

# Australian Eagle Trust



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# Disclaimer

## Wholesale clients only

This Information Memorandum has been prepared by Alleron Investment Management Pty Ltd (ABN 71 109 874 160) (Australian Financial Services Licence No. 278856) (**Alleron** or **Trustee**).

This Information Memorandum is an important document that should be read before making a decision to invest in the Australian Eagle Trust (the **Fund**). In particular, you should read this document carefully and:

- assess whether the investment is appropriate for you before making a decision to acquire units in the Fund;
- evaluate the taxation implications of investing in the Fund; and
- consider talking to financial and tax advisers before making an investment decision.

The information contained in this document is general information only. It has been prepared to help you decide whether this product will meet your needs and may assist you to compare this product to others you may be considering. This document does not and is not intended to contain any recommendations, statements of opinion or advice. In any event, the information in this document does not consider any individual person's objectives, financial situation or particular needs.

This Information Memorandum and the offer of units in the Fund are available to investors resident in Australia and elsewhere receiving this document (including electronically) in Australia or elsewhere who qualify as "wholesale" clients as that term is defined in section 761G and 761GA of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Trustee may also accept applications for investors who are otherwise permitted to invest as permitted by the Corporations Act. Investors who are not resident in Australia can invest in the Fund only where they are permitted by law to do so.

If you are printing an electronic copy of this document, you must print all pages including the Application Form. If you make this document available to another person, you must give them the entire file or print out, including the Application Form. An electronic copy of this document (and any supplementary documents) can also be obtained free of charge on request by calling the Administrator. Units in the Fund cannot be issued unless you use an Application Form attached to either a paper or electronic copy of this document, or for additional investments, another method agreed with the Trustee.

## Acceptance of conditions

By submitting an Application Form, you accept and agree to the conditions in this document. If you do not accept and agree to these terms and conditions, you must return this Information Memorandum immediately to the person providing it to you.

## Confidentiality

You may receive further information in relation to the Fund from Alleron or any of its related entities or any of their respective officers, employees, agents or advisers (**Information Parties**). You acknowledge that all information contained in the Information Memorandum and any further information (together, **Information**) must be treated as confidential.

## No representation of completeness or accuracy or that reasonable care taken

None of the Information Parties makes or gives any representation, warranty, or guarantee, whether express or implied, that the information is complete or accurate or that it has been or will be audited or independently verified, or that reasonable care has been or will be taken by them in any way by you in assuming any contractual or other obligation or liability, whether in relation to the units of the Fund, or any assets held by the Fund.

The issue of this document is authorised solely by Alleron. Apart from Alleron, no other person or company (whether or not related to Alleron) is responsible for any statement or information contained in this document.

## Updates to Information

Information set out in this document is subject to change from time to time. Information not materially adverse to Unit Holders in the Fund may be amended without issuing an updated or supplementary document. Any updates to information will be sent to Unit Holders electronically.

## Future matters and projections

Nothing contained in this Information Memorandum or any other Information is, or should be relied upon as, a representation as to future matters. The Information may contain projections, estimates, forecasts, and other forward looking information, including some Information which has been compiled by independent persons (together, **Forecasts**). Matters relating to the Fund are influenced by many factors. Accordingly, the Forecasts, if any, are based on assumptions which are subject to significant uncertainties and contingencies, some of which are outside the control of the Information Parties. No representation, warranty or guarantee whether express or implied, is made or given that any Forecast contained in the Information will be achieved and actual future results may vary significantly from the Forecasts and the assumptions on which they are based. Specifically, the provision of Information sourced from independent persons is solely to provide additional information to you and is not, and should not be taken as an endorsement by Alleron of its contents. Nor does reference to any person by Alleron (or any other person) in the provision of Information indicate that such a named person endorses the Fund, Alleron or is otherwise connected with the issue of units.

The value of your investment may rise and fall, and at times your returns may be negative. Neither Alleron, nor any of its related companies, directors, officers or our external service providers, guarantees that your investment will appreciate in value or retain its value, guarantee the repayment of capital or guarantee the performance of the Fund. Investment in the Fund is subject to investment risk including possible delays in repayment and loss of income or of capital invested.

### Potential investors to make independent investigations

This Information Memorandum is provided on the express basis that it does not purport to provide all the information that you may require to evaluate or make an investment decision. You should carry out independent inquiries and investigations into, and independent assessment and review of, the Information including the Forecasts and should make your own independent decision regarding investment in the Fund. None of the Information Parties accepts any responsibility for any inference, interpretation, opinion or conclusion that you may draw or form from the Information or which may otherwise be based on or arise from the Information. Alleron strongly recommends that you obtain independent financial, legal and taxation advice before deciding to acquire units in the Fund. No independent review of the units in the Fund has been obtained or commissioned by Alleron.

### GST

Unless stated otherwise, all fees are exclusive of GST. All monetary amounts referred to in this document are given in Australian dollars (unless otherwise specified).

### Unregistered management investment scheme

The Fund is not currently registered with the ASIC pursuant to Chapter 5C of the Corporations Act and is not required to be so registered. The Fund may become registered with the ASIC at some time in the future and by acquiring units in the Fund, Unit Holders are taken to agree to the Fund becoming registered at that future time.

### Capitalised terms

Capitalised terms have the meaning given to those words in the Glossary section of this Information Memorandum.

# Overview of the Offer

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Information Memorandum.

## The Offer Summary

This Information Memorandum offers investors the opportunity to invest a minimum of \$500,000 in the Australian Eagle Trust (the **Fund**). Alleron has the discretion to waive or vary this minimum requirement.

The offer of units in the Fund are available to investors both resident in Australia and elsewhere receiving this document (including electronically) in Australia or elsewhere who qualify as "wholesale" clients as that term is defined in section 761G and 761GA of the Corporations Act. The Trustee may also accept applications from investors who are otherwise permitted to invest as permitted by the Corporations Act. Investors who are not resident in Australia can invest in the Fund where they are permitted by law to do so.

## The Trustee and Investment Manager

The Trustee and Investment Manager of the Fund is Alleron. Alleron is a specialist investor in Australian equities and holds Australian Financial Services Licence (AFSL) No.278856.

## The Investment Structure

The Fund is an unregistered managed investment scheme.

A managed investment scheme differs from a discrete portfolio managed on behalf of an investor under an investment management agreement and invested in accordance with an agreed mandate.

In particular, a decision by one Unit Holder to redeem units in the Fund, may cause the Trustee to make a distribution to all investors in the Fund with potentially adverse taxation implications; and a decision by an investor to apply for units may impact the portfolio of the Fund for existing Unit Holders. You should consult a professional advisor to consider whether a managed investment scheme is a suitable investment for you.

## Investing in the Fund

### Applying

To invest in the Fund you must complete the Application Form attached to this Information Memorandum.

The minimum investment is \$500,000. Alleron has the discretion to waive or vary this minimum requirement, provided that the status of the investor as a wholesale investor is not compromised in terms of the Corporations Act requirements.

The Trustee may reject applications for any reason, in part or in full, at its absolute discretion. The unit price is normally updated monthly. As the Administrator of the Fund uses series accounting so that investors will be charged Performance Fees based on the performance of their investment in the Fund, all new investors enter the Fund at a fixed unit price determined from time to time by the Trustee.

### How to Invest?

An Application Form at the back of this Information Memorandum must be completed.

Applications are normally processed at the commencement of each month. Generally, an application must be received by 5.00pm on the fourth business day prior to the last business day of the month for it to be processed at the beginning of the next month. Units will typically be issued in the month following receipt of valid applications. By prior arrangement with the Trustee, an application may be accepted intra-month, following which a unit price will be determined and units allotted.

Any interest earned on monies in the application account between the time the monies are received and the time the application is processed will be credited to the Fund.

Application monies may be paid by cheque forwarded with the Application Form or by electronic transfer of monies. If you wish to invest via an electronic transfer of funds, please pay to the account specified in the Application Form at the back of this Information Memorandum. You must carefully follow the instructions for making deposits via electronic funds transfer.

A confirmation of units issued will be sent by the Administrator within 21 business days from the time units are issued. Applications may be refused in full or in part at the discretion of the Trustee.

### Principal terms of the Fund

The Australian Eagle Trust is an unlisted wholesale fund specialising in Australian listed equities. The Fund is only open to wholesale clients as defined in section 761G and 761GA of the Corporations Act and clients who are otherwise permitted to invest in accordance with the Corporations Act.

A Management Fee of 1.5% (excluding GST) per annum will be paid to the Investment Manager. The Management Fee will be calculated on the gross value of assets calculated as at the first time the Fund is valued after the end of each month, accrued daily and payable monthly in arrears.

The Trustee is entitled to a Performance Fee of 20% of the out-performance of the value of the assets as at the first time the Fund is valued after the end of each quarter and payable quarterly in arrears. Accrued Performance Fees applicable to an investor will be due and payable upon redemption. Out-performance is the increase in the value of the assets (adjusted for any new issues, redemptions and distributions) over the Benchmark, measured as a percentage.

Fees for administration, custody and registry services also apply. However, the Trustee will reimburse the Fund for these fees until the Net Asset Value of the Fund first exceeds \$30m.

Further information on fees and expenses is provided in the section "Fees and expenses" of this document. Unit pricing information will be available on request and updated monthly. The updated unit price will become the unit price for new investors wishing to apply for Units.

Redemption requests must be received at least 30 days prior to the start of the first business day of the month in which you wish to withdraw. However, in some circumstances the Trustee may delay redemptions in accordance with the Trust Deed.

It is intended that distributions (where payable) will be made annually for the period ending June 30 each year. Investors may elect to re-invest any distributions back into the Fund at the mid unit price determined following the last business day of June for that year. Please see the Application Form if you wish to elect this option. Distributions could be paid more or less frequently at the Trustee's discretion.

Investors by request, are able to receive via email, monthly unit pricing and quarterly portfolio reports. Investors will also receive any audited annual financial statement and reports and annual distribution statement.

### Privacy of Investors

Investors' privacy is important to Alleron.

The Application Form accompanying this Information Memorandum requires you to provide personal information. The Trustee and the Trustee's service providers may collect, hold and use your personal information during the provision of investments services to you. The law may also authorise or require the Trustee or its service providers to collect personal information.

Your information may also be used to inform you about other investment opportunities or other matters that the Trustee thinks may be of interest to you. Please contact the Administrator if you do not want your personal

information to be used for this purpose or to request a copy of your personal information held by the Administrator. Alternatively, you may make this election on the Application Form.

We aim to ensure that the personal information we retain about you is accurate and complete. If you provide us with inaccurate or incomplete information we may not be able to provide you with the products and services which you are seeking.

By providing the information required in the Application Form, you warrant you have agreed to the collection, use and disclosure of your information as described above.

Australian Executor Trustees Limited (AET) may collect your personal information for primarily purpose of providing custodial services to the Trustee and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the Trustee, professional advisers, the land titles office and/or as otherwise instructed by the Trustee. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at [www.aetlimited.com.au/privacy](http://www.aetlimited.com.au/privacy)

Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023

To obtain a copy of Alleron's Privacy Policy, please contact Alleron using the following contact details:

Privacy Officer  
Alleron Investment Management Pty Ltd  
Level 9  
60 Carrington Street  
Sydney NSW 2000  
Australia

Phone: +61 2 8252 7559

Email: [compliance@alleron.com.au](mailto:compliance@alleron.com.au)

## Overview of the Australian Eagle Trust

### Investment Objective of the Fund

The Fund aims to provide capital growth over the longer term through a leveraged investment in Australian shares. Commensurate with this, the objective of the Fund is to substantially outperform the ASX 100 index over a period of 5 years. Returns are not guaranteed.

