non-performing at the time of investment.

While there are no limitations on the types of assets, securities, or other financial instruments in which the Fund may invest in seeking to achieve its objective, the Investment Manager expects to focus the Fund's investments on below investment grade (i.e., companies that have a credit rating equal to or lower than BB+ (Standard & Poor's) or Ba1 (Moody's) or are not rated but have a non-investment grade credit rating profile) credit-related instruments predominantly originated in North America and Europe, although the Fund also may invest in areas outside of these geographies and the Fund may also invest in securities and debt obligations of investment grade companies. Investments will be denominated predominantly in U.S. dollars, but may include other developed world currencies. The Fund may seek to minimize the impact of currency rate fluctuations by hedging non-U.S. currencies through the use of currency forwards or other instruments as available.

Other Investments. The Fund's investment activities are not limited to the investment strategies or instruments described above. Rather, the Fund may pursue any investment strategy or invest in any instrument that the Investment Manager determines to be appropriate from time to time, provided the strategy is consistent with the investment philosophy, techniques and evaluation processes the Investment Manager has previously employed.

Leverage/Gearing

The Fund has authority to use leverage through borrowing on margin, derivative instruments, repurchase agreements or otherwise. There is no limitation, cap or restriction on the Fund's ability to use borrowing or leverage. In addition to direct borrowing, the Fund's portfolio may be levered by other means, including, without limitation, by selling securities short and investing in instruments that have embedded leverage. The amount of leverage (including, without limitation, direct borrowing) will vary depending on market conditions and investment opportunities, as well as the types of investments held by the Fund and the total market value of such investments. Leverage will likely vary and could be significant at times. In the event that the Fund uses leverage in its trading activities, relatively small price movements in securities or debt instruments may result in immediate and substantial gains or losses.

4. Principal risks

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. You should consider the significant risks below when deciding whether to invest in the Fund. You may want to consider these risks in light of your risk profile. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

You may lose money by investing in the Fund and your investment in the Fund may not meet your objectives. The level of returns will vary and future returns may differ from past returns.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

The Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Fund will be achieved. The practices of short-selling, employing leverage and other investment techniques, which the Investment Manager may employ from time to time, can potentially increase the adverse impact of a change in the Fund's investment portfolio. The Investment Manager's risk management approach seeks to isolate and mitigate, not eliminate, risk and there may be certain risks which the Investment Manager determines should not be or cannot be hedged against. Accordingly, the Investment Manager's activities could result in substantial losses under certain circumstances.

Risks Related to Management

No Operating History

The Fund is a newly formed entity and does not have any operating history upon which prospective Unitholders can evaluate their anticipated performance. The investment professionals of the Investment Manager have been using investment strategies similar to the investment strategies described herein for several years. However, there can be no assurance that the Fund or the Investment Manager will achieve results comparable to those that the investment professionals have achieved in the past.

Dependence on the Investment Manager and the Fund's Service Providers

The success of the Fund is dependent upon the ability of the Investment Manager to manage the Fund and effectively implement the Fund's investment program. The Fund is also dependent upon its counterparties and businesses that are not controlled by the Investment Manager that provide services to the Fund, including the Administrator, the prime broker(s), legal counsel and the auditors. Errors are inherent in the business and operations of any business, and although the Trustee will adopt measures to prevent and detect errors by, and misconduct of, counterparties and service providers, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Unitholders' investments therein.

Risks Related to the Structure of the Fund

Significant Fees and Expenses

The fees and expenses of the Fund may be significant. The Fund must generate sufficient income to offset such fees and expenses to avoid a decrease in the net asset value of the Fund.

Effect of Substantial Withdrawals

Substantial withdrawals could be triggered by a number of events, including, without limitation, unsatisfactory performance, events in the markets, a significant change in personnel or management of the Investment Manager, removal or replacement of the Investment Manager as the investment manager of the Fund, legal or regulatory issues that investors perceive to have a bearing on the Fund or the Investment Manager, or other events. Actions taken to meet substantial withdrawal requests from the Fund could result in prices of securities held by the Fund decreasing and in Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Fund also may decrease because the liquidation value of certain assets may be materially less than their cost or mark-to-market value. The Fund may be forced to sell its more liquid positions, which may cause an imbalance in the portfolio that could have a material adverse effect on the remaining Unitholders. Substantial withdrawals could also significantly restrict the Fund's ability to obtain financing or transact with derivatives counterparties needed for its investment strategies, which would have a further material adverse effect on the Fund's performance, and may hamper the Investment Manager's ability to (i) retain employees, (ii) provide the same level of service to the Fund as it has in the past, and (iii) continue operations. The Fund and the Investment Manager generally will not disclose to Unitholders the amount of pending withdrawals or withdrawal requests and are under no obligation to make any such disclosure.

Limited Liquidity

An investment in the Fund has limited liquidity because Unitholders will generally have only limited rights to withdraw Units from the Fund or transfer their Units, and the Fund has the right to suspend withdrawals as described in Section 1. Unitholders must be prepared to bear the financial risks of an investment in the Fund for an indefinite period of time.

Access to Information and Effect on Withdrawals

Because of the wide range of potential investments, potentially rapid shifts in the concentration of investments among types of securities, instruments or strategies, the inherent complexity of many of the Fund's investment strategies and other factors, prospective and current Unitholders will not have sufficient information to analyze or evaluate in detail the specific risks and potential returns of the Fund's investment program prospectively. The Investment Manager generally will not provide detailed information about the Fund's portfolio or any advance notice of anticipated changes in the composition of the Fund's portfolio, nor will the Investment Manager provide information to prospective Unitholders as to how the Fund voted proxies. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the Investment Manager may provide additional information to certain prospective and current Unitholders that is not distributed to other prospective and current Unitholders. Such information may affect a prospective Unitholder's decision to invest in the Fund, and current Unitholders may be able to act on such additional information and withdraw capital potentially at higher values than other investors. Any such withdrawals may result in reduced liquidity for other investors and, in order to meet larger or more frequent withdrawals, the Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Fund. Each Unitholder is responsible for asking such questions as it believes are necessary in order to make its own

investment decisions, must decide for itself whether the limited information provided by the Investment Manager and the Fund is sufficient for its needs and must accept the foregoing risks.

Side Letters

The Investment Manager may enter into other written agreements (“Side Letters”) with one or more Unitholders without the consent or approval of any other Unitholders. These Side Letters may entitle a Unitholder to make an investment in the Fund on terms that vary from those described herein. For the avoidance of doubt, the Fund is not a registered scheme and as such the Trustee is not required to treat Unitholders who hold interest of the same Class equally and Investors who hold interests of different Classes fairly under section 601FC(1)(d) of the Corporations Act.

Risks Relating to the Operations and Investment Activities of the Fund

Systems and Operational Risks Generally

Certain of the Fund’s and the Investment Manager’s activities will be dependent upon systems operated by third parties, including prime brokers, the Administrator, market counterparties and other service providers, and the Trustee and Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Investment Manager, prime brokers, the Administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Fund’s operations may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Unitholders’ investments therein.

Systemic Risk

Systemic risk is the risk of broad financial system stress or collapse triggered by, among other things, the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund interacts, as well as the Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets for the investments in which the Fund seeks to invest.

Cybersecurity Risk

The Trustee, Administrator and Investment Manager’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Intentional cybersecurity breaches include: unauthorized access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs.

