

Aquasia Private Investment Fund

Information Memorandum

1 May 2026

Restrictions on the distribution of this Information Memorandum

The offer set out in this Information Memorandum (**Information Memorandum** or **IM**) is only available to investors in Australia and any other jurisdiction where the offer may lawfully be made. This IM does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to offer Units under this IM. The distribution of this IM in jurisdictions outside Australia may be restricted by law and any person into whose possession this IM comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. It is the responsibility of any overseas applicant to ensure compliance with all laws of any country relevant to their application.

In particular, the securities offered under this IM may not be distributed, directly or indirectly, in or into the United States of America (**USA**) or to or for the account or benefit of any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended).

The return of a duly completed Application Form is taken to constitute a representation and warranty by an investor that there has been no breach of any laws in the country relevant to their application and that (i) they are not a U.S. Person, (ii) they are not located in the USA, and (iii) they will not distribute the securities to any U.S. Person or within the USA.

This IM has been prepared in accordance with laws of the Commonwealth of Australia and the information contained in this IM may not be the same as that which would have been disclosed if this IM had been prepared in accordance with the laws and regulations of jurisdictions outside Australia.

Important Information – All Investors

This information memorandum (**Information Memorandum** or **IM**) dated 1 May 2026 has been issued by Aquasia Pty Ltd (**Aquasia, Trustee** or **Investment Manager**), AFSL 337872, ABN 20 136 522 051 as the Trustee and Investment Manager for the Aquasia Private Investment Fund (**Fund**) to offer units (**Units**) in the Fund. The Fund is a managed investment scheme which is not registered with the Australian Securities and Investment Commission (**ASIC**) and this IM has not been lodged with ASIC.

This IM is not required to be, and does not include all the information that would be required in, a product disclosure statement and an investor is not provided with the protections afforded to an investor in a managed investment scheme that has been registered with ASIC under the *Corporations Act 2001* (Cth) (**Corporations Act**).

The offer and/or invitation are set out entirely in this IM. Prospective investors should read this IM in its entirety prior to investing and where appropriate seek independent professional investment, taxation and legal advice before deciding to invest in the Fund. The IM should be read in conjunction with the Fund's constitution (**Constitution**) a copy of which is available from Aquasia on request.

The Fund is governed by its Constitution. To the extent of any inconsistency between this IM and the Constitution, the provisions of the Constitution will prevail.

Applications for Units will only be offered to persons receiving a copy of this IM (electronic or otherwise) in Australia, or other jurisdictions where it is lawful to do so, and who qualify as 'wholesale clients' for the purposes of Section 761G of the Corporations Act or 'wholesale investors' under New Zealand law (as set out in the following sections) (**Wholesale Clients**).

To the fullest extent permitted by law neither Aquasia nor any related party, officer, director nor associate provides or accepts any representations or warranties in relation to this IM or the Fund.

The Trustee reserves the right to evaluate any applications and to reject any or all of them (in whole or in part), without giving reasons for rejection. The Trustee is not liable to compensate the applicant or any investor for any costs or expenses incurred by any person in reviewing, investigating or analysing any information in relation to the offer, the Fund or otherwise.

The information contained in this IM has been furnished by Aquasia, but no assurance is given by Aquasia or anyone else named in or associated with the issue of this IM as to the accuracy or completeness of this information.

Aquasia does not guarantee the performance of the Fund, the rate of income, the return of capital to the investors, any particular rate of return or any taxation consequences of any investment made in the Fund.

Where this IM sets out any past performance in respect of the Fund, the Fund's strategy, or other funds or investment vehicles operated or managed by the Trustee, investors must not interpret that information as a representation about the future performance of the Fund. Past performance is not a reliable indicator of future performance.

The information contained in this IM is general information only and does not take into account an investor's objectives, financial situation or needs. Before acting on the information contained in this IM, investors should consider the appropriateness of the information in this IM having regard to their objectives, financial situation and needs.

Certain information contained in this IM constitutes 'forward-looking statements' that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'aim', 'anticipate', 'foresee', 'estimate', 'target', 'intend', 'likely', 'planned', 'continue', 'potential', 'believe', or the negatives or other variations of those words or comparable terminology.

Furthermore, any projections or other estimates in this IM, including estimates of returns or performance, are 'forward-looking statements' and are based on certain assumptions that may change.

Due to various risks and uncertainties, including those set out in the 'Risks' section of this IM, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements.

The forward-looking statements, included in this IM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, or are unknown to, the Trustee. Actual future events may vary materially from the forward-looking statements and assumptions on which those statements are based. Given these uncertainties, investors are cautioned to not place undue reliance on any forward-looking statements.

Any estimate, forecast, projection, feasibility, cash flow of words or a similar nature or meaning in this IM are forward-looking statements and subject to this cautionary statement.

If information in this IM changes, and it is not a material change, we may update the information by posting the updated information on our website www.aquasia.com.au or an investor can also obtain this information by calling Aquasia on +61 2 8061 4888.

All references to A\$ are to Australian Dollars and NZ\$ are to New Zealand Dollars. Capitalised terms in this IM are defined terms and they are listed in the Glossary or defined elsewhere in the IM. Days are calendar days unless otherwise specified as Business Days and 'month' and 'quarter' are calendar month and calendar quarter respectively unless stated otherwise.

Important Information for New Zealand Investors

WARNING (please read the following important information): The offer of units in the **Aquasia Private Investment Fund** (the **Fund**) is not being, and will not be, offered or sold in New Zealand to persons other than 'wholesale investors' within the meaning of:

- clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA Schedule 1**) which covers 'investment businesses', persons meeting the 'investment activity criteria', 'large' persons and 'government agencies' as defined in each case in FMCA Schedule 1 (**Institutional Wholesale Investor**);
- clauses 3(3)(a) and 41 of the FMCA Schedule 1 which covers 'eligible investors' (**Eligible Investor**); and
- clause 3(3)(b)(i) or (ii) of FMCA Schedule 1 which covers investors meeting the NZ\$750,000 minimum investment amount criteria (**Minimum Investment Exclusion**).