Alleron, as Investment Manager, is responsible for the investment of the Fund's assets and the implementation of the investment strategy which is described below. The current duties and background of the Investment Managers' investment team can be provided by request to the Trustee.

### Investment Philosophy

Alleron believes a portfolio of stocks with sound growth characteristics, transformative possibilities and a margin of safety can deliver great outperformance.

Good quality growth stocks will have characteristics such as growth in product markets, brand and product differentiation and management expertise. Alleron also likes to see a demonstrated willingness to deliver returns back to shareholders. Stocks with these characteristics can provide a great margin of safety while retaining the ability to create a new paradigm for themselves and their investors.

A valuation edge occurs when short term price behaviour fails to reflect longer term fundamental factors. An exciting example of such mispricing is when it underestimates the likely impact of emerging positive or negative change in a company's underlying businesses.

Alleron believes that a qualitative, imaginative approach grounded in real experience is best for identifying emergent change that can transform the value of a company.

At a portfolio level, the risk and return characteristics can be fine-tuned using rigorous quantitative techniques and melding those techniques with creative insights to ensure all identified risk is rewarded.

Alleron believes culture is the foundation needed to stay the course. Culture is knowing who you are! To paraphrase Epictetus – *“Circumstances do not make the team, they only reveal the team to themselves”*.

## Investment Strategy of the Fund

In essence, Alleron seeks to buy superior quality stocks with a sensible risk buffer and hold those investments so that the longer term advantages of these companies manifest in a superior rate of return. For Alleron, these superior companies are characterised by great management who are committed to shareholders, operate in a growing market, and have a long term competitive advantage. The Alleron investment process is designed to identify those stocks that have the most characteristics of a superior company, whilst also offering a valuation edge. An initial investment in such a company would be accompanied by an energy argument which incorporates evidence that a material change in, for example, a company's growth profile, was manifesting in support of Alleron's investment thesis about the company.

On the short side, we seek to sell companies that do not display these characteristics or rank poorly on such characteristics compared to the superior companies. Such companies may rank lower on management characteristics, operate in a competitive or shrinking market or do not have a long term competitive advantage and are judged by Alleron to be fully valued relative to their prospects.

The process of finding these companies is derived from the same fundamental bottom-up research process that Alleron has consistently applied since its founding in 2004 for long only portfolios.

## Investment Universe

The Investment Universe includes, but is not limited to the following:

- Ordinary shares listed on the Australian Securities Exchange (**ASX**)
- Convertible notes listed on the ASX
- Property fund units listed on the ASX
- Share price futures and options traded on the ASX
- Any unlisted shares or fund units where an ASX listing is anticipated within 6 months of purchase and specified in a formal offer document or information memorandum
- Unlisted derivatives such as contracts for differences (CFDs), options and swaps on ASX listed companies or indices.
- Any underwriting, sub-underwriting, or other similar transactions which give rise to an investment commitment or contingent liability for listed shares or unit trusts.
- Preference shares listed on the ASX
- Equity fund units listed on the ASX
- Company issued options listed on the ASX
- Any other physical securities listed on the ASX
- Any bonus issue, rights issue, placement or any other corporate issue listed on the ASX or to be listed in the next 6 months
- Any underwriting, sub-underwriting, or other similar transactions which give rise to an investment commitment or contingent liability for unlisted shares or unit trusts where an ASX listing is anticipated within 6 months of purchase and specified in a formal offer document or information memorandum.

From time to time cash or various cash equivalents may be held in the Trust.

## Key features of the Investment Process

Alleron uses the following stage by stage process to determine its investment stock grades.

### Stage 1 - Development of the quality rating for each stock covered by Alleron's proprietary research process

Each stock in the top 100 stocks listed on the ASX by market capitalisation and selected stocks outside the top 100 (as determined by Alleron) is assessed with respect to Alleron's qualitative rating on a regular and intensive basis. As a result of the focus on the top 100 stocks and the ability to 'pursue' ex 100 stocks when appropriate, the Alleron team as a guideline will have approximately 130 stocks allocated to the analysts as their primary responsibility at any point in time.

The quality screen operationalises the Investment Manager's superior company philosophy by expanding the Investment Manager's core factors of market, competitive advantage and good management to 10 attributes, being as follows:

- 1 Management track record and succession plan
- 2 Sustainable competitive advantage
- 3 Growth aspect of competitive advantage
- 4 Capital deployment opportunity and strategy implementation ability
- 5 Capital management (ROE and shareholder value enhancement)
- 6 Financial health
- 7 Market size-regional /global
- 8 Barriers to entry
- 9 Organic growth
- 10 Cyclicity-short, medium or long

The relevant analyst allocates a score from 1 to 5 for each of the individual factors. These factors are then added to give an overall quality rating of 10 to 50 points for each stock.

The process involves rigorous discussion of the factors as they relate to the specific company, but also, methodical and rigorous thought is applied to how the company rates on the key criterion relative to all other companies in the consideration set.

The stock scoring process allows the analyst latitude in their thought processes and creativity whilst ensuring that the Investment Manager's philosophy remains the bedrock of its approach. In addition, no matter how wide ranging the thought processes, the discipline of the Alleron qualitative score ensures that for each researched stock Alleron has a synthesised and succinct longer term judgment of each business relative to its immediate peers and to all other stocks that have been analysed.

It is important to note that only stocks that achieve a quality score of **30** or higher can be considered as candidates for investment in the long portfolio. This ensures that only stocks that according to the Investment Manager's superior company benchmark are above average in a relative sense can be included in the long portfolio.

Stock selection for the short portfolio represent those companies that Alleron identifies as part of its research process to be of lower quality than its long portfolio and stocks that may be fully valued relative to their prospects.

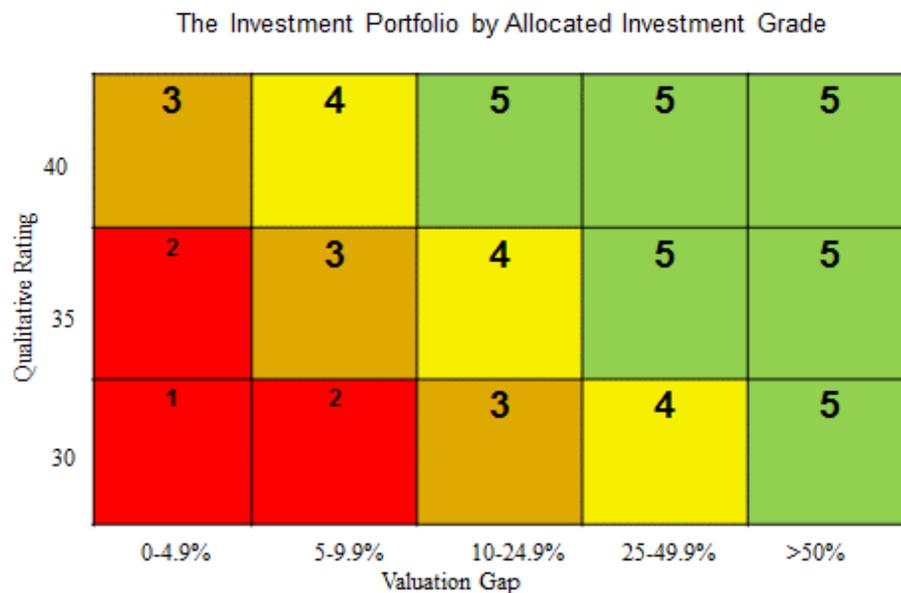
Alleron in the vast majority of cases does not use a large amount of broker research as an input to the qualitative score process, or indeed any aspect of its investment process. Alleron uses predominantly official releases and uses sources such as the internet to access relevant secondary research material.

## Stage 2 – Relative valuation gap assessment for identified high quality stocks

The analyst determines a sensible valuation for the company being researched using well understood valuation metrics. The output of the valuation process is a set of valuation ranges that are compared to the relevant stock price to provide an estimate of each stock's valuation gap. The valuation gap provides a consistent tool for estimating the potential upside in each stock, and is a primary metric in the segmentation and ranking of the research universe.

## Stage 3 – Allocation of the stocks investment grade

Each stock is assigned an investment grade from 1 to 5, where 5 is the highest quality investment. The investment grade is a function of the stock's quality score and estimated upside as explained in stage 1 and 2 previously.



The assigned investment grades are the basis for stock selection and portfolio weighting for each stock within the portfolio.

## Portfolio Construction

The Fund uses an index independent approach to building the long side portfolio, aimed at ensuring our best investment ideas have the exposure within the portfolio, without reference to the stock's specific index weight. This means the long portfolio will comprise of predominantly stocks with an investment grade of 4 or 5, with a more limited exposure to stocks with an investment grade of 3.

The Fund also uses a qualitative and quantitative risk overlay process to assist in managing long term volatility and drawdown patterns within the long portfolio. The Fund will usually have between 25 and 35 long stocks in the portfolio.

Stocks that are shorted within the Fund will usually have a lower investment grade and will most often be selected within the top 100 stocks. Our analysis across 10 years suggests that the number of short stocks will usually be between 12 and 25 stocks.

The same qualitative and quantitative risk overlay employed for long stocks, is used with the overall short stock portfolio to assist in managing the overall risk characteristics of the Fund.

A long position may be up to 10% of the Fund and a short position may be up to 7% of the Fund at the point of inclusion in the portfolio.

#### Asset allocation ranges

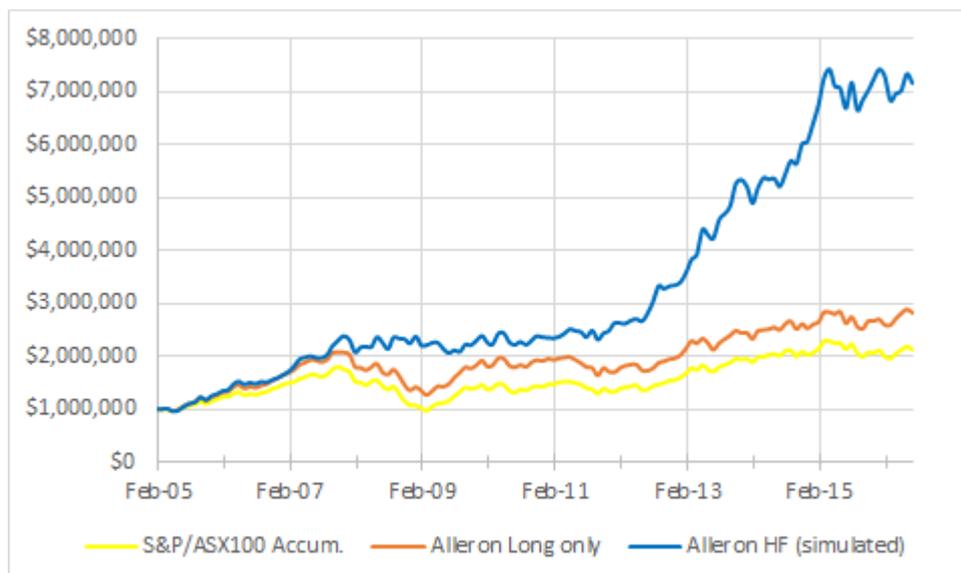
The following are typical asset allocation ranges for the Fund. If market movements, or investments into or withdrawals from the Fund, cause the Fund to move outside these ranges, this will be addressed by Alleron as soon as reasonably practicable.