Valuation of Assets and Liabilities

Certain of the Fund’s investments are difficult to value, and such valuations may be somewhat volatile, due to the variable nature of certain components of the pricing models used, lack of liquidity in the markets and changing market events. In order to value the assets of the Fund, information provided by third parties may be relied upon, and such persons may provide inaccurate, incomplete, not current or otherwise unreliable information. With respect to certain securities and instruments, multiple quotations and sales prices may not be available. In such circumstances, a single quotation must be relied upon or, if no quotation is available, then the investment will be valued at a fair value based on relevant factors. Determining fair value — in the absence of any market or reliable valuation model — can be both difficult and subjective. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the Fund.

Counterparty Risk

The Fund expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Fund to trade in any variety of markets or asset classes over time. However, there can be no assurance that the Fund will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Fund’s trading activities, create losses, preclude the Fund from engaging in certain transactions or prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Fund’s business due to the Fund’s reliance on such counterparties.

Litigation Risk

Some of the tactics that the Investment Manager may use involve litigation. The Fund could be a party to lawsuits either initiated by it, or by a company in which the Fund invests, other shareholders of such company, or U.S. federal, state and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Fund or that the costs of any such litigation will outweigh the benefits even if successful.

Exposure to Material Non-Public Information

From time to time, the Investment Manager may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Fund may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Currency Exchange Exposure

The Fund will invest in securities predominantly denominated in U.S. dollars and may invest in other currencies. The Fund, however, values its securities in Australian dollars. While the Fund will seek to hedge its non-AUD currency exposure by entering into currency hedging transactions, there can be no guarantee that securities suitable for hedging currency or market shifts will be available at the time when the Fund wishes to use them, or that hedging techniques employed by the Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Fund’s positions denominated in currencies other than the Australian dollar will fluctuate with Australian dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

Risks Relating to Investment Strategies

Risk of Loss

No guarantee or representation is made that the Fund's investment program, including, without limitation, the Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the Investment Manager (or investments otherwise made by the investment professionals of the Investment Manager) are not necessarily indicative of their future performance.

Leverage and Borrowing

The use of leverage will allow the Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Fund's portfolio. The effect of the use of leverage by the Fund in a market that moves adversely to its investments could result in substantial losses to the Fund, which would be greater than if the Fund were not leveraged. The instruments and borrowings utilized by the Fund to leverage investments may be collateralized by all or a portion of the Fund's portfolio. Accordingly, the Fund may pledge its investments in order to borrow or otherwise obtain leverage for investment or other purposes. Should the investments pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional funds or collateral with the broker or suffer mandatory liquidation of the pledged collateral to compensate for the decline in value. The banks and dealers that provide financing to the Fund can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Fund may have similar rights. There can be no assurance that the Fund will be able to secure or maintain adequate financing. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Fund's portfolio.

Diversification and Concentration

The Investment Manager may select investments that are concentrated in a limited number or types of securities or instruments. In addition, the Fund's portfolio may become significantly concentrated in securities or instruments related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities or instruments.

Hedging Transactions

The Fund may utilize derivatives, futures or other instruments for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any investments; (iv) enhance or preserve returns, spreads or gains on any security in the Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Fund's investments; (vii) protect

against any increase in the price of any investments the Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Investment Manager may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Risks Relating to Specific Investments

Debt Securities

Debt securities of all types of issuers may have speculative characteristics, regardless of whether they are rated. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal in accordance with the terms of the obligations.

Interest Rate Risk

Changes in interest rates can affect the value of the Fund's investments in fixed-income instruments. Increases in interest rates may cause the value of the Fund's debt investments to decline. The Fund may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

High-Yield

Bonds or other fixed-income securities that are "higher yielding" (including non-investment grade) debt securities are generally not exchange-traded and, as a result, these securities trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. High-yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing. In addition, the Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

Corporate Debt

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition,

the Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

Stressed Debt

Stressed issuers are issuers that are not yet deemed distressed or bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty. The market prices of stressed and distressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

Leveraged Loans

"Leveraged loans" are loans made to companies with a below investment-grade rating from any nationally recognized rating agency. Such loans may be performing poorly when the Fund acquires them. There is no assurance that the Investment Manager will correctly evaluate the value of the assets collateralizing such loans or the prospects for distribution on or repayment of such loans. The Fund may lose its entire investment or may be required to accept cash, property or securities with a value less than the Fund's original investment and/or may be required to accept payment over an extended period of time.

Bank Loans

Bank loans are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Fund to directly enforce its rights with respect to participations. Successful claims by third parties arising from these and other risks will be borne by the Fund. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased, sold or settled as a publicly traded security, and historically the trading volume in the loan market has been small relative to the high-yield debt market.

Distressed Obligations

The obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems (including companies involved in bankruptcy or other reorganization and liquidation proceedings) are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the risk that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a

particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investments in any investment. Obligations in which the Fund invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets collateralizing the Fund's investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which the Fund invests, the Fund may lose its entire investment, may be required to accept cash, securities or other instruments with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Fund's investments may not compensate the Unitholders adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect of which such distribution was made.

Collateralized Loan and Bond Obligations

The Fund may invest in collateralized loan or bond obligations (collectively, "CLOs"). The Fund's portfolio may include a variety of different types of products including CLO senior debt securities and mezzanine or junior debt securities. CLO securities are subject to credit, liquidity and interest rate risks. Any CLO junior debt securities purchased by the Fund will most likely be unrated or non-investment grade. The CLO junior debt positions would only be paid the principal and interest due to the position based on the principal and interest waterfall structured by the trust. CLOs often invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one asset class would subject the related CLO securities to a greater degree of risk with respect to defaults across such asset class. The value of the CLO securities owned by the Fund generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CLO ("CLO Collateral"), general economic conditions, the condition of certain financial markets, political events, legislation and regulations, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CLO securities must rely solely on distributions on the CLO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CLO Collateral are insufficient to make payments on the CLO securities, no other assets will be available for payment of the deficiency and, following realization of the CLO securities, the obligations of such CLO to pay such deficiency generally will be extinguished. CLO Collateral may consist of collateralized loan obligations, corporate loans, asset-backed securities (including both residential and commercial mortgage-backed securities) and other securities, which often are rated below investment-grade (or of equivalent credit quality).

Convertible Securities

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

Preferred Stock

Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Equity Securities Generally

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Short Selling

Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales will depend upon the Investment Manager's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Illiquid Securities

Certain securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may

be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually or legally prohibited from disposing of such investments for a specified period of time. As a result, the Fund may be required to hold such securities despite adverse price movements. Even those markets which the Investment Manager expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Derivatives

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operational risk. The regulatory and tax environment for derivative instruments in which the Fund may participate is evolving, and changes in the regulation or taxation of such instruments may have a material adverse effect on the Fund.

Risks Relating to Market Conditions Generally

General Economic and Market Conditions

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, commodity prices, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets. There can be no assurance that these conditions will improve or, if they do improve, that they will not deteriorate again. A debt default by a sovereign nation may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Fund.

Assumption of Business, Terrorism and Catastrophe Risks

The Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Fund invests (or has a material negative impact on the operations of the Investment Manager or the service providers), the risks of loss can be substantial and could have a material adverse effect on the Fund and the Unitholders' investments therein. Furthermore, any such event may also adversely impact one or more individual Unitholders' financial condition, which

could result in substantial withdrawal requests by such Unitholders as a result of their individual liquidity situations and irrespective of Fund performance.