The information referred to on the pages that follow is restricted in New Zealand to persons in these 'wholesale investors' categories.

Applications or any requests for information from persons in New Zealand who do not meet the above criteria will not be accepted.

If you are a New Zealand investor, and apply for Units in the Fund, you warrant that you meet the above eligibility criteria and agree that you will not sell your interest in the Fund to any person who is not a 'wholesale investor' or to any person within 12 months after they are issued, in circumstances where disclosure would be required under Part 3 of the Financial Markets Conduct Act 2013 or in circumstances which may result in Aquasia or any of its directors or related bodies corporate incurring any liability whatsoever.

If you are an Institutional Wholesale Investor, you agree to provide a certificate to the issuer of the Fund in the form attached as **Appendix 1A of the Application Form** prior to investing in the Fund.

If you are an Eligible Investor you agree to provide a certificate to the issuer of the Fund (which includes details of your experience with financial products) in the form attached as Appendix 1B of the Application Form and arrange for confirmation of the certificate by a lawyer, qualified statutory accountant or financial adviser prior to investing in the Fund.

If you are investing in the Fund in reliance on the Minimum Investment Exclusion, the following warning statement is important in relation to your investment in the Fund:

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ\$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

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Summary of the Fund

The Investment	Units in Aquasia Private Investment Fund, an open-ended unit trust.
Investor Class	Wholesale Clients only.
Minimum Initial Investment	A\$50,000. Details on page 22.
Target Return	10% p.a. (net of fees)
Investment Objective	To preserve capital and achieve returns over the medium term in excess of the Target Return.
Investment Strategy	<p>The Fund seeks to invest in private debt and other opportunities through which to participate in the financing of business activities in Australia and New Zealand, and potentially, internationally.</p> <p>For further information on the Fund's investment strategy, please see the 'Investment Approach' section on page 11 of this IM and for further information on the Fund's intended portfolio assets, please see page 13 to 14.</p>
Types of Investments	<p>The Fund may invest in a range of private debt and other credit products which may include:</p> <ul style="list-style-type: none"> • Commercial and residential real estate loans. • Senior, subordinated and mezzanine debt. • Specialised lending products (including receivables and asset financing). • Loans to real estate transactions. • Convertible notes and on occasion then resultant equity. • Senior and mezzanine tranches of Residential Mortgage-Backed Securities and other Asset-Backed Securities, and warehouse facilities. • Structured/alternative credit instruments. • Corporate and government debt securities. • Hybrid and income securities including convertible notes. • Other fixed income and credit instruments, including public securities. • Cash and Cash Equivalents. <p>More details on page 13.</p>
Underlying Security Types for Loans	<p>Security may include registered mortgages over real property, general and specific security interests over borrower entities and assets, shares, bank accounts, receivables and other contractual rights, and other forms of collateral, guarantees and contractual protection. Security may be senior or subordinated.</p> <p>More details on page 14.</p>
Investment Horizon	Due to the high risk and illiquidity of underlying investments this Fund is suitable for investors with a 3 to 5 year investment horizon.
Trustee and Investment Manager	Aquasia Pty Ltd.

Custodian	Aquasia Pty Ltd (for the majority of assets) and MSC Certane (for Austraclear traded assets).
Distributions	Distributions are paid quarterly to the extent income is available. Distributions may be made at other times at the Trustee's discretion.
Applications	Applications of a minimum of A\$50,000, must be received by 3.00pm Sydney time at least two Business Days prior to the last Business Day of each month. More details on page 22.
Redemptions	Valid redemption requests must be received by 3:00 pm Sydney time at least 30 days prior to the end of each quarter (or more regularly at Aquasia's discretion), to be considered for processing at the end of the quarter. Redemptions that are accepted will generally be processed on the last Business Day of each quarter or at other times at the discretion of Aquasia (Redemption Date). More details on page 23.
Management Fees	1% p.a. (excl GST) of the Net Asset Value of the Fund, before the recovery or expenses. More details on page 25.
Expense Recovery	Capped at 0.35% p.a. (excl GST) of the Net Asset Value of the Fund prior to the payment of any fees and expenses. More details on page 25.
Buy/Sell Spread	As at the date of this IM the Buy/Sell Spreads are NIL % / NIL% The Buy Spread and Sell Spread may be varied from time to time and any changes will be notified on Aquasia's website: www.aquasia.com.au . More details on pages 25 to 26.
Performance Fee	20% of the Fund's outperformance of the Target Return of 10%p.a. More details on pages 26 to 27.
Portfolio constraints	The Fund will invest predominantly in Australian Dollar denominated assets. The Fund will focus on investments located in Australia and New Zealand with the ability to consider suitable assets in other jurisdictions. More details on page 12.
Risks	An investment in the Fund is subject to risks, which due to the illiquidity of the underlying assets and the high return target (among other things) should be considered high risk. The return of capital and performance of the Fund are not guaranteed by any person, including Aquasia. Therefore, investors should carefully consider the risks of investing and, where necessary, seek professional advice as to the suitability of investing in the Fund having regard to the investor's personal circumstances. Key risks of investing in the Fund are set out on pages 16 to 21. Investors should consider these risks in detail prior to investing in the Fund.

Overview of Aquasia, the Fund Team and the Fund Investment Committee

Aquasia Pty Ltd

Aquasia is an independent, licensed, financial services business that has been operating wholesale funds and syndicates since 2010. Since inception of the funds management business, Aquasia has raised and deployed over \$2 billion primarily in the public and private credit space.