	Minimum	Maximum
Long securities	90%	170%
Short securities	-70%	0%
Cash	-10%	10%
Net equity exposure	90%	110%
Gross equity exposure	90%	240%

As part of the strategy, Alleron may occasionally move the Fund entirely or substantially to cash should Alleron believe that market conditions warranted. Should regulatory conditions not permit it, Alleron reserves the right to close all positions and invest entirely in cash until such conditions abate.

#### Performance of Alleron and Simulated Performance of the Australian Eagle Trust

This chart illustrates the cumulative performance of \$1 million invested in the simulated Alleron hedge fund and the Alleron long only portfolio which has been in operation since February 2005 against the S&P/ASX 100 index. The Alleron research has been implemented for eleven years with the same core team of investment professionals. Alleron has invested up to \$2.5 billion in long only Australian equity funds under management using this process.



The simulated Alleron hedge fund is invested following the investment process described on pages 8 to 10. The long component of the hedge fund follows the same process as the Alleron long only portfolio which has an eleven year track record. The short component sells stocks that Alleron identifies as part of its research process to be of lower quality than its long portfolio and stocks that may be fully valued relative to their prospects. Returns are before fees and taxes.

The following table shows the performance of the Australian Eagle Trust since inception of July 2016, after fees and charges.

**Australian Eagle Trust Long Short Fund - Net Monthly Returns**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
2016/17	10.52%	0.99%	-1.08%	-4.14%	2.94%	5.16%	-0.25%	5.15%	-0.06%	1.94%	1.31%	0.36%	24.48%

### The Custodian

The Trustee, Alleron Investment Management Pty Ltd, has appointed an independent custodian to hold the assets of the Fund.

Australian Executor Trustees Limited (AET) is one of Australia's largest and oldest licensed trustee companies. AET has been providing custody and trustee services for over 130 years, having been established in 1880. AET is a member of the IOOF Holdings Limited ("IOOF") Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX200 listed company.

The Trustee has appointed Australian Executor Trustees Limited under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Trustee to effect cash and investment transactions.

Australian Executor Trustees Limited has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

Australian Executor Trustee Limited's role as Custodian is limited to holding the assets of the Fund.

The Trustee may remove Australian Executor Trustees as the Custodian and appoint another Custodian in their respective place at any time without notice to Unit Holders.

### DISCLAIMER

Australian Executor Trustees Limited has not withdrawn its consent to be named in this Information Memorandum as custodian of the Fund in the form and context in which it is named. Australian Executor Trustees Limited does not make, or purport to make, any statement that is included in this Information Memorandum and there is no statement in this Information Memorandum which is based on any statement by Australian Executor Trustees Limited. To the maximum extent permitted by law, Australian Executor Trustees Limited expressly disclaims and takes no responsibility for any part of this Information Memorandum other than the references to its name. Australian Executor Trustees Limited does not guarantee the repayment of capital or any particular rate of capital or income return.

### Administrator

The Trustee will outsource the Fund's administration to Apex Fund Services Limited who will maintain the unit registry for the Fund, provide accounting services, conduct monthly unit pricing calculations, portfolio valuations, and other related administration and Fund accounting services.

The Administrator's Agent will acknowledge receipt of any subscription or redemption request on behalf of the Fund, and in the event no acknowledgement is received from the Administrator's Agent within five (5) days of submitting the request, the applicant should assume that the subscription or redemption request has not been received and they should contact the Administrator's Agent via email on [alleron@apexfunds.com.au](mailto:alleron@apexfunds.com.au) or telephone on **02 8035 0030** to confirm the status of their request.

Neither the Fund, the Administrator and/or the Administrator's Agent accepts any responsibility for any loss arising from the non-receipt or illegibility of any Subscription Agreement or additional Subscription Agreement (as the case may be) sent by email or post or for any loss caused in respect of any action taken as a consequence of such email believed in good faith to have originated from properly authorised persons.

## Features at a glance

The table below is a summary of the key features of the Fund and a guide to where more detailed information can be found.

		See Section
<b>Minimum transaction and balance requirements</b>		
Initial investment	\$500,000	Overview of the Offer page and Additional information for investors page
Additional investment	\$100,000	
Minimum withdrawal	\$100,000	
Minimum balance	\$500,000	
<b>Fees and other costs</b>		
Entry fee	\$500	
Management fee	1.5 % p.a. (exclusive of GST) of the net asset value of the Fund per annum and payable monthly in arrears.	Fees and expenses page Additional information for investors page
Performance fee	20% (exclusive of GST) of the out-performance of the net asset value of the Unit (before deduction of management fees) over the Benchmark (S&P ASX 100 Accumulation Index) calculated monthly and payable quarterly in arrears, subject to a High Water Mark	
Exit fee	1% (exclusive of GST) of withdrawal proceeds if you withdraw within the first 12 months. Nil thereafter.	
Buy sell spread	±0.45%	
<b>Distribution payments and pricing</b>		
Frequency	Annually after 30 June	Additional information for investors page
Payment methods	Reinvested or paid into your account	
Unit pricing	Monthly rounded to 4 decimal places	
Dealing date	First business day following approved valuation	Applications and redemptions will be processed on the first business day after the month end Net Asset Value (NAV) is finalised
Application price	Fixed price as determined by the Trustee from time to time	
Redemption price	The NAV less the sell spread	
Series and consolidation	Units will be issued in series as the High Water Mark for units will vary depending on the issue price for each unit. A consolidation of series of Units into one series will be undertaken where those series have all been subject to a payment of a Performance Fee on the same date, typically quarterly.	
<b>Making and withdrawing your investments</b>		
Applications	Valid application requests, with cleared funds and relevant identity documents, must be received by 5pm Sydney time on the 4 <sup>th</sup> business day of the month prior to the end of the calendar month.	Overview of the offer page

Withdrawals	Valid withdrawal requests must be received by 5pm Sydney time 30 days prior to the start of the first business day of the month in which you wish to withdraw	
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# Risks

Investors should be aware that investing in exchange listed equities may involve the value of units falling as well as rising. While it is the intention of Alleron to manage the Fund to achieve its objective of maximising investor long term returns, there can be no assurance or guarantee this strategy will be successful. It is possible that an investor may lose a substantial proportion or all of their investment in the Fund. Investors should consider any investment in the Fund as a supplement to an overall investment portfolio and should invest only if they are willing to undertake the risks involved.

Prospective Unit Holders should consider the following risks in determining whether an investment in the Fund is suitable for them. They should seek professional advice before investing. The summary below is a guide only and not a complete list of all of the risks of investing in the Fund.

## General Investment Risks

Like most investments, the value of the Fund's assets may increase or decrease depending on general economic factors (including interest rates, inflation and economic growth), stock market, political, regulatory and other external conditions affecting the Fund's value.

## Company Investment Risks

The Fund's investments in listed securities of companies can rise or fall in value for many reasons such as changes in the economy, interest rates, management, operations, competition or the general business environment, stock market liquidity, and many other factors.

## Risk of Sophisticated Financial Products and Derivatives

The Investment Manager may use sophisticated financial instruments to generate returns for Unit Holders. These financial instruments may include but are not limited to listed securities, unlisted securities, futures, options, and derivatives. While these instruments may be used primarily as a risk management tool, these products are often complex and their use has the potential to cause losses that are larger than their nominal value.

## Leverage Risk

The use of leverage may increase the volatility of returns on the Fund and magnify potential gains or losses.

## Short Selling Risk

The Fund will engage in short selling which involves borrowing securities from one party with the intention to return them at a later date when their value has decreased. With Short Positions there is no limit on the maximum loss because there is no upper limit on the security's price. In other words, the loss will continue to increase as the security's price rises. Additionally, there is a risk that the securities lender may request return of the securities. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of Alleron's choosing.

## Legal Risk

Changes to law, regulations and government policy may significantly impact the performance of the Fund. Such changes can also impact on the protection of the Unit Holders in the Fund. Specifically with regards to short selling, the regulator could impose restrictions on short selling for an indeterminate period of time. Alleron reserves the right to close all positions and invest entirely in cash or not short sell any securities until market or regulatory conditions allow the re-establishment of the strategy.

From time to time, the Trustee may appoint a service provider that may be incorporated in another country. If legal action were necessary to be undertaken by the Trustee on behalf of unit holders, it may be more difficult than to undertake legal action against a service provider incorporated in Australia.

## Taxation Risk

Taxation laws and their interpretations, both in Australia and overseas, are complex and may change during the term of the Fund in a manner which adversely affects the after tax returns to Unit Holders in the Fund. Where the Fund makes non-Australian investments, the investments may be subject to withholding tax, and the Fund may be subjected to income tax where the Fund may not be able to recover these taxes, therefore having an adverse impact on the returns of the Fund. It is possible that Unit Holders in the Fund are deemed under Australian taxation law to have received a taxable distribution from the Fund, even where they have not received a cash payment. If this occurred, Unit Holders may be liable to pay income tax on these distributions, and be in a position of funding the cash requirement separate to their investment in the Fund. The tax consequences of holding units in the Trust can differ between Unit Holders and between different classes of Unit Holders. You should consult a professional advisor to consider your own circumstances.

## Liquidity Risk

There is a risk that investments are not readily convertible to cash without loss of capital.

Under the Trust Deed, the Fund has the discretion to reject a withdrawal request from the Fund by an investor. Further, if withdrawal requests relate to an amount that exceeds 20% of the market value of the Fund, the Trustee may delay redemptions. This may result in the investor's funds being withdrawn over a longer time period.

## Key Employee Risk

Alleron employs specialist investment personnel who have responsibility for implementing the investment process. If key investment staff were to leave this would be destabilising to the Investment Manager and could lead to falls in the value of the unit price and in extreme circumstances could lead to the termination of the Fund.

## Level of Distribution Risk

Investment in the Fund is not suitable for an investor requiring a regular, stable income as distributions may fluctuate over time. Amounts will only be distributed annually (or more frequently if the Trustee so determines in its absolute discretion) if net income is derived by the Fund and there is no guarantee that there will be sufficient net income in any one year to pay distributions.

## Counterparty Risk

The risk that a counterparty (or counterparties) to the Fund, such as a prime broker, a securities lender, a service provider or a counterparty to a derivative instrument, fails to meet its contractual obligations resulting in a loss of capital. Alleron engages reputable and regulated investment banks, brokerage firms, custodians and other service providers after conducting due diligence on factors such as their regulatory status and compliance systems. Service providers may, from time to time, decide to withdraw or change their services. The Trustee reserves the right to alter operating processes until suitable alternative arrangements are made.

## Securities Lender Risk

Access to the services of a securities lender or prime broker may not be available from time to time. There may be periods when services may not be available which would limit the capacity of Alleron to implement the strategy of the Fund. The securities lender may impose conditions on collateral or a charge over the assets of the Fund that may affect the Fund detrimentally.

## Collateral Risk

The Fund may transfer cash or assets to the securities lender or prime broker as collateral or margin for the short selling of securities. The Fund may rank as an unsecured creditor of the securities lender or prime broker

in the event of the insolvency of the securities lender or prime broker, and may not be able to recover such assets in full.

### Fund Risk

The value of units in the Fund may fall due to an unexpected change in the Fund's management, operations or environment and due to fluctuations in performance of the underlying assets in which the Fund is invested.