Potential Conflicts of Interest

The Investment Manager and its affiliates will be subject, and the Fund will be exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Unitholders' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises, the Investment Manager will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with its fiduciary duties to the Fund. The Investment Manager has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

Other Accounts; Lack of Exclusivity

Conflicts of interest may arise from the fact that the Investment Manager and its affiliates may in the future provide investment management services to clients other than the Fund (collectively, "Other Accounts"). Other Accounts may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Fund, or may compete with or have interests adverse to the Fund. Such conflicts could affect the prices and availability of investments in which the Fund invests. Conflicts of interest may also arise when the Investment Manager makes decisions on behalf of the Fund with respect to matters where the interests of the Investment Manager or one or more Other Accounts differs from the interests of the Fund. In addition, such Other Accounts may have different or additional terms than those of the Units described in this IM, including different fees, information rights and liquidity rights. Additional information may affect an investor's decision to invest additional capital in, to remain invested in, to withdraw from or to terminate an Other Account. Any such withdrawals or terminations could cause any such Other Account to liquidate its positions ahead of the Fund, which may have a material adverse effect on the Fund and the Unitholders' investments therein.

The Investment Manager, its affiliates and personnel will devote as much of their time to the activities of the Fund as they deem necessary and appropriate. The Investment Manager, its affiliates and personnel will not be restricted from forming Other Accounts, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Fund and/or may involve substantial time and resources of the Investment Manager, its affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of the Investment Manager, its affiliates and personnel will not be devoted exclusively to the business of the Fund but will be allocated between the business of the Fund and the management of Other Accounts and businesses.

Cross Trades

The Investment Manager may determine that it would be in the best interests of the Fund and one or more Other Accounts to transfer a security from one Account to another (each such transfer, a "Cross Trade") for a variety of reasons, including,

without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Accounts, or to reduce transaction costs that may arise in an open market transaction. If the Investment Manager decides to engage in a Cross Trade, the Investment Manager will determine that the trade is in the best interests of both of the Accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Accounts.

Performance Fee

The Investment Manager will receive a performance fee in connection with the management of the Fund. The performance fee may give rise to potential conflicts of interest, including, but not limited to, the incentive for the Investment Manager to: (i) direct the best investment ideas to, or to allocate or sequence trades in favor of, accounts for which the Investment Manager will receive greater performance compensation; (ii) provide biased valuations, especially with respect to illiquid securities; (iii) make investments that are riskier or more speculative than would be the case if performance-based compensation were not in effect; and (iv) time investments so as to maximize the performance fee.

Risks Relating to Income Taxation

Interest payments

The Fund has authority to use leverage through a number of different arrangements. Generally, it is expected that leverage would give rise to deductions (e.g., in respect of interest), subject to the application of a number of integrity regimes, including the thin capitalisation regime and the transfer pricing regime. In addition, it is possible that withholding tax may apply to payments made under arrangements that provide leverage. Whether withholding tax applies to any specific leverage arrangement will depend upon the specific nature of that arrangement, as well as the counterparty to that arrangement.

BEPS – Pillar 2

The Government has announced an intention (and released Exposure Draft legislation) to implement key aspects of Pillar 2 the OECD/G20 Two Pillar Solution, which will implement a 15% global minimum tax rate, through:

- a domestic minimum tax with effect for fiscal years commencing on or after 1 January 2024;
- an "income inclusion rule" with effect for fiscal years commencing on or after 1 January 2024; and
- an "undertaxed profits rule" with effect for fiscal years commencing on or after 1 January 2025.

Broadly, the proposed minimum tax regime imposes liability upon certain entities within applicable multinational groups to top-up the income tax paid across that multinational group. While certain investment funds that are "ultimate parent entities" are generally excluded entities under the proposed regime, it is possible that the Fund (or a Unitholder in the Fund) may nonetheless be liable under the new legislation.

There has been significant consultation in respect of the proposed measures, and there are a range of potential issues and uncertainty with the Exposure Draft legislation. Unitholders should monitor the progress of Pillar 2 measures, and detailed consideration should be given to the impact of the measures upon an investment in the Fund.

5. Investing in the Fund

Net Asset Value

The Net Asset Value ("NAV") of a Class will be equal to the excess of the value of the assets over the value of the liabilities attributable to such Class, as of any date of determination. The NAV per Unit of a Class is determined by dividing the NAV of such Class by the number of Units thereof. The NAV of the Fund and each Class will generally be determined upon the date of determination of the Management Fee and each Withdrawal Date and at such other times as determined by the Trustee (each, a "Valuation Date").

Applications

You can acquire units by completing the Application Form that accompanies this Information Memorandum together with written notice of the deposit details into the Fund's application account. Refer to the Fund's Application Form for the account details and instructions on how to instruct your banking institution to facilitate payment to the Fund bank account. Monies need to be deposited into the Fund's application account no later than the time at which you lodge the Application Form with the Administrator.

Completed, original Application Forms should be sent along with your identification documents (if applicable) to:

State Street Australia Ltd
Unit Registry
Level 14, 420 George Street
SYDNEY NSW 2000

Units will be issued on the first Business Day of each month and such other Business Day or Business Days as may be determined by the Trustee in its discretion from time to time (each, an "Offering Date"). Initial and additional applications to the Fund together with the subscription monies must be received before 2:00pm Sydney time one Business Day prior to the applicable Offering Date.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price is, in general terms, equal to the NAV per unit of the relevant Class as at the immediately preceding Valuation Date. The Application Price will vary as the market value of assets in the Fund rises or falls. The initial issuer price per units will be A\$1.00.

The minimum initial application for units is A\$500,000. Equity Trustees reserves the right to accept lesser amounts. Please note that cash and cheques cannot be accepted.

This Information Memorandum offers investors who are wholesale clients (as defined under the Corporations Act) and, in the case of offers in New Zealand, to persons who are also NZ Wholesale Investors, the opportunity to invest in the Fund. Please contact us if you are unsure as to whether you are eligible to invest in the Fund.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees or the Administrator refuses or is unable to process your application to invest in the Fund, the Administrator will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

New Zealand Investors: Availability and Selling Restriction

The offer made to New Zealand investors is available only to, and may only be accepted by, a NZ Wholesale Investor who has completed a Wholesale Investor Certification. This offer is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (New Zealand). Each New Zealand investor

acknowledges and agrees that:

(a) he, she or it has not offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund; and

(b) he, she or it has not granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund; and

(c) he, she or it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of any units in the Fund in New Zealand other than to a person who is a NZ Wholesale Investor; and

(d) he, she or it will notify Equity Trustees Limited if he, she, or it ceases to be a Wholesale Investor.

Additional applications

Unitholders can apply for additional units on any Offering Date by completing the applicable section of the Application Form and submitting it to the Administrator. There is no minimum additional investment amount and as such, the acceptance of additional applications is determined by the Trustee from time to time. Additional applications should be mailed or faxed to:

State Street Australia Ltd
Unit Registry
Level 14, 420 George Street
SYDNEY NSW 2000
Fax: +61 2 9323 6411

Transfers

All transfers of Units must be effected by written instrument signed by the transferor and containing the name and address of the transferee and the number of units being transferred, provided on a form approved by the Trustee. In addition, each transferee will be required to give the same warranties and representations as if they subscribed for units directly and must also provide such information as the Trustee and/or Administrator deem necessary to verify the identity of the transferee, any beneficial owner and/or source of funds before registration of the transferee as the holder of the relevant units can take place. The Trustee may refuse to register a transfer. A transfer is not effective until registered by the Trustee.