Aquasia operates under an investment philosophy that is focused on capital preservation, minimising market risk, managing asset liquidity and delivering superior returns.

Further information on Aquasia can be found at www.aquasia.com.au.

The Aquasia Private Investment Fund Team

The key Aquasia personnel who will be involved with the Fund are:

Colin McKeith – Principal Partner/ Director of Aquasia

Colin is a Principal Partner of Aquasia and is responsible for Aquasia's debt, derivatives markets and funds management businesses. He has been involved in the Australian financial markets since 1980. Colin has developed his career alongside the opening up and deregulation of the banking system. He has experience across a wide range of disciplines from product development through to trading and distribution roles.

Nick Thomson – Portfolio Manager

Nick has over two decades of banking experience in financial advisory, equity capital markets, restructuring and mergers and acquisitions.

Prior to joining Aquasia in 2015, Nick was most recently Head of Investment Banking for CIMB Australia, with responsibility for origination of advisory assignments and management of a team of investment banking professionals.

Nick has also worked at UBS AG Australia and JP Morgan Australia and has undertaken a number of significant real estate transactions and financial restructuring assignments.

Nick has a Master of Economics from Sydney University and is a graduate of the INSEAD Management Program.

Kelly Fraser – Risk Management, Compliance and Administration for the Fund

Kelly is Aquasia's Chief Operating Officer and has over 30 years experience across a broad range of operational roles in financial markets. She has held this position since Aquasia's inception and prior to Aquasia, Kelly's most recent position was Chief Operating Officer of Global Markets for ABN AMRO Australia. She holds a Bachelor of Economics from Sydney University.

Stuart Richardson – Distribution

Stuart has over 30 years' experience in the financial services industry covering banking, asset management and wealth management. Before joining Aquasia, Stuart was a Director at Credit Suisse AG in Sydney covering superannuation funds, asset managers and family offices with a focus on alternative investments.

Before moving to Sydney, Stuart worked in New Zealand for First NZ Capital Securities Limited where he managed investment portfolios for family offices and high net worth individuals.

Prior to this he was Head of Corporate and Institutional Sales at ABN AMRO. During Stuart's career he was also Head of Sales in the Financial Markets division of The National Bank of New Zealand.

Stuart holds a Bachelor of Commerce degree in Economics from the University of Auckland and a New Zealand Stock Exchange Diploma.

Aquasia Private Investment Fund Investment Committee

The Fund's investment committee (**Investment Committee**) oversees the activities of the Fund from an investment, operational and compliance perspective. Its Charter requires it to establish and oversee the Fund's investment strategy to protect capital while delivering above benchmark returns.

The Investment Committee comprises at least five members, including Aquasia personnel and at least two independent committee members. Only the chair and the two independent members are entitled to vote, with a majority required for any vote to pass.

The Investment Committee meets monthly to monitor and review all aspects of the Fund's investments and operations as defined in its Charter. As at the date of this IM the Investment Committee comprises:

- Colin McKeith as Chair and Director of Aquasia Pty Ltd (voting member).
- Neil Schafer – Lead Independent (voting member).
- Mark Hopkinson – Independent (voting member).
- Nick Thomson – Portfolio Manager (non-voting member).
- Kelly Fraser – COO and Compliance Officer (non-voting member).

Neil Schafer – Lead Independent Investment Committee Member

Neil has an extensive track record in banking and investment gained from over 25 years' experience in New York, London, Switzerland, Asia and Australia.

He has served as CEO at Wilson HTM Investment Group and Souls Funds Management, as an executive at Citibank, CBA and UBS, and as an external director of Clime Investment Management, London City Equities, The Investor Group, Valad Core Plus Property Management Ltd and the ABN AMRO Social Infrastructure Fund.

Neil currently provides business and investment advisory services through SPG Asia and is a director of the Catholic Development Fund.

Mark Hopkinson – Independent Investment Committee Member

Mark worked for 20 years in the Schroder Group in London, Sydney and Asia, concluding with the role of Group Managing Director, Investment Banking in Asia between 1997 and 2000. His responsibilities at the Schroder Group were principally for trading, structuring and risk management.

Between 2007 and 2013 he was a Non-Executive Director of Schroders Asian Property Managers Limited which managed the investments and governance of the Schroders Asian Property Fund, a US\$300 million plus fund investing in Asian real estate.

Mark has an MA (Hons) in English and a Master of Studies in History from Oxford University.

Investment Approach

Objective

The Fund's investment objective is to preserve capital while producing returns over the medium term in excess of the Target Return of 10% p.a (net of fees).

For further information on the Fund's intended portfolio, please see page 13.

Strategy

The Fund invests in a range of private debt and other credit assets in Australia and New Zealand, and potentially, internationally.

In addition to loans secured by real estate and other commercial assets, the Fund may invest in various specialty lending products and private debt investments by way of senior and subordinated loans, convertible notes and fixed income instruments.

The Fund is designed for investors who wish to have exposure to such assets and who are looking for returns at or above 10%p.a.

Given the expected illiquidity of the Fund's assets, the Fund is most suited for investors who have an investment horizon of three to five years and have a high risk tolerance.

Investments are sourced from Aquasia's wide network of contacts, including its own origination business, and will be added to the Fund's portfolio if, in Aquasia's view, they provide the appropriate risk/return profile for the Fund.

The Fund may invest in other funds and investment opportunities offered by Aquasia and the Fund may co-invest or trade assets with other funds managed by Aquasia.

If assets are sourced through Aquasia's advisory or origination businesses or are investments managed by Aquasia, the transactions will occur on an arm's-length basis and in accordance with Aquasia's conflicts of interest policy.

Aquasia intends that the Fund will invest in assets that are unrated by investment rating agencies and may be senior or subordinated positions. By their nature, investments in subordinated positions will rank behind senior positions. For further information on the risks associated with subordinated debt, see the 'Risks' section of this IM on pages 16 to 21.