### Investment Manager Risk

There is a risk that the Investment Manager may fail to meet its investment objectives from time to time resulting in sub-standard returns for the Fund.

### Derivatives Risk

The Investment Manager is permitted to use or invest in financial derivatives (such as futures, options and swaps) in managing the assets of the Fund. Risks associated with using derivatives might include the value of the derivative failing to move in line with the underlying asset, large and unexpected changes in the implied volatility of options or the forward pricing or basis spreads of futures, potential illiquidity of the derivative, the Fund not being able to meet payment obligations as they arise, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract).

### Trade or Broker Error

Alleron places orders for the purchase and sale of securities with brokers on behalf of the Fund. Trading errors may be made by Alleron or brokers acting on its behalf. Should such errors occur, Alleron will make every effort to recover any losses to the Fund but it may not be possible to do so. The Fund is responsible for any such trade errors, whether the error benefits or harms the Fund.

### Conflict of Interest

There may be conflicts of interest which arise from time to time between Alleron as Investment Manager at the Fund and Alleron as an investor within the Fund itself. Alleron will actively monitor any such conflicts and maintain a conflict of interest register.

# Fees and Expenses

## Fee Summary

### Fees when your money moves in and out of the Fund

Type of fee	Amount to be charged *	Amount allowed by the trust deed *
<b>Establishment Fees</b> – The fee to set up your initial investment in the Fund	\$500	\$500
<b>Contribution Fee</b> – the fee on each amount contributed to your investment by you	Nil	A maximum of 4% of application money can be paid to a financial advisor with the approval of the investor.
<b>Withdrawal Fee</b> – The fee on each amount you take out of your investment	1% if withdrawn within 12 calendar months of an initial investment otherwise Nil	Up to 2% of the withdrawal amount. This will not be applied and if this stance is altered the trustee will give at least 6 months notice in writing to all Unit Holders except in the case of a withdrawal within 12 calendar months of an initial investment in which case a 1% withdrawal fee (exclusive of GST) will apply
<b>Termination Fee</b> - The fee to close your investment	Nil	Up to 2% of the total account balance when an investor closes their account with the trust. This will not be applied and if this stance is altered the trustee will give at least 6 months notice in writing to all Unit Holders.
<b>Investment Switching Fee</b>	Nil	Up to 1% of the total amount that an investor between investment options offered by the Trustee. This will not be applied and if this stance is altered the trustee will give at least 6 months notice in writing to all Unit Holders.
<b>Spread</b>	±0.45%	

### Management Fees

Type of fee	Amount to be charged *	Amount allowed by the trust deed *
<b>Management Fee</b> - The base fee paid to the Investment Manager for managing the Fund	1.5 % per annum and payable monthly in arrears.	Up to 2% per annum of the net value of assets valued at the end of each month and payable monthly in arrears. However, only 1.5% will be applied by the Trustee and this stance will not be altered without the trustee giving at least 6 months notice in writing to all Unit Holders.
<b>Performance Fee</b> – The fee paid to the Investment Manager for exceeding the Benchmark and High Water Mark	20% of the out-performance of the net asset value of the Unit (before deduction of management fees) over the Benchmark	20% of the out-performance of the net asset value of the Unit over the Benchmark calculated monthly and payable quarterly in arrears subject to a High Water Mark.

	calculated monthly and payable quarterly in arrears subject to a High Water Mark.	
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## Other Fees

Type of fee	Amount to be charged *	Amount allowed by the trust deed *
<b>Administration Expenses</b> – The fee for administration, and registry services	Nil until Net Asset Value of the Fund first exceeds \$30m.	All expenses incurred by the Trustee in relation to the proper performance of its duties as trustee of the trust are payable or reimbursable out of the assets. However, the Trustee will reimburse the Fund for these expenses until the Net Asset Value of the Fund first exceeds \$30m. The Trustee may recoup prior expenses incurred once the Net Asset Value of the Fund exceeds \$30m.
<b>Custody expenses</b> -The fee and charges for custody	Nil until Net Asset Value of the Fund first exceeds \$30m	All the Custodian's fees and charges incurred by the Trustee in relation to the proper performance of its duties as trustee of the Fund are payable or reimbursable out of the assets of the Fund. However, the Trustee will reimburse the Fund for these expenses until the Net Asset Value of the Fund first exceeds \$30m. The Trustee may recoup prior expenses incurred once the Net Asset Value of the Fund exceeds \$30m.
<b>Trust operating expenses</b>	Nil until Net Asset Value of the Fund first exceeds \$30m.	All expenses incurred by the Trustee in relation to the proper performance of its duties as trustee of the Trust are payable or reimbursable out of the assets. The Trustee will reimburse the Fund for the Trust operating expenses until the Net Asset Value of the Fund first exceeds \$30m. The Trustee may recoup prior expenses incurred once the Net Asset Value of the Fund exceeds \$30m.
<b>Trustee removed as trustee</b>	Up to 2% of total funds under management and recovery of historical costs of the Fund paid by the Trustee in the event that the Trustee is removed as trustee of the Trust without its agreement.	Up to 2% of total funds under management and recovery of historical costs of the Fund paid by the Trustee in the event that the Trustee is removed as trustee of the Trust without its agreement.

\* All charges exclude GST

## Fees of the Fund

The Trust Deed of the Fund may allow for higher fees to be charged than those disclosed in this section. The Investment Manager will not alter the fees described in this section without giving Unit Holders 6 months prior written notice.

The Fund will charge management fees, performance fees and other administration fees where appropriate. All fees can change subject to notice requirements in this document and the Trust Deed. Reasons for changing fees might include changing economic conditions and changes in regulation.

### Management Fees

A Management Fee of 1.5% per annum (excluding GST) is charged as a percentage of the net asset value of the Fund as at the first time the Fund is valued after the end of each month, accrued daily and payable monthly in arrears. Management will deduct accrued management fees on a monthly basis.

### Performance Fees

The Trustee is entitled to a Performance Fee of 20% per annum (excluding GST) if the Fund outperforms the Benchmark, which is the S&P ASX 100 accumulation index, as at the first time the Fund is valued after the end of each month and payable quarterly in arrears. Out-performance is defined as the increase in the net value of the assets (adjusted for any new issues, redemptions and distributions before deduction of management fees) over the Benchmark, measured as a percentage.

The payment of a Performance Fee to the Trustee is subject to the following:

- a) The previous **Out-performance High Water Mark** must be exceeded for performance fees to be due in any given payment period. If the aggregate of all performance fees for a period is positive, a performance fee is payable to Alleron. If the amount is negative, no performance fee is payable and the performance fee payable for the next performance fee period is reduced by that negative amount. In effect, any period of under-performance must be overcome before the Fund's total liability to performance fees can increase.
- b) Alleron may elect to be paid Performance Fees either in cash or reinvested as units in the Fund.
- c) Any outstanding Performance Fees are payable on withdrawal from the Fund.
- d) The Fund uses series accounting to ensure that the allocation of Performance Fees against Units is equitable for all investors. Investors will be charged Performance Fees based on the performance of their investment in the Australian Eagle Trust.
- e) At the end of each quarter, all Units which have borne a Performance Fee in respect of the relevant quarter will be consolidated into a single Unit Series, being the oldest Units Series to have borne a Performance Fee for that quarter, and the High Water Mark of all units of the consolidated series will be the Net Asset Value per Unit of the consolidated series as at the end of the quarter after the payment of the Performance Fee. The consolidation will be by reference to the Net Asset Value of each Unit series being consolidated.

### Fund Accounting, Registry, Administration, and Custody Expenses.

Fees payable to the Administrator and Custodian will be subject to review from time to time and are in accordance with commercial rates. The Fund's monthly unit prices will be net of these fees and charges. However, the Trustee will reimburse the Fund for these expenses until the Net Asset Value of the Fund first exceeds \$30m.

### Brokerage, Stock Borrowing, Transactional and Investment Portfolio Expenses

Fees and commissions will be payable to agents such as brokers in connection with the transactions required to implement the investment process. The Fund's monthly unit prices will be net of these fees and commissions charged at appropriate commercial rates.

## **Trust Operating Expenses**

The Investment Manager is responsible for providing all office personnel, office space and office facilities required for the performance of its services at its own cost.

All costs and expenses incurred by the Trustee in connection with the establishment of the Fund will be met by the Trustee out of its own resources.

The Trust Deed allows Alleron to be reimbursed for all other expenses incurred in properly performing its duties including but not limited to promotion (including offer documents, advertising and promotional material and printing), licensing, custodian, registry, fund accounting, audit, taxation advice, external consultants, accounts, stationery, postage, insurance, brokerage, hedging costs and termination costs as well as Unit Holder meetings, legal proceedings and such other expenses properly incurred from time to time. However, the Trustee will reimburse the Fund for these expenses out of its own resources until the Net Asset Value of the Fund first exceeds \$30m. The Trustee may recoup prior expenses incurred once the Net Asset Value of the Fund exceeds \$30m.

## **Withdrawal Fees**

The Fund will aim to pay monthly redemptions (at the discretion of the Trustee) on the 12<sup>th</sup> business day of each new month provided that 30 days notice prior to the start of the first business day of the month in which you wish to withdraw has been given in writing to the Administrator. The redemption will occur at the relevant unit price as determined for the last business day of the month. The Trustee is entitled to charge a withdrawal fee of up to 2% of the withdrawal amount. This fee will not be applied and if this stance is altered the Trustee will give at least 6 months notice in writing to all Unit Holders except in the case of a withdrawal within the first 12 calendar months of an initial investment in the Fund, in which case a withdrawal fee of 1% exclusive of GST will apply.

## **Tax File Number and Australian Business Number**

Investors are not required to provide a Tax File Number (**TFN**) or Australian Business Number (**ABN**). An ABN may be provided as an alternative to a TFN if the investment is made through a company. However, if neither are provided, the Fund is required to withhold tax (at the highest marginal tax rate) from income paid by the Fund.

## **Goods and Services Tax (GST)**

The fees and expenses listed in the Information Memorandum are exclusive of Goods and Services Tax (**GST**). In addition to the fees and expenses referred to in this Memorandum, the Trustee will obtain a reimbursement from the Fund for any GST payable. The GST rate is currently 10%. The Fund is entitled to claim reduced input tax credits (RITCs) from the Australian Taxation Office in respect of certain Fund expenses, including fees and custodial services provided to the Fund. The RITC rate is currently 75% of the GST paid in respect of those services.

## **Advisor Remuneration**

Your Financial Advisor (if you use one) may receive commissions and benefits for services they provide to you. These commissions and benefits will be directly paid by you and, depending on your adviser, may be deducted from your initial investment in the Fund by your adviser prior to you being allocated units. Financial Advisor commissions will not be paid by the Fund.

# Additional Information for Investors

Electronic soft copy information can be provided for Unit Holders to remain informed about the performance of the Fund. In addition, Unit Holders may ask the Administrator for additional information as required, although the Administrator may not always be in a position to satisfy such requests.

The information available may include:

- a letter confirming any investment or withdrawal to be sent via email;
- monthly unit pricing (if available, available by request via email);
- quarterly portfolio reports (available by request via email) – the Investment Manager will publish quarterly a report outlining the performance of the Fund, unit pricing, as well as general market commentary;
- annual distribution statements, including information required for the completion of investor income tax returns; and
- copies of any annual audited financial information relating to the Fund, if available will be provided via email.