Withdrawals

Unitholders may apply to withdraw from the Fund on the conditions set out below by completing a Withdrawal Form and submitting it to the Administrator. Withdrawal requests should be mailed or faxed to:

State Street Australia Ltd
Unit Registry
Level 14, 420 George Street
SYDNEY NSW 2000
Fax: +61 2 9323 6411

Subject to the Investor-Level Gate and any other limitations on withdrawals set out herein or in the Constitution, withdrawals from the Fund are processed as of the last Business Day of each calendar quarter and such other Business Day or Business Days as may be determined by the Trustee in its discretion from time to time (each such date, a "Withdrawal Date"). Withdrawals from the Fund must be received by the Trustee before 2:00pm Sydney time 90 days before the applicable Withdrawal Date. If the withdrawal request is received by the Administrator after the deadline for any particular Withdrawal Date, it will be treated as a request for withdrawal on the next relevant Withdrawal Date.

The Fund is not obliged to satisfy a withdrawal request. A requested partial withdrawal which would cause the Unitholder's investment to fall below the minimum holding of A\$500,000 (or

such lesser amount as the Trustee may determine) or which could cause the Unitholder's status as a NZ Wholesale Investor to be prejudiced will not be permitted. A withdrawal request may not be withdrawn once given, except as approved by the Trustee.

The Trustee will refuse to accept or process a withdrawal request if it is not accompanied by such additional information as they may reasonably require, including, but not limited to, where information satisfactory to the Trustee or Administrator has not been provided for anti-money laundering verification purposes.

Units will be withdrawn at a price per unit equal to the NAV per unit of the relevant Class as of any applicable Withdrawal Date (the "Withdrawal Price").

The proceeds of withdrawals will generally be paid to a Unitholder within 30 days of the applicable Withdrawal Date for the relevant units.

Investor-Level Gate

Units are subject to a 25% per quarter investor-level gate ("Investor-Level Gate"). Each Unitholder may withdraw up to 25%, 33%, 50% and 100%, respectively, of the NAV of its Units eligible for withdrawal as of any Withdrawal Date (such balance, the "Withdrawal Date Value"), with respect to four successive Withdrawal Dates. In the event a Unitholder withdraws all or any portion of its Units that are eligible for withdrawal on any Withdrawal Date that is not the end of a Financial Year, the performance fee with respect to such units will be calculated and made as of such Withdrawal Date. The 25%, 33%, 50% and 100% amounts described above are hereinafter referred to as the "Applicable Percentage" for a particular Withdrawal Date.

By way of example, if a Unitholder applied to withdraw all of its Units, which are eligible for withdrawal, with such Units' aggregate NAV equal to A\$500,000, then the withdrawals will be processed each calendar quarter end as follows (assuming no capital appreciation or depreciation before or after a given Withdrawal Date):

Quarter ending	Calculation	Amount to be withdrawn (Units)
30 September	25% x A\$500,000	A\$125,000
31 December	33.33% x A\$375,000	A\$125,000
31 March	50% x A\$250,000	A\$125,000
30 June	100% x A\$125,000	A\$125,000

If on any Withdrawal Date a Unitholder requests to withdraw less than the Applicable Percentage for such Withdrawal Date or if, after requesting to withdraw at least the Applicable Percentage for a particular Withdrawal Date, a Unitholder fails to make a withdrawal request of at least the next Applicable Percentage as of the next successive Withdrawal Date, then, in each such case, the Unitholder's next withdrawal request will be treated as a new withdrawal request and the Applicable Percentage will be reset. For the avoidance of doubt, in order for a Unitholder to effect a complete withdrawal of the Units held by such Unitholder eligible for withdrawal in accordance with the Investor-Level Gate, a Unitholder must submit withdrawal requests for the Applicable Percentage applicable to the first available Withdrawal Date and to each successive Withdrawal Date as described above.

A Unitholder that desires to withdraw all of its Units eligible for withdrawal may submit a withdrawal request for an amount equal to the NAV of such Units; provided that such Unitholder will be withdrawn, and will receive withdrawal proceeds, in an amount equal to the Applicable Percentage as of each Withdrawal Date until such withdrawal request has been fully

satisfied (i.e., 25% of the Withdrawal Date Value) as of the initial Withdrawal Date, and the Applicable Percentage, respectively, of the Withdrawal Date Values as of the subsequent Withdrawal Dates.

For the avoidance of doubt, any appreciation or depreciation of the Fund's net asset value over the period during which a withdrawal request is effected will increase or decrease, as applicable, the net asset value of Units to which the Applicable Percentage will be applied.

Units not redeemed from the Fund by virtue of restrictions imposed by the Investor-Level Gate will remain invested in the Fund, and, therefore, will remain subject to the risks of the Fund and subject to the Management Fee, the Performance Fee and the expenses of the Fund until the effective date of their redemption from the Fund.

Income Distributions

The Fund expects to usually distribute income quarterly (each, a "Quarterly Distribution"). Distributions are calculated effective the last day of the calendar quarter and are normally paid to investors as soon as practicable after the distribution calculation date. The amount of each Quarterly Distribution will generally be equal to the net income attributable to a Unitholder's Units during the applicable calendar quarter, less the attributable expenses and reserves of the Fund.

The whole of the Fund's distributable income (if any) for a particular income year ended 30 June will generally be distributed to investors in respect of the relevant income year.

Investors in the Fund can indicate a preference to have their distribution:

- Reinvested back into the Fund; or
- Directly credited to their AUD-denominated Australian domiciled bank account.

The preference can be indicated by contacting the Administrator in writing. If no preference is indicated, the fund automatically reinvests distributions.

If NZ Wholesale Investors elect to have their distribution directly credited, they will need to nominate a bank account held in their own name with an Australian domiciled bank. Cash distributions will only be paid in Australian dollars to such an account. When the distribution is reinvested, NZ Wholesale Investors will be allotted units in accordance with the terms and conditions set out below:

- At the time the price of the units allotted pursuant to the distribution reinvestment plan is set, the Trustee will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require the Trustee to issue, units will be offered to all Unitholders of the same class, other than those who are excluded so as to avoid breaching overseas laws.
- Units will be issued on the terms disclosed to Unitholders, and will be subject to the same rights as units issued to all investors of the same class.

There is available from the Trustee, on request and free of charge, a copy of the most recent annual report of the Fund, the most recent financial statement of the Fund, the auditor's report on those financial statements and the Constitution for the Fund (including any amendments).

Reporting

The Trustee will furnish to Unitholders audited financial statements and tax distribution statements annually.

Each investor will also receive a monthly investor statement.

6. Fees and other costs

Management costs

Management Fee

A management fee of 1.0% plus GST (if applicable) per annum is payable by the Fund to the Investment Manager.

It is calculated and paid monthly in arrears based on the NAV of the relevant Class (before taking into account the estimated accrued Performance Fee, if any).

The Trustee may negotiate the management fee with investors on an individual basis.

Performance Fee

The Fund's performance fee includes amounts that are calculated by reference to the performance of a Class. The performance fee is equal to 17.5% of the amount by which the NAV of the Class (after the deduction of management fees and expenses) exceeds the High Watermark over a Performance Period (adjusted for applications and withdrawals and before the payment of any distribution) and plus GST (if applicable).