While the Fund generally buys assets on a hold-to-maturity basis, the Investment Manager monitors the positions in the portfolio with a view to optimising Unitholder returns. The Investment Manager may sell assets prior to maturity where it believes that there are better investment opportunities available in the market or a holding in the portfolio is fully priced.

For more information on the Fund's intended portfolio characteristics, please see pages 14 to 15. For further information on the risks associated with the underlying investments made by the Fund, as well as the related party and conflicts of interest related risks associated with investments made in other funds managed by Aquasia, see the 'Risk' section of this IM on pages 16 to 21.

Portfolio Constraints

Characteristic	Fund Portfolio Constraints
Geography	Focus on Australian and New Zealand opportunities with the ability to consider suitable international assets.
Credit rating	It is expected that up to 100% of the investments be in unrated assets. The Fund may hold investments in rated paper for liquidity purposes.
Currency	>80% of NAV in A\$ assets (or hedged back to A\$).
Interest rate	Fixed and floating rate assets.
Leverage	Up to 20% of NAV.
Loan security	Includes mortgages over real property, general and specific security over corporate assets, shares and bank accounts, receivables and other contractual assets.
Ranking	Loans and collateral may be senior or subordinated.
Liquidity	Generally, investments will be illiquid assets.
Asset and Borrower/ Issuer Concentration	The Fund will aim for exposure to a range of assets and borrowers and issuers to minimise concentration of the portfolio.
Sector concentration	The Fund expects to focus on loans secured by real estate assets (including residential, commercial and industrial property) while also seeking suitable investments across other industry sectors and asset classes.
Unlisted/listed	Majority of assets will be unlisted.

Investment Process

Research

Aquasia researches financial markets to identify developments and trends in general, and in the credit and fixed-income and property sectors in particular. Aquasia also undertakes detailed research on suitable assets and their borrowers/ issuer(s). Aquasia's research informs and shapes the seller/asset identification, evaluation and portfolio consideration phases of the Fund's investment process.

Identifying Seller/Assets

Aquasia sources assets through its networks and specialist partners and its own origination businesses, seeking borrowers with funding requirements against assets that Aquasia believes are providing a good return against the risk.

As part of this process Aquasia uses its deep knowledge of the markets and extensive contacts, together with an understanding of longer-term market dynamics and changes in the regulatory environment.

Evaluating Assets

Aquasia evaluates assets by examining the underlying credit quality, risk/return profile and the name, sector, liquidity, and regulatory outlook of each asset.

Portfolio Considerations

Aquasia examines assets in view of the broader portfolio, including overall macro considerations and outlook, the portfolio mix, hedging (where appropriate), liquidity, maturity profile, credit quality and interest rates.

Review Process – Investment Committee and Audit

The Investment Committee meets monthly in order to fulfill its Charter as defined by the Trustee, which includes, without limitation, items such as:

- Review of the Fund's performance.
- Ensuring that the Fund is operating within its constraints (see page 12).
- Reviewing and approving the month end valuations.
- Reviewing and approving any distributions.

The Investment Committee comprises at least five members, including Aquasia personnel and at least two independent committee members. Only the chair and the two independent members are entitled to vote, with a majority required for any vote to pass. In addition, at the end of each financial year, the valuation of the Fund's assets are reviewed by the Fund's auditor.

Portfolio Assets

Examples of assets the Fund may hold include:

- Commercial real estate and residential mortgage loans.
- Senior, subordinated and mezzanine debt.
- Specialised lending products (including receivables and asset financing).
- Senior and mezzanine tranches of Residential Mortgage-Backed Securities and other Asset-Backed Securities, and warehouse facilities.
- Structured/alternative credit instruments.
- Corporate and government debt securities.
- Hybrid and income securities including convertible notes (noting equity may be held as a result of a conversion of a convertible note or some other mechanism).
- Other fixed income and credit instruments.
- Cash and Cash Equivalents.

Portfolio Characteristics

The Fund's portfolio will have the characteristics set out below.

Geography

The Fund will focus on opportunities in Australia and New Zealand with the ability to consider suitable assets located in other jurisdictions.

Underlying Security Type

Security for loans and investments may include registered mortgages over real property, security interests over corporate entities and trusts, business assets, receivables and other contractual rights, bank accounts, and other forms of collateral, guarantees, credit enhancement and contractual protection.

Security positions may be senior or subordinated and subject to intercreditor agreements.

Where investments are made through special purpose vehicles (**SPVs**) established to hold specific assets or projects the Fund's security may comprise security over the shares and assets of the relevant SPV and associated contractual rights, rather than direct security over the underlying business or property.

Credit Rating

The Fund's assets may be rated or unrated. The Fund expects that up to 100% of its investments will be in unrated assets although rated paper may be held for liquidity management purposes.

Currency

The Fund invests predominantly in Australian Dollar denominated assets. However, the Fund may from time to time invest in assets denominated in currencies other than Australian Dollars.

Currency Hedging Strategy

If the combined value of assets in Foreign Currency exceeds 20% of the NAV then Aquasia will hedge the Foreign Currency exposure in excess of this 20% back to Australian Dollars.

Instruments used for currency hedging may include forwards, futures and options.

Interest Rate

The Fund may invest in assets with fixed or floating interest rates. The interest rate will be assessed on an investment by investment basis and reflects the risk of the asset. The weighted average yield to maturity will be included in the monthly update provided to investors.

Aquasia may engage in interest rate hedging where it is considered appropriate to achieve the Target Return or to minimise interest rate risk.

Instruments that may be used for interest rate hedging may include swaps, options and futures.

Leverage

While the Fund is not expected to be an active user of leverage, it has the ability to borrow up to 20% of the NAV. This may be done through direct borrowings or repurchase agreements.