## Unit Pricing (Net Asset Value) of Units

Investors in the Fund will be issued a number of units depending on their initial investment (calculated by dividing the amount invested less any applicable adviser fees by the applicable issue unit price). When funds are withdrawn from the Fund, they are redeemed at the relevant unit redemption price for the Fund.

The Unit Price per series is calculated by dividing the Net Asset Value (**NAV**) of the Fund attributable to each series (determined by the net market valuation of assets owned, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Trust Deed) divided by the number of units on issue for that series. The issue price is a fixed price as determined by the Trustee from time to time, as the Fund uses series accounting so that investors are charged Performance Fees based on the performance of their investment in the Fund. The exit price is calculated by taking the Unit Price of the series minus the spread. The Trustee will charge a spread to be determined by the Trustee at its discretion based on prevailing market conditions.

Prices are normally calculated monthly following the close of the last business day of the month, and are generally available via email by the 15<sup>th</sup> business day of the following month. Unit prices are typically calculated using the Net Asset Value of the Fund at each month end, unless otherwise calculated by the Administrator.

## Distributions

### When are distributions paid?

The distribution policy of the Fund is to distribute at least annually (when applicable) as soon as practicable after each June 30 (or otherwise as determined by the Trustee) the net income of the Fund. Distributions from the Fund may comprise income and/or capital as determined by the Trustee under its Trust Deed. Market fluctuations may mean that there is no distribution for a period. All income must be distributed each financial year. The Trustee may vary the distribution frequency without notice to Unit Holders.

### How will my distributions be paid?

On the Application Form you may nominate to re-invest your income as additional units in the Fund, or to receive your income by direct credit. You can alter your distribution method by sending a written request to the Administrator, 30 days before the end of a distribution period (i.e. 30 days before June 30). All income distributions may be liable to income tax. Please consult your tax advisor for further information.

## How is the distribution calculated?

The net taxable income of the Fund for each annual distribution period is calculated at the end of the distribution period. In the event that you have an investment in the Fund at the close of business on the last day of the period, you are entitled to a share of the Fund's net income for that period in proportion to the number of units held in the Fund.

If you withdraw your investment on or before the last day of the distribution period, you will not receive a separate income payment for the withdrawn investment for that income period. However, any income of the Fund since the beginning of the distribution period will be reflected in the unit redemption price of the Fund.

## Additional Investment

Existing Unit Holders can make additional investments of a minimum of \$100,000. Additional investments are required to be accompanied by either written instructions or an Application Form. Please contact the Investment Manager, Alleron on Phone +612 8252 7559 for further information regarding your investment or about making subsequent applications.

## Trust Deed of the Fund

The Fund is governed by a Trust Deed dated the 21<sup>st</sup> of April 2016, as amended. The Trust Deed sets out Alleron's obligations as well as the rights of unit-holders. Some key aspects of the Trust Deed have been summarised in this document.

The Trust Deed may be changed by the Trustee from time to time where it reasonably considers that the change will not adversely affect Unit Holder's rights or if the change is approved by Unit Holders.

You may view a copy of the Trust Deed at Alleron's offices on any Business Day and you may obtain an electronic copy free of charge by contacting the Trustee.

## Classes of units

Under the Trust Deed for the Fund, we may issue units in one or more classes and may create additional classes of units at any time.

The Trust Deed allows Alleron to issue Units in series to enable Alleron to properly account for Performance Fees. In order to ensure that Unit Holders bear the Performance Fee according to the actual performance of their investment in the Fund, having regard to the different dates and prices at which such Units were acquired, a new series of Units will be issued for each subscription day.

As soon as practicable after the end of a quarter in which Alleron is entitled to a Performance Fee, all Units in each series which have borne a Performance Fee will be consolidated into a single series, being the oldest series among the series of Units to have borne a Performance Fee. The High Water Mark for all Units of the consolidated series will be the Net Asset Value per Unit of the consolidated series as at the last valuation, after the payment of the Performance Fee. If a Performance Fee is not payable for a series at the end of a quarter, then the series will not be consolidated. The consolidation will be by reference to the Net Asset Value of the Units being consolidated.

## Rights of Unit Holders

Subject to the Trust Deed of the Fund, Unit Holders are generally entitled to:

- receive a share of the Fund's distributable income;
- redeem units;
- transfer units;
- receive confirmation of investment;
- receive acknowledgement of units held;
- receive any annual audited accounts; and

- inspect the Trust Deed.

### Unit Holder meetings

Subject to the Trust Deed of the Fund, Unit Holders are also entitled to requisition, attend and vote at Unit Holders' meetings for the Fund. A Unit Holder is bound by a resolution of Unit Holders, whether or not they attend the meeting at which it is passed.

### Interest in the Fund

Each unit issued in the Fund entitles the Unit Holder to a beneficial interest in the total investments of the Fund but does not give the Unit Holder an interest in any particular part or assets of the Fund.

### Unit Holder liability

The Trust Deed limits a Unit Holder's liability of the Fund to the amount the investor has invested, however the law in relation to unit holder liability has not yet been settled. The Trustee is allowed by the Trust Deed to recover from you any taxes or other amounts that the Fund is required to pay because you hold units or because of any action you have taken or failed to take, either by deduction from amounts payable to you or by redemption of some of your units.

### The Trustee's Indemnity and Liability

The Trustee is indemnified under the Trust Deed for all amounts incurred by it in the proper performance of its duties. The Trustee's liability to Unit Holders is limited to the Trustee's ability to be indemnified from the Fund subject to the law and the Trustee acting without breach of trust, fraud or gross negligence involving a failure to show the degree of care and diligence required of it.

### Termination of the Fund

The Trustee can terminate the Fund at any time at its own discretion or when required by law. If the Fund is terminated, we must convert the Fund's assets to cash and pay off the Fund's liabilities (including those incurred in winding up the Fund and any unpaid fees).

Unit Holders are then entitled to a share of the balance of the assets in accordance with the Fund's Trust Deed. This will be the final distribution of the Fund, which may include both a capital and income component.

### Financial Information

You may review any audited financial statements for the Fund at Alleron's offices on any Business Day and you may obtain an electronic copy free of charge by contacting us.

### Borrowings, Leverage and Gearing

Under the Trust Deed, we are permitted to borrow on behalf of the Fund.

On behalf of the Fund, the Trustee may invest (for a period prior to the allotment of the relevant units) an amount equal to application monies received for which units have not yet been allotted. This enables us to invest funds as soon as possible after application monies are actually received, and in a manner consistent with an applicant's intention and acknowledgement that application monies received are not repayable (except by redemption). If and when this occurs, the Trustee may on behalf of the Fund, incur additional costs including but not limited to transaction charges and interest.

Borrowing, leverage or gearing of the Fund by the Trustee may only be achieved in a manner consistent with the terms of the Trust Deed. Please note that borrowing, leverage or gearing will have the effect of enhancing potential gains or losses in the Fund for all Unit Holders and for all applicants for units until the relevant units are issued and the borrowing, leverage or gearing is reduced.

## Changes to the Fund

We may close the Fund, or alter its investment objectives and strategies. We will advise details of material changes as soon as practical.

## Transfer of Investments

Units may not be sold, transferred or otherwise disposed of (directly or indirectly) without the prior written consent of the Trustee. The Trustee has the right to delay or refuse any request for transfer. Transfer requests should be made in writing to the Trustee along with a stamped transfer form. Stamp duty and capital gains tax may arise from a transfer of units.

## Future changes

We reserve the right to change the terms and conditions set out in this document at any time.

## Taxation information

This tax information is of a general nature only and is based on tax laws and their interpretation that were current at the time of issue of this Information Memorandum. Investing, withdrawing and other dealings with investments have tax implications which can be complex and which are invariably particular to an investor's circumstances. It is important to seek professional advice before you invest in or deal with your investment.

### **The general trust taxation regime and the new attribution managed investment trust taxation regime**

Under the general trust taxation regime, the Fund will not pay tax on income or gains, if the Unit Holders have present entitlement to all of the Fund's net income to Unit Holders each financial year. The Trustee notes that it intends to distribute all of taxable income of the Fund on an annual basis

On 5 May 2016, the Government passed new income tax legislation dealing with the taxation treatment of managed investment trusts (MITs). The legislation can apply from 1 July 2016, where an election is made by the Fund and the Fund qualifies as both a MIT and an Attribution MIT (AMIT) for the whole of the income year. The AMIT regime provides a number of administrative concessions to MITs, which includes treating the MIT as a fixed trust for the purposes of flowing through franking credits and for the purpose of claiming revenue losses. It is noted that the Trustee is intending to make an election to apply the AMIT regime.

The taxation treatment of an AMIT and its Unit Holders is broadly based on the general trust taxation regime that would otherwise apply to the Fund. The tax consequences are therefore expected to be broadly similar. In broad terms, where the AMIT regime applies to the Fund, the Trustee will not be liable to pay tax on the taxable income of the Fund, irrespective of whether distributions are made to investors or not. Accordingly, the Fund will be treated as a flow through vehicle and Unit Holders will be "attributed" the taxable income components of the Fund on a fair and reasonable basis, having regard to their entitlements to distributions and other rights under the constituent documents. Under the AMIT regime, each taxable income component will retain its character in the hands of the Unit Holders. While distributions are not required under the AMIT regime, the Trustee notes that it intends to distribute an amount at least equal to the taxable income of the Fund on an annual basis, irrespective of whether the Fund is an AMIT or not.

The AMIT regime applies on an annual basis. To the extent that the Fund does not qualify as a MIT or an AMIT for some or all of a particular income year, the general trust taxation regime would apply to the Fund for that income year.

## Income

Any net taxable income components of the Fund that an investor has been attributed to (when under the AMIT regime) or becomes presently entitled to (when not under the AMIT regime) during a financial year (including reinvested income) may form part of their assessable income for that year.

It is noted that the AMIT rules codify an "unders and overs" provision, which means that any errors that the Trustee makes in determining taxable income can be carried forward to the following income year. This means that an incoming or outgoing Unit Holder may be taxable on these carry forward amounts.

## Capital gains

The Fund will generally distribute net capital gains that have been realised throughout the financial year to Unit Holders. Where an investor has been attributed to (when under the AMIT regime) or becomes presently entitled to (when not under the AMIT regime) net capital gains of the Fund, this should be included in the calculation of their overall net capital gain or loss for the financial year.

## Cost base adjustments

Under the general trust taxation regime, where an investor becomes entitled to a distributable capital gain that is not assessable because of the discount capital gain concession, no adjustment to the cost base of their units will be required. Moreover, distributions of non-assessable amounts are not subject to tax. These include, for example, certain non-assessable capital gains and amounts attributable to deductions for capital allowances. However, certain non-assessable distributions will reduce the cost base of an investor's investments in the Fund when calculating the capital gain or loss on a subsequent disposal or withdrawal of the investment.

The cost base adjustment rules for tax-preferred distributions is different for an AMIT. To the extent that taxable income components are attributed to Unit Holders of the Fund, the cost base of the Units held by the Unit Holders will be increased. An increase will also occur for the 50% capital gains tax discount component that is attributed to Unit Holders. Where an amount is distributed to a Unit Holder by the Fund, the cost base of the Units will be reduced. A reduction will also occur where tax offsets are attributed to Unit Holders. Where the cost base is reduced to nil, any excess amount will result in a capital gain (which may be subject to the 50% capital gains tax discount).