"Performance Period" generally means each 12-month period ending 30 June.

The "High Watermark" means the amount which is the greater of:

- the initial Application Price; and
- the highest NAV of a Unit as at the end of the last Performance Period where a performance fee has been paid, adjusted for applications, redemptions and subsequent distributions.

The Trustee will pay the Investment Manager a performance fee as of each Performance Period and Withdrawal Date, as applicable, if the Investment Manager is entitled to such fee, as follows:

- within 30 days of the end of each Performance Period and on the termination date of the Fund or Class, whichever is earlier (or on such later date as agreed by the Investment Manager), from the assets of the Fund or Class (as applicable); and
- in respect of Units withdrawn, from the Withdrawal Price applicable to such Units and within 30 days of the Withdrawal Date (or on such later date as agreed by the Investment Manager).

The Trustee may negotiate the performance fee with investors on an individual basis.

Series of Units

The Trustee may use series accounting to effect the performance fee calculation described above. By using series accounting, a Unitholder bears a performance fee only for the performance generated since such Unitholder received Units in the Fund.

At the end of each Performance Period, all Units which have incurred a performance fee in the relevant Performance Period will be consolidated into a single series, being the oldest series of such Class to have incurred a performance fee in the relevant period (unless determined otherwise by the Trustee). If a Performance Fee is not payable for a particular series at the end of the Performance Period, the series will not be consolidated.

Operating Expenses

The Fund will bear all operating expenses related to the operation of the Fund where those expenses are incurred and are recoverable by the Trustee under the Constitution. These include, without limitation, the following: (i) the management

and Trustee fees; (ii) all investment-related costs and expenses (i.e., expenses that, in the Investment Manager's sole discretion, are related to the research, due diligence and monitoring of investment of the Fund's assets, whether or not such investments are consummated), including commissions and charges, clearing and settlement charges, option premiums and custodial and service fees, brokerage and prime brokerage fees, fees and expenses related to obtaining research and market data, research-related expenses (including, without limitation, the cost of research reports relating to securities, issuers, market segments or geographic regions), expenses relating to reorganizations, restructurings and workouts, expenses relating to short sales, bank service fees, expenses relating to consultants, investment bankers, third-party pricing and quotation services, valuation services providers, attorneys, accountants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, including, without limitation, consulting and appraisal fees; (iii) fees and expenses related to portfolio exposure and performance management systems, risk management products and services, third-party trade surveillance and monitoring software, costs of compliance and portfolio analysis software packages and certain technology including obtaining and maintaining software related to trade reconciliation, treasury, margin, financial and counterparty management, risk monitoring, performance reporting, news, rating agencies, valuation quotation services and trade order management systems (including systems that facilitate trade compliance, commission management, stock locates and transaction cost analysis, and third-party service providers used for implementation, custom reporting, updates, consultations, support, maintenance, monitoring and data extracts); (iv) the Fund's legal, accounting, tax preparation and other tax-related expenses (including preparation and mailing costs of financial statements, tax returns and other reports to investors), auditing, consulting and other professional expenses; (v) third-party administration and operating costs, fees and expenses, including loan administration costs (including any costs, fees and expenses related to investor communications, relations, reporting or other investor materials, tax preparation and related reporting, performance information, data extraction, accounting, administrative, data collection, technology licensing and technology implementation and support services, to the extent outsourced to third parties, and other types of reporting and any audit or accounting services provided by a third-party administrator); (vi) all fees and charges of custodians, clearing agencies, banks and other amounts payable to ratings agencies; (vii) hedging costs; (viii) interest expenses and fees related to financings and refinancings; (ix) compliance and reporting expenses and expenses attributable to regulatory filings that are made with respect to the Fund or assets of the Fund; (x) premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the Fund, the Investment Manager and their respective directors, officers, trustees, employees, agents, representatives and affiliates (including but not limited to directors' and officers' liability insurance, errors and omissions insurance and other policies) against liability in connection with the activities of the Fund; (xi) costs incurred in preparing, printing and delivering reports and notices; (xii) any taxes (including but not limited to any withholding entity-level, subsidiary level or, transfer taxes, stamp duties and other governmental or self-regulatory agency-related charges or duties, transaction taxes and any related interest and penalties); (xiii) expenses incurred in connection with any Side Letters; (xiv) all costs and expenses incurred in attempting to protect and enhance the value of a Fund investment or involving activities of the Fund or any special

purpose entity or subsidiary (including any fees and expenses associated with any pending or threatened litigation, third-party audit, investigation, administrative or other proceeding, as well as any settlement costs); (xv) any fees and expenses incurred in connection with the establishing or organization of the Fund (including, among others, regulatory, legal, accounting and administration expenses, including those associated with the initial offer and sale of Units) and the termination and winding up of the Fund or any subsidiary, if applicable; (xvi) fees paid to proxy and securities class action advisory firms; (xvii) expenses relating to the offer and sale of Units and withdrawals and transfers thereof (excluding fees payable to any placement agent); (xviii) any structuring and legal fees, costs and expenses related to the negotiation of legal agreements and/or the organization and/or maintenance of any intermediate, special purpose or other similar entity used to acquire, hold or dispose of any one or more investment(s) or otherwise facilitating the Fund's investment activities for tax, regulatory or other reasons, including, without limitation, local office rent, local regulatory expenses, board meeting expenses, and telephone and email expenses necessary and/or advisable for the maintenance and operation of such entity, and other overhead expenses in connection therewith; (xix) any other reasonable expenses, in each case, that the Trustee determines to be directly related to the business of the Fund or the purchase, sale, preservation or transmittal of Fund assets (including expenses associated with participation on formal and informal creditor committees and any legal expenses incurred in connection therewith or

otherwise to enforce the Fund's rights in respect of any investment (e.g., expenses relating to reorganizations, restructurings and workouts); and (xx) any extraordinary expenses (e.g., indemnification expenses and tax audits).

The Fund does not have a pre-determined limit on its ordinary or extraordinary operating expenses. As of the date of this IM, the Investment Manager estimates that the ordinary expenses of the Fund (excluding the management fee) will range from 0.15% to 0.25% p.a., though this estimate is dependent on the size of the Fund and actual expenses will vary. Prospective and current Unitholders may obtain a current expense estimate from the Distributor or Investment Manager upon request.

Further information regarding fees and other costs

Differential fees

From time to time the Trustee or Investment Manager may negotiate fees with individual investors that differ from those above or may negotiate Side Letters which address other requirements of individual investors, such as additional reporting requirements. Individual arrangements are generally only available for the largest fund investors.

Can the fees change?

The maximum fees are set by the Constitution (in the case of the Trustee) and by the Investment Management Agreement (for the Investment Manager). Both of these may be changed without requiring the approval of investors.

7. Other Important Information

Cooling off period

No cooling off period applies to units offered under this IM.

Unitholder's liability

The Constitution for the Fund provides that the liability of a Unitholder is limited to the amount which remains unpaid in relation to the Unitholder's subscription for their units. Exceptions to this are limited to there is a separate agreement with a Unitholder or where the Trustee incurs a certain tax liabilities in relation to that Unitholder.

Non-listing of units

The units of the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

Termination of the Fund

Under the Investment Management Agreement, subject to its obligations at law, the Trustee is not permitted to take any action or step to terminate or wind up the Fund without the prior agreement of the Investment Manager. If the Investment Manager gives its prior agreement or the Investment Management Agreement has terminated, then under the Constitution the Trustee may determine a date to terminate the Fund. At least one month's notice will be provided to Unitholders.

Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds realized for a Class will be distributed pro-rata amongst all Unitholders according to the number of units of that Class they hold in the Fund.

Unit Pricing Discretions Policy

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 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 (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request.

Joint Account Operation

For joint accounts, unless indicated to the contrary on the Application Form, each signatory must sign withdrawal requests. Please ensure all signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants unless the Trustee agrees otherwise.

Appointment of Authorised Nominee to Operate Account

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;

- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic Instructions

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or via the internet the investor releases Equity Trustees from and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine):

- that Equity Trustees receives by an electronic communication bearing the investor's investor code; and
- which appears to indicate to Equity Trustees that the communication has been provided by the investor (for example, it has a signature which is apparently the investor's or an authorised signatory's or it has an email address which is apparently the investor's).

The investor agrees that neither the investor nor anyone claiming through the investor has any claim against Equity Trustees or the Fund in relation to such payments or actions.

There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address. Please take care.

Constitution of the Fund

You will be issued Units in the Fund when you invest. Each Unit represents an equal undivided fractional beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular property of the Fund.

The Trustee may issue Units of a single Class or different Classes, with different rights, obligations and restrictions. In that case, a Unitholder's entitlements will be calculated by reference to the assets, liabilities, income and expenses attributed to the Class.

The Trustees' responsibilities and obligations, as the trustee of the Fund, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the trustee of the Fund, and investors. Some of the provisions of the Constitution are discussed elsewhere in this IM.

Other provisions relate to an investor's rights under the Constitution, and include:

- an investor's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- the nature of the units; and
- an investor's rights to attend and vote at meetings.

There are also provisions governing our powers and duties, including:

- how we calculate Unit prices, certain fees we can charge and expenses we can recover;
- when we can amend the Constitution. In accordance with the Investment Management Agreement, subject to our duties at law, we may only amend the Constitution with the prior agreement of the Investment Manager;
- when we can retire as the Trustee of the Fund, which is on six months' notice to Unitholders (or such shorter period as they agree);
- when we can be removed as the Trustee of the Fund - which is when required by law or all Unitholders; and
- our broad powers to invest, borrow and generally manage the Fund.

The Constitution also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets. For example:

- we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act grossly negligently; and
- we can be reimbursed for any liabilities we incur in connection with the Fund.

Copies of the Constitution are available, free of charge, on request from the Trustee.

Indemnity

Equity Trustees, as the trustee of the Fund, is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity extends to any liability incurred as a result of any act or omission of a delegate or agent appointed by the Equity Trustees.

Subject to the Corporations Act, the liability of the Equity Trustees to any person other than a Unitholder in respect of the Fund is limited to the Equity Trustee's ability to be indemnified from the assets of the Fund.

Investment Manager consents

The Investment Manager has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the investment manager of the Fund; and
- To the inclusion of the statements made about it, the Fund, the investment strategy of the Fund and to the statistical information attributed to it in the form and context in which this information appears.

The Investment Manager has not otherwise been involved in the preparation of this IM, nor has it caused or otherwise authorised the issue of this IM. Neither the Investment Manager nor its employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

Administrator consents

The Administrator has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the Administrator of the Fund; and
- to the inclusion of the statements made about it and the Fund in the form and context in which this information appears.

The Administrator has not otherwise been involved in the preparation of this IM, nor have they caused or otherwise authorised the issue of this IM. Neither the Administrator nor their employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

Investment Manager's rights

The Investment Manager has agreed to certain restrictions of the Trustee's rights under its Investment Management Agreement. For example, subject to its obligations at law, without the Investment Manager's prior written consent, the Trustee may not amend the Trust Deed, take steps to wind up the Fund, enter into new service provider agreements, or terminate the Investment Manager (unless the Investment Manager is insolvent or has continuously or materially breached the Investment Management Agreement and has not corrected the breach within 10 Business Days of notice from the Trustee).

The Investment Manager may request that the Trustee retire on 20 Business Days' notice and the Trustee must appoint the Investment Manager's selected replacement as the new trustee.

The Investment Manager may terminate the Investment Management Agreement on 20 Business Days' notice to the Trustee.

Indemnification of the Investment Manager

Under the terms of the Investment Management Agreement, Equity Trustees, in its capacity as trustee of the Fund and out of the Fund's assets, indemnifies the Investment Manager against any direct costs, charges and expenses incurred in connection with:

- any negligence, breach of agreement, fraud or dishonesty of the Equity Trustees or its officers;
- the Investment Manager or any of its officers or agents properly acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Investment Manager or its officers or agents,

except insofar as any loss, liability, cost, charge or expense is caused by the negligence, fraud or dishonesty of the Investment Manager or its officers or supervised agents.

Your 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. Equity Trustees 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, Equity Trustees 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 Equity Trustees 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 Investment 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, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties 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:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- 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.

Equity Trustees or the Investment 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, Equity Trustees' 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 Equity Trustees' Privacy Policy are available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees' Privacy Officer on +61 3 8623 5000 or by email to privacy@eqt.com.au.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to a Unitholder in the Fund on request, but only to the extent Equity Trustees is satisfied that such information is required to enable the Unitholder to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government 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. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents 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 Unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard ("CRS")

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that 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. However, penalties may apply for failing to comply with the CRS obligations.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees 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, Equity Trustees 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, Equity Trustees 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). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Complaints

Equity Trustees 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 us on:

Phone: 1300 133 472

Post: Equity Trustees Limited

GPO Box 2307, Melbourne VIC 3001

Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, 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 contact us first.

8. Taxation

Investing in an unregistered managed investment scheme (such as this Fund) is likely to have tax consequences.

The Australian taxation information below is of a general nature only and does not take into account the specific circumstances of any Unitholder. The Australian taxation information below is intended to be a brief guide only and should not be relied upon as a complete statement of Australian tax laws. The discussion of Australian tax laws is current as at the date of this Information Memorandum. The discussion does not cover tax laws of other jurisdictions.

The general comments below are only intended to apply to Australian tax resident Unitholders (not including temporary residents) who hold their Units in the Fund on capital account for tax purposes. Non-resident Unitholders (or temporary residents) should seek their own advice on the taxation implications of their investment, including in respect of the taxation implications in their jurisdiction of residence.

The Trustee does not accept any responsibility or make any representation as to the tax consequences of investing in the Fund.

Before investing in the Fund, you should seek your own professional tax advice about the Australian tax (including income tax, GST and stamp duty) consequences of investing in the Fund.

Characterisation of the Fund

The Fund may be characterised for income tax purposes either as:

- a flow through trust that is taxed in accordance with Division 6 of the *Income Tax Assessment Act 1936* (Cth) or;
- a public trading trust that is subject to tax under Division 6C of the *Income Tax Assessment Act 1936* (Cth), which would mean that it is not a flow through trust.

The Fund is not presently anticipated to qualify as a managed investment trust (MIT), or make an election to become an attribution managed investment trust (AMIT), although a detailed assessment of its status would need to be undertaken in the light of the investor base. Comments in this regard under the heading "Taxation of the Fund – General" are provided for completeness only.

Other than in respect of the comments under the heading "Taxation of the Fund – Public Trading Trust", the comments below relate to circumstances where the Fund is subject to tax in accordance with Division 6 of the *Income Tax Assessment Act 1936* (Cth).