Liquidity

The Fund invests in mainly illiquid assets which may affect investors' ability to redeem.

Assets will generally be acquired on a hold-to-maturity basis.

The Fund will only invest where the Investment Manager believes there is an adequate return for the risk and the illiquidity of the assets.

The Funds Liquidity Policy is set by the Trustee and liquidity management is monitored by the Investment Committee. This policy is available upon request.

Asset and Borrower/Issuer and Sector Concentration

The Fund has a strong emphasis on real estate-backed investments and a significant proportion of the portfolio is expected to comprise loans secured by real property assets (including residential, commercial and industrial property).

Given the bespoke nature and size of these investments, the Fund may, from time to time, have concentrated exposures to particular borrowers, counterparties, assets or projects.

The Fund will, where practicable, seek to construct a diversified portfolio across borrowers, geographies, property types, capital structure positions and loan maturities. However, diversification may be constrained by market conditions, the availability of suitable opportunities and the Fund's investment strategy, and concentrations may therefore arise.

Allocation of other income

All income derived from Fund investments is paid to and retained by the Fund and is not shared with the Trustee or Investment Manager. This includes upfront and other fees and default interest payable by borrowers and other transaction counterparties to the Fund as lender.

The only income earned by Aquasia as Trustee and Investment Manager is derived from the management and performance fees disclosed on pages 25 to 27.

Borrowers may pay fees to external originators, including related parties of Aquasia, for loan origination, management or facility agency services. Those fees are commercially negotiated between the Borrower and the service provider and are not payable to the Fund.

However, in instances where an originator shares part of its fees with lenders, those amounts will be paid to the Fund for the benefit of Unitholders and are not retained by Aquasia for its own account.

Unlisted/Listed

The Fund's assets may be unlisted or listed. It is anticipated that the majority of the Fund's assets will be unlisted.

Risks

It is important to understand that there are high risks associated with investing in the Fund.

The nature of investment markets is such that the return on investment markets, as well as individual investments, can vary significantly and future returns are unpredictable. In the event that any of the risks described on the following pages eventuate then they may impact upon the value of the Fund's assets and hence Unit prices and the extent to which the Fund is able to make distributions and permit redemptions. Different types of investments perform differently at different times and have different risk characteristics and volatility.

The risks and therefore return on the Fund's investments are influenced by various factors, including many outside the control of Aquasia, such as domestic and international markets, economic conditions, migration, regulatory changes, policy changes, political climates, interest rates, currencies and inflation. The significant risks that may affect the performance or value of an investor's investment include those set out below. The higher the concentration of the Fund to these risk factors, the greater the impact on the Fund value if a particular risk event were to occur.

Aquasia does not guarantee repayment of capital, any rate of return or the Fund's investment performance. Investors may lose money by investing in the Fund and an investment in the Fund might not meet an investor's objectives.

Investors should consider their investment objectives, timeframe and risk tolerance before investing in the Fund. Aquasia recommends that investors obtain appropriate professional investment, taxation and legal advice having regard to their individual circumstances prior to investing in the Fund.

Related Party Investments and Transaction Risks

The success of the Fund is dependent on Aquasia identifying suitable investments for the Fund and then effectively managing those investments. If Aquasia is unable to achieve this, then this may adversely affect the Fund's returns.

The Fund may, from time to time, enter into transactions with Aquasia's related parties including, but not limited to:

- co-investing with, or buying/selling assets to and from, other funds or entities managed by Aquasia;
- investing in units or securities issued by other funds or entities managed by Aquasia including the possible investment of cash reserves in the Aquasia Short Term Income Fund (**ASTIF**);
- participating in transactions arranged and/or managed by Aquasia's related origination and loan management business, Aquasia Investment Services Pty Ltd (**AIS**) for which AIS may receive upfront and on-going fees;
- selling interests in loans to the Aquasia Residual Stock Fund (**ARSF**), or facilitating the refinance of loans by ARSF;
- selling Units to related entities, officers and staff of Aquasia and their associates, or having interests in assets or investments in which one of those parties also holds interests; and
- administration services provided to the Fund by Aquasia (in its personal capacity) for which it charges pre-agreed fees which are recovered from the Fund as part of the expense recovery process.

Aquasia will ensure that such transactions are entered into on an arm's length basis and has policies and procedures in place to ensure that any related party transactions will be commercial, on arm's length terms and in the best interests of Unitholders.

By making an investment in the Fund, investors acknowledge that the Fund can enter into related party transactions of the nature outlined above.

For information about related party investments and transactions, see page 31.

Conflicts of Interest Risks

There is nothing to prohibit Aquasia or its associates from engaging in any other existing or future business or providing services to other clients. Aquasia and its directors may develop advisory and other relationships with a wide variety of clients and investors. As a result of obligations that arise from those relationships, including obligations of confidentiality, certain potentially suitable investment opportunities of which Aquasia becomes aware may not be offered or disclosed to the Fund. In addition, the Fund may invest in products or assets managed by a related party of Aquasia and officers and staff of Aquasia (and their related entities and associates) may be Unitholders in the Fund or have interests or investments in assets owned by the Fund.

This may give rise to actual or potential conflicts of interest with Aquasia's role as Trustee and Investment Manager of the Fund. In the event that an actual or potential conflict of interest arises, Aquasia will attempt to minimise or resolve such conflict, to the extent possible in accordance with its conflicts of interest and other governance policies, and its obligations under its AFSL. Any services provided to the Fund by Aquasia or its related parties will be on arm's length terms.

Priority Risk

Where loans are secured by second and subsequent ranking securities, or are otherwise subordinated to senior lenders, these loans may be riskier than other loans because they rank behind first or preceding securities, or senior loans, in priority for repayment of outstanding amounts.