## Australian-sourced dividends and franking credits

The Fund may receive franked dividends. Where a dividend is fully or partly franked, the taxable income of the Fund is increased by the franking credit attached to the dividend. An investor's share of the dividend and franking credit will generally be included in their assessable income and taxed at their marginal rate. If certain requirements, including the 45 day holding period rule (that is, if an investor has held their units 'at risk' for 45 days or more where the relevant underlying shares are ordinary shares, or 90 days or more where the relevant underlying shares are preference shares) are satisfied, the investor may be able to claim a rebate of tax equal to their share of the franking credit and in certain circumstances may be entitled to a refund of excess credits. The investor's personal situation and the circumstances of the Fund will be relevant in determining whether the holding period rule is satisfied.

## Disposal of units

Under the capital gains tax provisions, any net capital gain arising from the disposal of units may form part of the investor's assessable income and should be included in the calculation of their net capital gain or loss for the financial year.

Some Unit Holders may be eligible for the discount capital gain concession upon disposal of their units if the units are held for 12 months or more.

It is particularly important that Unit Holders obtain individual taxation advice about the availability and the impact of the concession.

## Complaints

We aim to provide you with quality ongoing service and we have established procedures for dealing with complaints. If you are dissatisfied or have a complaint about your investment in the Fund, in the initial instance please contact Alleron on +612 8252 7559 and tell us about your complaint.

If you find that our response is not satisfactory, you may send us a written complaint addressed to:

The Trustee  
Australian Eagle Trust  
Alleron Investment Management Pty Ltd  
Level 9, 60 Carrington Street, Sydney, NSW 2000

We will normally acknowledge your complaint immediately upon receipt. We will make every effort to resolve your complaint within 10 business days of receipt.

### Anti-Money Laundering and Counter-Terrorism requirements

In order to meet our obligations under *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* or taxation legislation, we may require further information from you as to your identity, the source of your funds and similar matters and to verify that information by citing appropriate documentation.

We will contact you if we require additional information from you and let you know full details. We will keep records of that information and we may be obliged by law to disclose that information. We may do this through the Administrator and Registry, in which case they will keep your information confidential. The Administrator, Registry and Alleron may also provide related companies and persons with your information. We will always ensure that your personal information is kept confidential where we hold it. If you do not provide us with relevant information, we may not be able to process your transactions, or may not be able to issue your units within the time periods contemplated in this document.

By applying for Units in the Fund through this document, you also agree that we may in our absolute discretion determine not to issue units to you, may cancel any units which have been issued to you or may redeem any units issued to you if we believe such action to be necessary or desirable in the light of our obligations under the Commonwealth *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* or any related legislation.

### FATCA and CRS

#### Investors to provide certain information

If requested by the Trustee, the Investor/Noteholder agrees, and it is a condition of the issue of the units, to provide certain information required by it or the Trustee/Custodian in order to comply with any applicable law, including the United States Foreign Account Tax Compliance Act (FATCA) and OECD (Organisation for Economic Co-operation and Development) Common Reporting Standards (CRS).

### Service Provider Appointments

The Trustee has agreed to appoint the following service providers:

Apex Fund Services Limited to provide independent unit pricing, administration and registry services and some accounting services for the Fund (Administrator).

Macquarie Bank Limited (ACN 008 583 542) as securities lender to the Fund.

Breene & Breene Solicitors ABN 93 785 808 696 as Legal Advisors to the Fund.

Australian Executor Trustees Limited as the Custodian of the Fund.

WF White & Co as Auditors to the Fund.

The Trustee may, subject to the law, change these or engage additional service providers at any time.

The service providers are not responsible for the preparation of this Information Memorandum of the Fund and accept no responsibility for any information contained in this document.

# Glossary

**Administrator and/or Registry** means Apex Fund Services Limited as a provider of administrative and registry services to the Fund

**Alleron** means Alleron Investment Management Pty Ltd

**Application Form** means the Application Form included in or accompanying this Information Memorandum to be used by the person wishing to apply for units in the Fund

**Application Amount** means the amount contributed by an Investor to acquire Units in the Fund

**AMIT** means attribution managed investment trust

**ASIC** means the Australian Securities and Investment Commission

**ASX** means the Australian Securities Exchange as operated by ASX Limited ABN 98 008 624 691

**Benchmark** means the ASX/S&P Accumulation 100 index being the index against which performance is measured is for the purpose of performance fees

**Business Day** means any day that is not a Saturday, Sunday or public holiday in Sydney, Australia

**Corporations Act** means Corporations Act 2001 (Cth), as amended from time to time

**Custodian** means Australian Executor Trustees Limited

**Derivative** means a financial product whose value is derived from changes in the value of an underlying asset (e.g. options, futures contracts, contracts for difference (CFD's), swaps etc.)

**Distribution Reinvestment Plan (DRP)** means a process allowing Unit Holders to elect to take distributions in the form of additional units instead of cash

**Equities** means shares and other equity interests in a company.

**Financial Year** means the period beginning on July 1 each year, and ending on June 30 of the next year.

**Forecasts** has the meaning given in the Disclaimer in this Information Memorandum.

**Fund** means the Australian Eagle Trust

**Gross equity exposure** means the sum of the long and short equity positions in the Fund

**Information** has the meaning given in the Disclaimer in this Information Memorandum.

**Information Memorandum** means this offer document issued by Alleron

**Information Parties** has the meaning given in the Disclaimer in this Information Memorandum.

**Investment Date** means the date on which Units are issued to an investor under this Information Memorandum

**Investment Manager** means Alleron in its capacity as the Investment Manager of the Australian Eagle Trust

**Investment Universe** has the meaning given to it in the "Investment Universe" section of the Information Memorandum

**Leverage** means borrowing money to invest

**MIT** means managed investment trust

**Net Asset Value (NAV)** means the market value of all assets of the Fund less the value of all liabilities including accruals as calculated by the Fund Administrator as at close of business on the applicable valuation day. Each Unit has a Unit price, calculated by dividing the NAV of a series of Units by the total number of Units held by all Unit holders for that series on that day.

**Out-performance High Water Mark** has the meaning given in the "Fees and Expenses" section

**Performance Fee** has the meaning as outlined in the Fee section of the Information Memorandum

**Service Providers** means the Administrator, Custodian, Securities Lender, Auditors and Lawyers of the Fund, and any additional or replacement service providers to the Fund

**Short Selling** is the borrowing and subsequent selling of equities in order to benefit from a decline in the price of such equities.

**Trust Deed** means the deed dated 21 April 2016, as amended establishing the Australian Eagle Trust.

**Trustee** means Alleron in its capacity as Trustee of the Australian Eagle Trust

**Unit Holder** means a person, or persons, entered on the register of the Fund as a holder of Units

**Units** mean a beneficial interest in the Fund as offered under this Information Memorandum

## Corporate Directory

### Investment Manager

Alleron Investment Management Pty Ltd  
Level 9  
60 Carrington Street  
SYDNEY NSW 2000

Phone: (02) 8252 7599  
Email: eagletrust@alleron.com.au

### Legal Advisors

Breene & Breene Solicitors  
Level 12, St James Centre  
111 Elizabeth Street  
SYDNEY NSW 2000

### Administrator and Registry

Apex Fund Services Ltd  
20 Reid Street  
Williams House 3<sup>rd</sup> Floor  
Hamilton HM11  
Bermuda

Sub-Administrator  
Apex Fund Services (Australia) Pty Ltd  
PO Box 189  
Flinders Lane  
VIC 8009

Phone: (03) 9020 3000  
Email: alleron@apexfunds.com.au

### Securities Lender

Macquarie Bank Limited  
Level 3  
50 Martin Place  
SYDNEY NSW 2000

### Executive Directors of the Investment Manager

Barry Littler  
Albert Hung  
Sean Sequeira

### Auditors

W F White & Co  
Level 1, 5 Bankstown City Plaza  
BANKSTOWN NSW 2200

### Custodian

Australian Executor Trustees Limited  
Level 22  
207 Kent Street  
SYDNEY NSW 2000

# Applications

## Minimum Investment

The minimum investment in the Fund is \$500,000. Alleron has the discretion to waive or vary this minimum requirement.

## Who can Apply?

To ensure the Trustee is permitted to issue the Units without the necessity to issue a product disclosure statement, each allotment must fall within one or more of the following categories of exemption provided by Section 761G and 761GA of the Corporations Act 2001. These categories allow allotments to the following persons (“Wholesale Investors”):

- (a) those who invest at least A\$500,000 at one time;
- (b) a business that is not a small business (that is, companies that employ more than 20 people or 100 people if they are a manufacturer);
- (c) where the financial product or service is not provided for use in connection with a business and the person who acquires the product or service gives the provider of the product or service, before the provision of the product or service, a copy of a certificate given within the preceding 24 months by a qualified accountant that states that the person:
  - (i) has net assets (which may include the net assets of a company or trust controlled by the person) of at least A\$2.5 million; or
  - (ii) has a gross income for each of the last 2 financial years of at least A\$250,000 (which may include the gross income of a company or trust controlled by the person);
- (d) the financial product is acquired by a company or trust controlled by a person who meets the requirements of (i) and (ii) above;
- (e) the person is a professional investor being:
  - (i) a person who holds an AFSL;
  - (ii) an APRA regulated body other than an entity covered by paragraph (iv) below;
  - (iii) a body registered under the *Financial Corporations Act 1974 (Cth)* such as a finance company or merchant bank;
  - (iv) person who is the trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme (as defined) and the fund, trust or scheme has net assets of at least A\$10 million;
  - (v) a person who has or controls gross assets of at least A\$10 million (including any assets held by associates or under a trust that the person manages);
  - (vi) an exempt public authority;
  - (vii) a listed entity or a related body corporate of a listed entity;
  - (viii) persons who carry on a business of investment in financial products, interests in land or other investments and, for those purposes, invests funds received (directly or indirectly) following an offer or invitation to the public (as defined);
  - (ix) foreign entities that would fall within one of these categories.
- (f) persons who otherwise classify as wholesale investors as defined under the Corporations Act.

The Trustee may require such information as, in their absolute discretion, they consider necessary to satisfy themselves that the investor is a Wholesale Investor.

### How to Apply – Application Forms

Applicants will need to complete fully the attached Application Form.

### Trustee to consider Applications

Alleron Investment Management Pty Ltd, as trustee of the Australian Eagle Trust, will consider all applications. The Trustee may accept or refuse any application in whole or in part.

### Applications not accepted or part accepted

The Trustee will return all application monies where applications are not accepted or part application monies where applications are accepted in part. The Trustee will not pay any interest on application monies returned to Applicants.

# Australian Eagle Trust

## Application Form

Before completing this form and applying for units in the Fund, it is important that you read the current Information Memorandum. Units in the Fund will only be issued following our acceptance of this application form.

**Please use this electronic form to enter your information or, if printing the Application Form, please use a black pen and print in CAPITAL LETTERS.**

### PART A – APPLICATION TYPE AND INVESTOR DETAILS

- New Investor *Go to Part B*
- Existing Investor *Complete the details below, then go to the Investment section*

Existing Account Code: \_\_\_\_\_

Existing Account Name: \_\_\_\_\_

PART B – TYPE OF INVESTOR	GO TO	PAGE
<input type="checkbox"/> Individual / Joint investors / Sole trader	SECTION A	2
<input type="checkbox"/> Company / Partnership	SECTION B	4
<input type="checkbox"/> Trust / Association / Co-op / Government Body	SECTION C	6

**Contact details of nominated investor** (for joint investors, company, partnership, trust, association, co-op or government body)

Address of Principal Place of Residence or Business		
Suburb	State	Postcode
Country		
Phone Number (Work)	Phone Number (Mobile or Home)	
Email Address		

**Please complete the relevant US Foreign Account Tax Compliance Act (FATCA) and CRS form which can be found on page 13 (individuals) or page 16 (other entities).**

**Alleron may accept applications below the minimum investment provided the investor provides a certificate from a qualified accountant that a person or entity is a 'sophisticated' or 'wholesale' investor under chapters 6D or 7 of the Corporations Act 2001. Please ask your accountant to complete this certificate on page 20.**

Please complete the Application Type below which refers to you under sections A, B or C or a combination of sections. Please note that if there is insufficient space for you to provide the requested information, please provide as an attachment to this Form.