Taxation of the Fund – Public Trading Trust

Whether the Fund is subject to Division 6 or Division 6C of the *Income Tax Assessment Act 1936* (Cth) will depend on whether it is characterised as a "public trading trust", which requires that it be both a "trading trust" and a "public unit trust".

The Fund will be characterised as a "trading trust" in respect of a year of income if, at any time during the year of income, it:

- carried on a "trading business"; or
- controlled, or was able to control, directly or indirectly, the affairs or operations of another person in respect of the carrying on by that person of a "trading business".

A "trading business" is considered to be carried on where a person's business does not consist wholly of "eligible investment business". Eligible investment business consists of

prescribed categories of investing (or potentially trading). There are safe harbour allowances which, among other things, may apply to disregard minor breaches of the "eligible investment business" condition.

While many of the categories of investments that may be made by the Fund fall within the definition of "eligible investment business", some of the categories do not. Accordingly, where the Fund carries on those activities (or controls another person who carries out those activities), the Fund may be treated as a trading trust. The Investment Manager intends to manage this appropriately to reduce the risk (where possible and appropriate) of the Fund being characterised as a "trading trust", though it cannot guarantee such characterisation.

Where the Fund is characterised as a "trading trust", and where it is also a "public unit trust", it will lose its flow through status and (in general terms) be taxed in a similar manner to a company.

Where the Fund is a public trading trust, the Trustee is liable to pay tax at the corporate income tax rate (generally, 30%) on the net (i.e., taxable) income of the Fund. Please refer to "Taxation of the Fund – Net Income".

In addition, distributions from the Fund are generally treated, for certain income tax purposes, as dividends paid to Unitholders to which franking credits can be attached. Certain amounts (such as returns of trust corpus) may not be treated as assessable income of the Unitholders, subject to certain integrity regimes that can have the effect of recharacterising returns of trust corpus as dividends.

For Australian resident Unitholders, you will generally be required to include in your assessable income any distributions received by the Fund (including any attached franking credits), and you may be entitled to a tax offset equal to any attached franking credits.

The comments below relate to circumstances where the Fund is subject to tax in accordance with Division 6 of the *Income Tax Assessment Act 1936* (Cth).

Taxation of the Fund – General

Where the Fund is subject to Division 6 of the *Income Tax Assessment Act 1936* (Cth), all of the net (i.e., taxable) income of the Fund is expected to be taxed in the hands of Unitholders rather than the Trustee, except if trustee tax in respect of non-resident Unitholders or Unitholders under a legal disability applies, or if trustee tax arises because the Unitholders are not presently entitled to the entirety of the income of the Fund.

For Australian resident Unitholders, you will generally be required to include in your assessable income your share on the net (i.e., taxable) income of the Fund, determined by reference to your proportionate share of the income of the Fund. The timing of when the Fund's net income is to be included in your assessable income may be different to when you receive distributions.

Where the Fund is a qualifying MIT that makes an election to become an AMIT (which is not currently anticipated), the income tax outcomes for Unitholders should be generally the same as where the Fund is subject to Division 6. However, key features exclusive to the AMIT regime include that:

- the Fund will be deemed to be a fixed trust for income tax purposes;
- as an AMIT, where the Trustee's determination of relevant tax components is incorrect, the Trustee may be entitled to treat the difference as an "under" or "over" in a subsequent income year; and

- as discussed under the heading “Taxation of Distributions” below, Fund distributions may decrease the Unitholder’s cost base in its units. Where the Fund is an AMIT, Unitholders’ cost base in units may also increase in certain circumstances.

Following the end of the Fund’s income year, the Trustee will send you relevant tax details, including details of assessable income, capital gains or tax credits.

Taxation of the Fund – Net Income

The net (i.e., taxable) income of the Fund (broadly) means the total assessable income of the Fund, less allowable deductions. Given the nature of the investments that may be made by the Fund, the assessable income may include dividends, interest, gains on financial arrangements, and capital gains.

It is expected that the Fund will be subject to the Taxation of Financial Arrangements (“TOFA”) regime. In broad terms, the TOFA regime applies to certain financial arrangements, and (generally) has the effect of applying a compounding accruals basis to the taxation of sufficiently certain gains and losses from relevant financial arrangements. To take an example, if a bond were acquired at a discount to face value, the amount of the discount is likely to constitute a sufficiently certain gain, which would be required to be spread on a compounding accruals basis over the period to which it relates. Accordingly, it is possible that gains (or losses) may arise under TOFA in circumstances where no gain or loss has been realised (such as the repayment of principal in the case of a bond bought at a discount to face value).

More generally, the taxation treatment of some of the investments that may be made by the Fund can be complex, and can turn on the specific form of the arrangement (such as Securities Lending Arrangements).

The Fund may derive foreign source income that may be subject to foreign withholding tax, and to which Unitholders may be presently entitled. Australian resident Unitholders should include in their assessable income their share of both the foreign income and the amount of any foreign tax withheld from the amounts included in their assessable income. In such circumstances, Australian resident Unitholders may be entitled to a Foreign Income Tax Offset (“FITO”) for the foreign withholding tax paid, which they may be eligible to offset against the Australian tax payable on the foreign source income. Unitholders will need to independently determine their eligibility for the FITO.

It is possible that the investments of the Fund could result in the Fund being considered an attributable taxpayer in a controlled foreign entity. In the event that Australia’s controlled foreign company regime did apply to investments, and as a general summary of the potential implications, Unitholders in the Fund may be assessed on an accruals basis on their portion of the attributable income/gains made by the controlled foreign company, even where these have not been distributed to the Fund (or, indeed, to the Unitholders).

Taxation of Distributions

As noted above, Unitholders are expected to be required to include in their assessable income their share of the Fund’s net (i.e., taxable) income, determined by reference to their proportionate share of the income of the Fund to which they are presently entitled.

In addition, it is possible that distributions from the Fund may exceed (or fall short of) a Unitholder’s share of the Fund’s net (i.e., taxable) income.

Where the distributions from the Fund exceed a Unitholder’s share of the Fund’s net (i.e., taxable) income, the excess is generally treated as a “tax deferred distribution”. Generally,

tax-deferred distributions should not be included in your assessable income, but should decrease the cost base of your Units in the Fund. If the cost base is reduced to nil, further receipts of tax-deferred distributions should be taxable as a capital gain (to which a discount may apply).

Where the distributions from the Fund fall short of a Unitholder’s share of the Fund’s net (i.e., taxable) income, no cost base uplift should be available.

Distributions reinvested to acquire additional Units in the Fund under the distribution reinvestment plan will attract the same Australian income tax consequences as if the distribution had actually been paid to you in cash.

Taxation of Disposal of Units

A taxable capital gain or loss may be realised in the event that Units in the Fund are redeemed or otherwise disposed of. Resident individuals, trusts or complying superannuation entities, who have held Units for at least 12 months prior to disposal or redemption, may be entitled to discount capital gains treatment. The CGT discount is 50% for an investor that is a resident individual or trust, and 33% for an investor that is a complying superannuation fund. Capital losses may only be offset against capital gains that the investor makes in the same income year the loss is made or subsequent income years, subject to certain loss integrity rules.

If you dispose of your units by a redemption, you may be distributed some of the net (i.e., taxable) income of the Fund. Any distribution of income that occurs in connection with a redemption of units from the Fund may affect the amount of net capital gain realised on disposal of your units. Unitholders should seek professional tax advice about the treatment of the disposal of their units in the Fund, particularly if an entitlement to the income of the Fund is included in the redemption amount.