Prior ranking interests must be paid out in full before lower ranked interests potentially leading to loss of principal and/or interest if loans are not repaid in full. This exposes Unitholders to the risk of loss of capital and/or income loss where there are insufficient funds to repay monies owing to the Fund.

Junior Lender Risk

If the Fund is a junior or mezzanine lender, then any property mortgage or other security will rank behind security held by a senior lender. In the event of a default by the borrower the ability to recover the amount owing under the Fund's loan will be affected by the actions of the senior lender.

Generally, the senior lender will have the right to take possession of, and deal with, the security property and assets of the borrower if various covenants of the senior lender's loan facility are not met. Where the Fund is a junior or mezzanine lender, the Fund's security will be ranked below the senior lender, so if the borrower defaults under any of the loan facilities and the senior lender exercises its security, then the Fund will not have day-to-day control over the borrower's assets. This will generally mean the Fund's security cannot be enforced until the senior lender has been paid in full. In addition, any money available to the Fund in these circumstances would be limited to what is recovered after the senior lender has been paid in full.

Security Risk

In the event of default, the Fund will review its loan position and may decide to take action to recover capital and income outstanding by seeking to enforce any securities provided. These securities may include mortgages, guarantees, charges or other forms of security interests and collateral supporting a loan. However, there is a risk that the recovery proceeds from enforcement of the securities provided to the Fund by the borrower are insufficient to fully repay all outstanding capital and income and, in some limited circumstances, there may be barriers to enforcement.

In particular, an investor should be aware that:

- the value of the security may fall during the term of the loan;
- guarantees and other forms of security interests provided may not carry sufficient value due to the lack of assets in the guaranteeing persons or entities; and
- where the Fund lends on a subordinated or mezzanine basis, the ability to enforce the security interests is likely to be subject to priority arrangements entered into with other lenders to the borrower, which could limit the right to enforce.

Security Enforcement Risks

For loans there are risks that:

- real estate mortgages and other collateral may be challenged and may, in limited circumstances not be enforceable at law, including fraud by the borrower or security provider;
- taking recovery or enforcement action may involve protracted legal processes;
- selling secured property may take a significant amount of time, including on account of poor market conditions;
- selling secured property results in additional costs being incurred relating to the sale (such as real estate agent's fees, legal fees and potentially also taxes) which in turn reduce the amounts recoverable by the Fund; or
- the net sale proceeds received on the enforcement of a security would not be sufficient to cover capital and income repayment obligations to the Fund under the loan.

The Investment Manager seeks to manage these risks by:

- obtaining valuations of real property and other assets from reputable valuers before a loan is made;
- ensuring that all loan documentation is reviewed by experienced legal counsel;
- ensuring that borrowers invest a sufficient amount of their own equity into any property development, real estate investment or other project;
- setting and monitoring covenant limits in respect of each loan; and
- managing loans throughout the course of their term.

It is also possible the Fund will need to undertake further capital raising to fund expenses associated with enforcing a loan. It is possible that any such future capital raising will be undertaken at a price less than the original issue price for the Units and may therefore dilute the proportional holdings in the Fund of those investors that decide not to contribute further capital.

Asset Backed Securities Risk

The Fund may invest in RMBS or ABS where the Investment Manager considers it appropriate, including as part of the Fund's liquidity management strategy.

The value of asset backed securities may be affected by a number of factors including: changes in the market's perception of the underlying assets backing the security, changes in the perceived adequacy of credit support in the securities, changes in the perceived creditworthiness or capability of the third parties to a transaction (including the originator, swap providers, etc.) and changes in the payment behaviour of the underlying borrowers (such as failure to pay or early repayment).

During times of heightened market volatility, the valuation of these securities may fluctuate considerably and may not reflect the value at which the securities would be realised through a sale.

Falls in market price may result in a corresponding fall in the Fund's Net Asset Value and Unit price.

Liquidity Risk

A majority proportion of the Fund's assets will be invested in assets which are illiquid, and even those assets which are liquid in normal markets may become illiquid under market conditions which are adverse. The liquidity of an asset may also affect its value, especially in a situation where the Fund is forced to sell assets at a time when it is not advantageous to do so.

The Fund expects that a significant proportion of its private debt assets will be structured as payment-in-kind (PIK) or capitalising interest facilities. These investments do not generally generate regular cash income and therefore increase the Fund's overall illiquidity and reliance on asset sale or refinancing events for return of capital and income.

The Fund seeks to manage its liquidity in accordance with its Liquidity Policy, taking into account matters such as expected loan maturities, funding requirements for new loans and on-going drawdowns, expected fee and interest income, the levels of new applications and redemptions and the amount of distributable income.

The cash held by the Fund comprises amounts received from a range of sources including loan repayment, interest and fee income and applications for new Units. That cash will be applied to meet the Fund's ongoing obligations and may result in application monies being applied to fund new investments, meet redemptions or pay distributions.

The illiquid nature of the portfolio may affect the ability of unitholders to make redemptions from the Fund.

Investors should also be aware that there is no secondary market for trading in the Fund's Units and transfers of Units are only possible with the consent of Aquasia (see page 31).

Distribution Risk

Distributions from the Fund depend on the income received from the investments. No guarantee can be given concerning the future earnings of the Fund or the payment of distributions to Unitholders.

The Fund is required to distribute all assessable income to Unitholders by the end of each financial year. There are circumstances where accrued but unpaid income (including capitalised interest) forms part of the Fund's assessable income even though those amounts have not yet been received. As a result, the Fund may be required to declare and attribute taxable income at year end that does not correspond to cash actually received. (See also the 'Taxation' sections on pages 34 to 38 of this IM).

Market Risk

The market value of the Fund's assets could decrease. The market risk in relation to the assets that the Fund invests in is broadly affected by factors including, but not limited to, interest rate movements, property values, changes in ratings, political policies, legislation, technology, infrastructure, investor sentiment, employment levels, currencies, broader economic conditions and changes in the perceived or actual creditworthiness of the borrower or any underlying security.