**SECTION A Individual / Joint / Sole Trader's Details**

*(joint applicants will be assumed to be joint tenants unless otherwise specified)*

**Investor 1**

Title Mr/Mrs/Ms/Dr/Other	Date of Birth
Given Names	Surname
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
TFN or reason for exemption	
Country of residence for tax purposes (if not Australia)	

**Investor 2**

Title Mr/Mrs/Ms/Dr/Other	Date of Birth
Given Names	Surname
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
TFN or reason for exemption	
Country of residence for tax purposes (if not Australia)	

**Investor 3**

Title Mr/Mrs/Ms/Dr/Other	Date of Birth
Given Names	Surname
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
TFN or reason for exemption	
Country of residence for tax purposes (if not Australia)	

**If Sole Trader**

Business Name
ABN
Address of Principal Place of Business

## SECTION B Company/Partnership

Name
Country of Registration or Incorporation
TFN or ABN or reason for exemption
ACN / ARBN / Identification Number
Company Type <input type="checkbox"/> Private <input type="checkbox"/> Public <input type="checkbox"/> Other (please specify)
If Private Company name of each director: 1. 2. 3.
If Private Company details of beneficial ownership: (ie. own 25% or more of issued capital through share holdings)

### Foreign Company Details

If Foreign Company: Identification number issued by foreign registration body. (If not registered write 'Not Registered').
Full overseas address

### Address Details

Address of Registered Office in Australia		
Suburb	State	Postcode
Country		
Name of contact person		
Phone Number (Work)	Phone Number (Mobile or Home)	
Fax Number	Email Address	

**Directors and beneficial owners of more than 25% or more of issued capital through share holdings, please also fill in Section A**

If address of Principal Place of Business in Australia is different to Registered Office please provide below

Address of Principal Place of Business in Australia if different to Registered Office (if none, the name and address of your agent in Australia)		
Agent name (if applicable)		
Suburb	State	Postcode
Country		
Phone Number (Work)	Phone Number (Mobile or Home)	
Fax Number	Email Address	

**SECTION C**      **Trust / Partnership / Association / Co-operative / Government Body**

Name of Trust / Partnership / Association / Co-operative / Government Body		
ARSN (if applicable)		
ABN or Identification Number or TFN or reason for exemption		
Country of residence for tax purposes (if not Australia)		
Address of Principal Place of Business in Australia		
Suburb	State	Postcode
Country		
Name of contact person		
Phone Number (BH)	Phone Number (Mobile or Home)	
Fax Number	Email Address	

**If Trust: Name of each beneficiary or description of classes of beneficiaries**

Name of Trustee
Type of Trust (Please tick one of the following options) <input type="checkbox"/> Managed fund <input type="checkbox"/> Super fund <input type="checkbox"/> Regulated <input type="checkbox"/> Other
Country of Trust establishment
Beneficiary 1
Beneficiary 2
Name of contact person

**Please Note: If Trustee is an individual please also complete section A of this Form or if Trustee is a Company please also complete section B of this Form. If the Trustee(s) comprise of both individual(s) and company(s), please complete section A and B.**

**If Partnership:**

Is Partnership registered with a professional association? <input type="checkbox"/> Yes – please provide details of association <input type="checkbox"/> No – please provide name and address of all partners below
Country in which Partnership formed
Full name and address of Partner 1
Full name and address of Partner 2
Name of contact person

**Please Note: Any one partner must complete section A of this Form.**

**If Association/Co-operative**

Association/Registration Identifier No.
Name of Chairman
Name of Secretary
Name of Treasurer
Name of contact person

**Please Note: If an unincorporated association please have either the Chairman, Secretary or Treasurer complete section A of this Form.**

**If Government Body**

Type of Government Body <input type="checkbox"/> Entity <input type="checkbox"/> Emanation <input type="checkbox"/> Established under legislation
Name of legislation (if applicable)
Name of State, Territory or Foreign Country
Name of contact person

## AML/CTF Identification and Verification

If you have been requested to complete Section A please attach the following documents to your Application Form:

Certified copy of identification:

- an Australian State/Territory driver's licence containing a photograph of the person; or
- an Australian passport (a passport that has expired within the 2 preceding years is acceptable); or
- a card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person; or
- a foreign passport or similar travel document containing a photograph and the signature of the person.

**And** a certified copy verifying your residential address e.g. preferably a valid driver's licence or recent utility bill.

If you have been requested to complete Section C please attach the following documents to your Application Form:

Where the Applicant is a Trust

- certified copy of trust deed; or
- certified extract of the trust deed confirming the full name of the trust, the type of trust (eg. discretionary trust) and the country in which the trust was established; and
- certified copy of Notice of Assessment issued by the ATO in the last 12 months

If the Applicant is a Partnership

- certified copy of partnership agreement or certified extract of the partnership agreement; or
- certified copy or certified extract of minutes of a partnership meeting; and

certified copy of a certificate or registration of business name issued by a government agency.

## Investment Amount

### Australian Eagle Trust

\$ \_\_\_\_\_

Please forward your signed Application Form to:

**Apex Fund Services (Australia) Pty Ltd**  
PO Box 189  
Flinders Lane  
VIC 8009

**With a copy to:**  
Australian Eagle Trust Applications  
Alleron Investment Management Pty Ltd  
Level 9  
60 Carrington Street  
Sydney NSW 2000

**Email:** alleron@apexfunds.com.au

**Email:** eagletrust@alleron.com.au

**If paying via Electronic Funds Transfer (please note the investor name or initials in the bank transfer and the name of your bank):**

**Bank:** St George Bank Limited  
**BSB:** 332027  
**Account Number:** 554464093  
**Account Name:** AETL ACF Australian Eagle Trust – Applications Account

Please make payment net of all bank charges. Only net amounts received will be invested in the Trust. If paying by cheque, please make cheque payable to:

### AETL ACF Australian Eagle Trust – Applications Account

#### Instructions of Joint Investors

- Any of the joint investors (the joint investors hereby undertake that any instructions, communications, requests and instructions purporting to be made, drawn, accepted, endorsed or given by any one joint investor is binding on each joint investor);<sup>1</sup> or
- All of the joint investors.<sup>1</sup>

<sup>1</sup>Tick whichever box is applicable. Where no indication is made, all of the joint investors will be required to sign any instructions.

## Distribution Instructions / Payment of redemption proceeds

- Direct credit to the nominated bank account
- Reinvest in the same trust

**Please complete the following:**

**Bank:** \_\_\_\_\_

**BSB:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Account Name:** \_\_\_\_\_

acknowledge that by giving my/our consent to registration the Trustee need not hold a meeting of Unit Holders to approve registration at the relevant time;

- K. understand that the offer is an unregistered managed investment scheme and the scheme is not required to be registered under Section 601ED of the Corporations Act 2001;
- L. (i) if applicable, attach a Certificate by a Qualifying Accountant (under Chapter 7 of the Corporations Act) and I/we declare that my/our accountant is to complete a certificate every 2 years with my accountant's costs to be charged to my account.  
(ii) if applicable, attach an Applicant Investor's Certificate (under s761GA of the Corporations Act) and I/we declare that I/we will complete a further Certificate in respect of each additional investment in the Australian Eagle Trust;
- M. if applicable I am signing as the sole director and secretary of the company applying for units, I declare that I am the sole director and company secretary of the applicant company;
- N. that I/we am/are an Australian resident(s); and
- O. acknowledge and understand that if I/we fail to provide any information requested in this Application Form or do not agree to any of the possible exchanges or uses detailed above, my/our application may not be accepted by the Trustee.

**I/We agree to comply with all applicable anti-money laundering laws and regulations in force from time to time. I/We are not aware and have no reason to suspect that:**

- the monies used to fund my/our investment in the Trust have been or will be derived from or related to any money laundering or other activities deemed illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement; and
- the proceeds of my/our investment in the Trust will be used to finance illegal activities.

I/We acknowledge that where transactions are delayed, blocked, frozen or refused as a result of the Trustee's compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 as it applies to the Trust, the Trustee is not liable for any damages or losses I/we incur.

I/We understand that the Trustee, or its agents, are able to disclose my/our personal details to appropriate law enforcement agencies, including but not limited to the Australian Transaction Reports and Analysis Centre, the Trustee or its agents believe it is necessary to do so in order to comply with their obligations under the anti-money laundering laws and regulations of Australia.

### **Applicant Signature**

Full Name or company name \_\_\_\_\_

Company seal (if required)

Signature \_\_\_\_\_ Date \_\_\_\_\_

(Applicant 1/Director/Secretary/Sole Director and Secretary/authorised representative)\*

Signature \_\_\_\_\_ Date \_\_\_\_\_

(Applicant 2/Director/Secretary/authorised representative)\*

Where a company seal is required, two directors, or one director and the company secretary must sign the Application Form.

\*Delete where not applicable.

#### Privacy Notice

Australian Executor Trustees Limited (AET) may collect your personal information for primarily purpose of providing custodial services to the Trustee and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the Trustee, professional advisers, the land titles office and/or as otherwise instructed by the Trustee. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at [www.aetlimited.com.au/privacy](http://www.aetlimited.com.au/privacy)

Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023



## **Individual (Controlling Person's ) Self-Certification for FATCA and CRS**

### **Instructions for completion**

We are obliged under the Foreign Account Tax Compliance Act (FATCA), related intergovernmental agreements ("IGAs") and regulations based on the OECD Common Reporting Standard ("CRS") to collect certain information about each investor's tax arrangements. Please complete the sections below as directed and provide any additional information that is requested. Please note that in certain circumstances we may be legally obliged to share this information, and other financial information with respect to an investor's interests in the Fund with relevant tax authorities. This form is intended to request information only where such request is not prohibited by local law.

If you have any questions about this form or defining the investor's tax residency status, please refer to the OECD CRS Portal or speak to a tax adviser.

For further information on FATCA or CRS please refer to the US Department of the Treasury's website at <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA> or the following link to the OECD CRS Information Portal at: <http://www.oecd.org/tax/automatic-exchange/> in the case of CRS only.

If any of the information below about the investor's tax residence or FATCA/CRS classification changes in the future, please advise of these changes promptly.

Please note that where there are joint or multiple account holders each investor is required to complete a separate Self-Certification form.