ABN and TFN

The Trustee is authorised under the Taxation Administration Act 1953 (Cth) and the Income Tax Assessment Act 1936 (Cth) to collect TFNs and ABNs in connection with your investment in the Fund.

Providing your TFN is not compulsory and it is not an offence to not provide your TFN, but without it or the appropriate exemption information the Trustee may have to withhold tax from your distributions at the highest marginal tax rate (plus Medicare levy) until your TFN or exemption is provided. You may prefer to provide your ABN as an alternative to your TFN if your investment is made in the course of an enterprise carried on by you.

You may be able to claim a credit in your tax return for any TFN/ABN tax withheld.

GST

References to GST in this Information Memorandum are to GST as defined in the A New Tax System (*Goods and Services Tax*) Act 1999 (Cth). No GST should be payable on the acquisition, disposal, redemption or transfer of units in the Fund, nor on any income distributed in respect of the Units held by a Unitholder in the Fund.

GST may apply to fees and expenses charged to the Fund, and those fees and expenses plus any applicable GST may be recoverable from the assets of the Fund. Depending on the nature of the fees and expenses, the Fund may not be entitled to input tax credits in respect of that GST, or may only be entitled to reduced input tax credits (RITCs) in respect of that GST.

Stamp duty

The stamp duty implications in respect of the acquisition, disposal, redemption or transfer of Units in the Fund will depend on the assets of the Fund at the time of the relevant transaction. Provided that the assets of the Fund solely comprise investments outside of Australia (ie there is no nexus to Australian assets or investments), no stamp duty implications should arise.

Investors should seek independent advice in respect of any dealings in the Units in the Fund at the relevant time.

New Zealand Tax Implications for New Zealand Resident Unitholders

New Zealand tax residents wishing to invest in the Fund are strongly encouraged to see independent professional advice.

For New Zealand tax purposes, the Fund is considered to be a unit trust, meaning it is deemed to be a company. NZ Wholesale Investors are therefore treated as holding shares in an Australian resident company.

NZ Wholesale Investors will be taxed on their units under the Foreign Investment Fund ('FIF') rules unless the de minimis concession, explained further below, applies. Further, the investment in the Fund will not fall within the very limited FIF exemption for certain Australian unit trusts. The following summary relates to direct investment into the Fund and assumes that no New Zealand investor will have an interest in 10% or more of the Fund.

Where the FIF rules apply, NZ Wholesale Investors will need to calculate their FIF income each year under one of five calculation methods prescribed by New Zealand's Inland Revenue, being:

- fair dividend rate method ('FDR');
- comparative value method ('CV');
- attributable FIF income method;
- deemed rate of return method; or
- cost method.

The default method is the FDR method. Under this method, most NZ Wholesale Investors will be taxable each year on 5% of the opening market value of their investment in the Fund. Special FDR calculation rules apply to unit trusts or other investors who value their units on a regular basis.

Under the FDR method, dividends or any gain on the sale or withdrawal of units in the Fund are not separately taxed in New Zealand. However, quick sale rules will apply to units bought and sold during the income year which result in the investor being taxable generally on the lesser of any gain on the quick sale and 5% of the cost of the units (determined on an average cost basis). No deduction is available for any losses under the FDR method.

Individuals and eligible family trusts have the option to calculate FIF income under the CV method based on their actual economic return, which may result in a lower tax liability than calculated under FDR. Where the choice of FDR or CV methods is available, Unitholders may choose the method that produces the lower taxable income each income year, but the method must be applied consistently to all FIF interests for that income year. No deduction is available for any losses calculated under the CV method.

It is recommended that independent professional tax advice is sought in relation to the other calculation methods and the eligibility criteria for each method.

A de minimis concession from the FIF rules applies to individual investors who hold offshore shares (excluding certain Australian listed shares) with an aggregate cost of up to NZ\$50,000. Individual investors may choose whether to apply the NZ\$50,000 de minimis threshold or apply the FIF rules. Individual Unitholders who apply the de minimis exemption will be taxed under ordinary tax rules on distributions from the Fund. Under ordinary tax rules, distributions from the Fund will be treated as dividends for New Zealand tax purposes and taxed at the unitholder's marginal tax rate. In certain circumstances, Unitholders that apply the de minimis concession may be taxed on redeeming units in, and on the exit of, the Fund.

Australian tax may be withheld from distributions to non-residents to. Any Australian withholding tax deducted from distributions from the Fund may be able to be credited against the NZ Wholesale Investor's income tax liability in respect of the investment in the Fund calculated under either the FIF rules or ordinary tax rules. The amount of the credit allowed is the lesser of the New Zealand tax payable on the Unitholder's income for the interests in the Fund or the Australian withholding tax paid. Note however that NZ Wholesale Investors are generally not entitled to claim a tax credit in New Zealand for overseas withholding tax deducted with respect to the Fund's underlying investments, nor for any Australian tax imposed directly on the income of the Fund (e.g. if it is treated as a "public trading trust" for Australian tax purposes and subject to Australian tax at the 30% Australian corporate tax rate).

While the above reflects our understanding of New Zealand tax treatment in respect of investments in the Fund as at the date of preparation of this IM, New Zealand tax treatment of investments in FIFs is subject to change and may differ in individual circumstances. We recommend NZ Wholesale Investors seek their own professional tax advice regarding their tax implications.

9. Glossary

AML/CTF Act – the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

APRA – Australian Prudential Regulation Authority.

ASIC – Australian Securities and Investments Commission.

ATO – Australian Taxation Office.

Application Form – the application form accompanying this IM that is used to acquire Units.

AUSTRAC – Australian Transaction Reports and Analysis Centre.

Business Day – any day (except Saturday and Sunday) on which banks in Sydney and New York are open for business, or such other or further day or days as may be determined by the Trustee in its discretion from time to time.

Class – a class of Units in the Fund.

Constitution – refers to the trust deed establishing and governing the Fund dated 18 July 2024, as amended from time to time.

Corporations Act – the Australian Corporations Act 2001.

CPI – means the consumer price index as published by the Australian Bureau of Statistics.

Financial Year – means a twelve-month period ending on 30 June.

Fund – means the Shenkman Opportunistic Credit Trust governed by the Constitution.

GST – Goods and Services Tax

IM – the Information Memorandum of the Fund.

Investment Management Agreement – refers to the investment management agreement under which the Trustee has appointed the Investment Manager as the investment manager of the Fund, dated 26 July 2024, as amended from time to time.

Net Asset Value or NAV – the market value of the Fund's or Class's (as applicable) assets less certain liabilities.

NZ Wholesale Investors – a person who is a wholesale investor as defined by the Financial Markets Conduct Act 2013.

RITC – means Reduced Input Tax Credits.

SEC – means the United States Securities and Exchange Commission.

Unitholder – a person who completes and submits an Application Form and subscription funds to the Fund in accordance with the terms of this Information Memorandum and whose application has been accepted and who is registered as a holder of units under the Constitution.

Units – units in the Fund, as offered pursuant to this Information Memorandum.

Withdrawal Form – the form required to be submitted by a Unitholder in order to make a withdrawal from the Fund. The form is available upon request from the Administrator or Distributor.

Wholesale Client – persons or entities defined as wholesale clients under section 761G of the Corporations Act.