Credit Risk

Credit Risk is the risk that a borrower or counterparty fails to meet its financial obligations when due. While Aquasia will exercise due diligence, skill and expertise in selecting and managing investments, there may still be credit losses in the Fund's portfolio. Aquasia actively monitors credit exposures in the portfolio and, where possible, may seek to reduce or exit positions which appear to be deteriorating, but this may not be possible given the inherently illiquid nature of the Fund's assets. Those assets may need to go through a "work out" or restructuring process to recover outstanding amounts which would delay/reduce recoveries and potentially result in a loss of capital and/or income.

Concentration and Diversification Risk

The Fund may from time to time hold materially concentrated exposures across certain borrowers, asset classes, property types, or geographic regions. As the Fund predominantly invests in private debt secured by real estate and other commercial assets, adverse events affecting these concentrated areas - such as a decline in property values, construction delays, borrower underperformance, or regional economic weakness - may have a disproportionate impact on the Fund's performance, valuations and liquidity.

Limited diversification may increase the risk of loss if a major borrower defaults, if a particular sector weakens, or if market conditions adversely affect a concentrated segment of the portfolio. Concentrations may persist due to the bespoke and illiquid nature of private debt investments, the availability of suitable opportunities, and the Fund's investment strategy.

While the Fund aims to construct a diversified portfolio across borrowers, geographies, property types, loan maturities and ranking, practical limits on diversification may arise due to market conditions, origination flow, and the Fund's investment strategy. As a result, concentrated exposures may persist for extended periods, which may increase risk, reduce liquidity, and magnify the impact of adverse events on the Fund's Net Asset Value and ability to make distributions or meet redemption requests.

Industry Sector Risks

The Fund will invest in various industry sectors which have their own specific characteristics and are exposed to the risks described in this section to varying degrees.

With a significant proportion of the Fund's investments expected to be real estate-backed loans and property-related credit exposures, the Fund's performance, asset values and recoverability of capital are materially exposed to conditions in the Australian property sector.

The Australian property sector is cyclical and may be adversely affected by factors including changes in interest rates, credit availability, inflation, construction and development costs, population growth and migration trends as well as planning/regulatory changes, project delays, pre-sales levels, construction risks, environmental/ geotechnical issues and tax rules.

Counterparty Risk

There is a risk that the Fund's counterparties and service providers may become insolvent or are otherwise not able to meet their obligations to the Fund. There is also a risk that parties involved in transaction structures fail to meet their contractual obligations, potentially leading to operational losses.

Interest Rate Risk

The Fund is aiming for a Target Return to investors of 10% p.a. This may involve purchasing assets with fixed, floating or zero-coupon return profiles (including assets under which interest is capitalised and not received in cash until maturity or realisation).

The Fund may, from time to time, hedge some or all of its interest rate exposure where it determines that doing so may assist in managing interest rate risk, reducing volatility, aligning asset cash flows with liabilities or financing costs, preserving or enhancing risk-adjusted returns, and supporting the achievement of the Fund's Target Return over time.

However, there can be no assurance that Aquasia will be able to hedge all such assets and there may be residual interest rate risk arising from imperfect hedging and general market conditions associated with changes in interest rates.

Derivatives Risk

Derivatives instruments may be used to manage interest rate or currency risk. The value of a derivative may fail to move in line with the value of the underlying asset or rate. As a consequence, the derivative may not perfectly hedge the underlying risk. Further risks include the potential illiquidity of the derivative and exposure to the credit-worthiness of the derivative counterparty. Derivative counterparties may require the Fund to provide collateral or margin (including cash or other eligible assets) to support its obligations under derivative contracts.

Leverage Risk

The Fund has the ability to borrow up to 20% of the NAV for the purpose of managing short-term liquidity. In addition, some of the Fund's assets may be internally leveraged via embedded credit derivatives, structural leverage within investment vehicles, or through subordination in the capital structure.

The leverage risk of the Fund's borrowing and assets in the portfolio is that it may amplify both gains and losses, increase volatility of returns, and heighten the Fund's exposure to liquidity, valuation and refinancing risks. In adverse conditions, leverage may require the Fund to dispose of assets at unfavourable prices, restrict portfolio flexibility, or increase the likelihood of capital loss.

Personnel Risk

Personnel risk is the risk that key people who are significant to the management of the Fund become unable or unavailable to perform their role. The Aquasia Private Investment Fund Team may change, which may affect the Fund's future performance.

Currency Risk

While most of the Fund's assets are expected to be denominated in Australian Dollars, the Fund may from time to time buy assets in other currencies. Aquasia aims to hedge currency risk as set out in the 'Currency Hedging Strategy' sub section on page 14 of this IM.

However, there can be no assurance that Aquasia will be able to do so and there may be residual currency risk arising from imperfect hedging and general market conditions associated with changes in currency values.

Cyber Risk and Exposure

Investors should be aware that while the Trustee has implemented technologies, processes, and practices designed to protect its networks, devices, programs, and data (or information technology systems), those information technology systems may still be subjected to malicious attack, damage, or unauthorised access.

Information technology systems may include the storage of information concerning an investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Fund.

In the event serious harm is a likely outcome of a breach of the Trustee's information technology systems, the Trustee will notify the affected individuals and recommend steps that ought to be taken in response to the breach. The Trustee may also be required to notify a government or regulatory authority as required by law.

Fund Risk

There are certain inherent risks in any collective investment such as a managed fund. Investing in the Fund may result in a different outcome to investing directly because of the application of tax laws, income or capital gains accrued in the Fund, fees and expenses, the impact of investments into and redemptions from the Fund by other investors and the possibility that the Fund may be terminated.