**Sections 1, 2, 3 and 5 must be completed by all investors.**

**Section 4 should only be completed by any individual who is a Controlling Person of an entity investor which is a Passive Non-Financial Entity.** For further guidance see

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/common-reporting-standard-and-related-commentaries/#d.en.345314>

(Mandatory fields are marked with an \*)

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### **Section 1: Investor Identification**

**Investor Name\*:**

**Current Residential Address\*:**

Number: \_\_\_\_\_ Street: \_\_\_\_\_

City, Town, State, Province or County: \_\_\_\_\_

Postal/ZIP Code: \_\_\_\_\_ Country: \_\_\_\_\_

**Mailing address (if different from above):**

Number: \_\_\_\_\_ Street: \_\_\_\_\_

City, Town, State, Province or County: \_\_\_\_\_

Postal/ZIP Code: \_\_\_\_\_ Country: \_\_\_\_\_

**Place of Birth\***

**Town or City of Birth\*:** \_\_\_\_\_

**Country of Birth\*:** \_\_\_\_\_

Date of Birth\*(dd/mm/yyyy): \_\_\_\_\_

## Section 2: FATCA Declaration of U.S. Citizenship or U.S. Residence for Tax purposes\*:

Please tick either (a) or (b) and complete as appropriate.

- (a)  I confirm that [I am]/[the investor is] a U.S. citizen and/or resident in the U.S. for tax purposes and [my]/[its] U.S. federal taxpayer identifying number (U.S. TIN) is as follows:

\_\_\_\_\_

OR

- (b)  I confirm that [I am not]/[the investor is not] a U.S. citizen or resident in the U.S. for tax purposes.

## Section 3: CRS Declaration of Tax Residency (please note you may chose more than one country)\*

Please indicate your/ the investor's country of tax residence (if resident in more than one country please detail all countries of tax residence and associated taxpayer identification numbers ("TIN"). Please see the CRS Portal for more information on Tax Residency.

Country of Tax Residency	Tax ID Number

**NOTE:** Provision of a Tax ID number (TIN) is required unless you are tax resident in a Jurisdiction that does not issue a TIN.

## Section 4 – Type of Controlling Person

(ONLY to be completed by any individual who is a Controlling Person of an entity investor which is a Passive Non-Financial Entity or an Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution)

For joint or multiple Controlling Persons please complete a separate Self-Certification form for each Controlling Person

<i>Please Confirm what type of Controlling Person applicable under CRS that applies to you/the investor by ticking the appropriate box.</i>	<b>Please Tick</b>	<b>Entity Name</b>
Controlling Person of a legal person – control by ownership		
Controlling Person of a legal person – control by other means		
Controlling Person of a legal person – senior managing official		
Controlling Person of a trust - settlor		
Controlling Person of a trust – trustee		
Controlling Person of a trust – protector		
Controlling Person of a trust – beneficiary		
Controlling Person of a trust – other		
Controlling Person of a legal arrangement (non-trust) – settlor-equivalent		
Controlling Person of a legal arrangement (non-trust) – trustee-equivalent		
Controlling Person of a legal arrangement (non-trust) – protector-equivalent		
Controlling Person of a legal arrangement (non-trust) – beneficiary-equivalent		
Controlling Person of a legal arrangement (non-trust) – other-equivalent		

**Section 5: Declaration and Undertakings:**

I declare that the information provided in this form is, to the best of my knowledge and belief, accurate and complete.

I acknowledge that the information contained in this form and information regarding the Account Holder may be reported to the tax authorities of the country in which this account(s) is/are maintained and exchanged with tax authorities of another country or countries in which the Account Holder may be tax resident where those countries (or tax authorities in those countries) have entered into Agreements to exchange financial account information.

I undertake to advise the recipient promptly and provide an updated Self-Certification form where any change in circumstances occurs which causes any of the information contained in this form to be incorrect.

Authorised Signature\*: \_\_\_\_\_ -

Print Name\*: \_\_\_\_\_

Date: (dd/mm/yyyy)\*: \_\_\_\_\_ -

Capacity\*: \_\_\_\_\_ -

\_\_\_\_\_



## Entity Self-Certification for FATCA and CRS

### Instructions for completion

We are obliged under the Foreign Account Tax Compliance Act (FATCA), related intergovernmental agreements (“IGAs”) and regulations based on the OECD Common Reporting Standard (“CRS”) to collect certain information about each investor’s tax arrangements. Please complete the sections below as directed and provide any additional information that is requested. Please note that in certain circumstances we may be legally obliged to share this information, and other financial information with respect to an investor’s interests in the Fund with relevant tax authorities. This form is intended to request information only where such request is not prohibited by local law.

If you have any questions about this form or defining the investor’s tax residency status, please refer to the OECD CRS Portal or speak to a tax adviser.

For further information on FATCA or CRS please refer to the US Department of the Treasury’s website at <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA> or the following link to the OECD CRS Information Portal at: <http://www.oecd.org/tax/automatic-exchange/> in the case of CRS only.

If any of the information below about the investor’s tax residence or FATCA/CRS classification changes in the future, please ensure that we are advised of these changes promptly.

(Mandatory fields are marked with an \*)

**Investors that are individuals should not complete this form and should complete the form entitled “Individual Self-Certification for FATCA and CRS”.**

---

### Section 1: Investor Identification

Investor Name\*: \_\_\_\_\_ (the "Entity")

Country of Incorporation or Organisation: \_\_\_\_\_

Current Registered Address\*:

Number: \_\_\_\_\_ Street: \_\_\_\_\_

City, town, State, Province or County: \_\_\_\_\_

Postal/ZIP Code: \_\_\_\_\_ Country: \_\_\_\_\_

Mailing address (if different from above):

Number: \_\_\_\_\_ Street: \_\_\_\_\_

City, town, State, Province or County: \_\_\_\_\_

Postal/ZIP Code: \_\_\_\_\_ Country: \_\_\_\_\_

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### Section 2: FATCA Declaration Specified U.S. Person:

Please tick either (a), (b) or (c) below and complete as appropriate.

a) The Entity is a *Specified U.S. Person* and the Entity’s U.S. Federal Taxpayer Identifying number (U.S. TIN) is as follows:

**U.S. TIN:**

Or \_\_\_\_\_

b) The Entity is **not** a *Specified U.S. Person* (please also complete Sections 3, 4 and 5)

Or

c) The Entity is a US person but **not** a *Specified U.S. Person* (please also complete Sections 3, 4 and 5)

**Section 3: Entity's FATCA Classification\* (the information provided in this section is for FATCA, please note your classification may differ from your CRS classification in Section 5):**

**3.1 Financial Institutions under FATCA:**

If the Entity is a *Financial Institution*, please tick one of the below categories and provide the Entity's GIIN at 3.2

I.	<i>Partner Jurisdiction Financial Institution</i>	
II.	<i>Registered Deemed Compliant Foreign Financial Institution</i>	
III.	<i>Participating Foreign Financial Institution</i>	

**3.2** Please provide the Entity's *Global Intermediary Identification number (GIIN)* \_\_\_\_\_

**3.3** If the Entity is a *Financial Institution* but unable to provide a *GIIN*, please tick one of the below reasons:

I.	The Entity has not yet obtained a <i>GIIN</i> but is sponsored by another entity which does have a <i>GIIN</i> Please provide the sponsor's name and sponsor's <i>GIIN</i> : Sponsor's Name: _____ Sponsor's <i>GIIN</i> : _____	
II.	<i>Exempt Beneficial Owner</i>	
III.	<i>Certified Deemed Compliant Foreign Financial Institution (including a deemed compliant Financial Institution under Annex II of the Agreement)</i>	
IV.	<i>Non-Participating Foreign Financial Institution</i>	
V.	<i>Excepted Foreign Financial Institution</i>	

**3.4 Non-Financial Institutions under FATCA:**

If the Entity is not a *Financial Institution*, please tick one of the below categories

I.	<i>Active Non-Financial Foreign Entity</i>	
II.	<i>Passive Non-Financial Foreign Entity</i> (If this box is ticked, please include self-certification forms for each of your <i>Controlling Persons</i> )	
III.	<i>Excepted Non-Financial Foreign Entity</i>	

**Section 4: CRS Declaration of Tax Residency (please note that you may choose more than one country)\***

Please indicate the Entity's country of tax residence for CRS purposes, (if resident in more than one country please detail all countries of tax residence and associated tax identification numbers ("TIN")).

**NOTE:** Provision of a Tax ID number (TIN) is required unless you are tax resident in a Jurisdiction that does not issue a (TIN).

If the Entity is not tax resident in any jurisdiction (e.g., because it is fiscally transparent), please indicate that below and provide its place of effective management or country in which its principal office is located.

Country of Tax Residency	Tax ID Number

**Section 5: Entity's CRS Classification\*** (The information provided in this section is for CRS. Please note an Entity's CRS classification may differ from its FATCA classification in Section 3):

For more information please see the CRS Standard and associated commentary.

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/common-reporting-standard-and-related-commentaries/#d.en.345314>

**5.1 Financial Institutions under CRS:**

If the Entity is a *Financial Institution*, please tick one of the below categories

I.	<i>Financial Institution under CRS (other than (II) below)</i>	
II.	An <i>Investment Entity</i> located in a <i>Non-Participating Jurisdiction</i> and managed by another <i>Financial Institution</i> (If this box is ticked, please indicate the name of any Controlling Person(s) of the Entity and complete a separate individual self-certification forms for each of your Controlling Persons **)	

**5.2 Non Financial Institutions under CRS:**

If the Entity is a *Non Financial Institution*, please tick one of the below categories

I.	<i>Active Non-Financial Entity</i> – a corporation the stock of which is regularly traded on an established securities market or a corporation which is a related entity of such a corporation	
II.	<i>Active Non-Financial Entity</i> – a Government Entity or Central Bank	
III.	<i>Active Non-Financial Entity</i> – an International Organisation	
IV.	<i>Active Non-Financial Entity</i> – other than (I)-(III) (for example a start-up NFE or a non-profit NFE)	
V.	<i>Passive Non-Financial Entity</i> (If this box is ticked, please complete a separate Individual Self-Certification Form for each of your Controlling Person(s) )	

**\*\*Controlling Person's:**

**NB: Please note that each Controlling Person must complete a Separate Individual Self-Certification form.**

**If there are no natural person(s) who exercise control of the Entity then the Controlling Person will be the natural person(s) who hold the position of senior managing official of the Entity.**

For further information on Identification requirements under CRS for Controlling Persons, see the Commentary to Section VIII of the CRS Standard.

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/common-reporting-standard-and-related-commentaries/#d.en.345314>

**Section 6: Declarations and Undertakings**

I/We declare (as an authorised signatory of the Entity) that the information provided in this form is, to the best of my/our knowledge and belief, accurate and complete.

I acknowledge that the information contained in this form and information regarding the Account Holder may be reported to the tax authorities of the country in which this account(s) is/are maintained and exchanged with tax authorities of another country or countries in which the Account Holder may be tax resident where those countries (or tax authorities in those countries) have entered into Agreements to exchange financial account information.

I/We undertake to advise the recipient promptly and provide an updated Self-Certification where any change in circumstance occurs which causes any of the information contained in this form to be incorrect.

**Authorised Signature(s)\*:**

\_\_\_\_\_

**Print Name(s)\*:**

\_\_\_\_\_

**Capacity in which declaration is made\*:**

\_\_\_\_\_

**Date: (dd/mm/yyyy):\*** \_\_\_\_\_

# Certificate of a qualified accountant

## Chapters 6D or 7 of the Corporations Act 2001

[Name of person or entity] .....

[Address of person or entity] .....

.....

.....

I certify that [the person or entity] whose details are set out above:

- has net assets of at least \$2.5million; or
- has a gross income for each of the last 2 financial years of at least \$250,000.

I belong to [name of professional body] .....

My membership designation from this professional body is .....

I comply with this body's continuing professional education requirements.

Signature of accountant .....

Date certificate issue .....

[Name of accountant] .....

[Address of accountant] .....

.....

.....