Subject to the Constitution, certain aspects of the Fund may change from time to time.

Legal, Regulatory and Compliance Risk

Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund. Although unable to predict future policy changes, the Trustee intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.

The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Competition and Consumer Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations and policies and this may result in the loss of authorisations under the AFSL held by Aquasia, potentially impacting the continued operation of the Fund.

Furthermore, legal risks arise where contracts used by the Fund to make the loans or other investments are found to be defective or unenforceable against counterparties. To manage this risk, the Trustee will ensure that a reputable legal practitioner is engaged to prepare and finalise legal agreements.

Tax Risk

The tax treatment and tax risk of an investment in the Fund is discussed in the 'Taxation' sections on pages 34 to 38 of this IM. Tax laws are subject to continuous change, which can operate retroactively.

Other Risks

Investors should be aware that not all risks can be foreseen. It is therefore not possible to protect the value of the Fund's investments from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

We strongly recommend that investors obtain independent financial advice before investing in the Fund.

Investing in the Fund

Minimum Investment

The minimum initial investment in the Fund (and the minimum holding) is A\$50,000 and the minimum for further investments is A\$50,000. Aquasia may, in its absolute discretion, reduce the minimum initial investment, the minimum holding or the minimum amount for further investments in the Fund.

Wholesale Clients Only

Investors wishing to invest with amounts of less than A\$500,000 (or NZ\$750,000 for New Zealand Investors) must demonstrate, to the satisfaction of Aquasia, that they are Wholesale Clients. The qualification requirements for an Australian Wholesale Client are outlined in Section 761G of the Corporations Act and set out on the Application Form.

The requirements for a New Zealand Wholesale Client are set out in Schedule 1 of the Financial Markets Conduct Act 2013 (NZ) as summarised in the Application Form.

Applying

All applications for Units must be made using the original application form accompanying this IM (**Application Form**) or using any digital application form available on Aquasia's website. Additional copies of the IM are available from Aquasia. Applications received by facsimile will not be accepted without prior agreement by Aquasia.

To make an application, investors must send a completed Application Form and supporting documentation together with cleared application monies to Aquasia by 3:00pm Sydney time at least two Business Days prior to the last Business Day of each month or such other times and dates as Aquasia may determine in its discretion.

All applications by new investors must provide supporting identification documents as part of the requirements of the Anti-Money Laundering and Counter Terrorism Financing regime (**AML/CTF Law**). These identification and verification requirements are outlined in the AML/CTF Law verification checklists which are set out on the Application Form.

Applications will only be accepted if Aquasia is satisfied with all details disclosed in the Application Form and associated client identification and verification requirements and Wholesale Client checks have been satisfied.

Aquasia may refuse to accept any application (in whole or part) in its absolute discretion.

Issue Price

The price at which Units are issued to investors is calculated on a per Unit basis (**Issue Price**). The Issue Price is calculated by determining the Net Asset Value as at the close of market on the last Business Day of each month (or such other times as Aquasia may determine in its discretion), dividing this amount by the number of Units on issue as at that time and date, plus the applicable Buy Spread at that time (if any).

Valuation

The Net Asset Value is calculated in accordance with the Constitution at the close of the market on the last day of each month, or such other times and dates as Aquasia may determine in its discretion.

The Net Asset Value per Unit is calculated by dividing the Net Asset Value by the number of Units on issue as at the close of market on the relevant calculation date, or such other times and dates as Aquasia may determine in its discretion.

The Net Asset Value is calculated as the value of the assets in the Fund less the value of any liabilities and subject to any other adjustments required by the Constitution.

The Fund will employ valuation methodologies based on relevant market practice for each asset class it holds.

Most of the Fund's assets are expected to be private debt investments for which there is no independent pricing source or secondary trading market. As a result, these loans will generally be valued 'at par' plus accrued interest less any impairment. However, Aquasia will obtain external valuations in accordance with the funds Valuation Policy.

Where appropriate, assets (including publicly traded assets) will be valued at market value determined by Aquasia with reference to independent pricing sources where possible. Assets whose values are not directly quoted are valued by reference to comparable assets and similar transactions in the market.

If Aquasia considers that the value determined by reference to independent pricing sources is not reflective of where an asset could be sold on the market, the asset will be valued at Aquasia's assessment of its value, which may include use of model-based pricing.

Valuations for all assets are reviewed monthly by the Investment Committee (or more frequently as required) and on an annual basis by the Fund's auditors. Aquasia's APIF Valuation Policy is available on request.

Distributions

Distributions may comprise income and/or capital. Investors will receive any distributions in respect of their Units, based on their proportionate holding of Units at the end of each distribution period.

Distributions will be paid to the extent income is available. The Fund is required to distribute all income to Unitholders by the end of each financial year. There are circumstances where accrued but unpaid income (including capitalised interest) forms part of the Fund's distributable income even though those amounts have not yet been received by the Fund.

Distributions are paid from cash held by the Fund which comprises amounts received from a range of sources, including loan repayment, interest and fee income and applications for new Units.

Distributions will generally be made at the end of each calendar quarter or at such other times as Aquasia may determine in its absolute discretion. Where a distribution is payable, it will ordinarily be paid within 30 days after the end of the relevant distribution period.

Distributions will be reinvested in the Units in the Fund unless investors elect to have their distributions paid in cash.

Redemptions of Units

Redemption of Units will generally be possible on a quarterly basis or more regularly, at Aquasia's discretion. However, due to the generally illiquid nature of the Fund's portfolio, Aquasia may refuse or scale back redemptions at its discretion. Redemptions will only be possible if the Fund has sufficient liquidity to meet redemption requests at the relevant time, or Aquasia is able to liquidate investments in circumstances where the position of the remaining Fund investors will not be disadvantaged.

Partial redemptions may be made on a pro-rata basis. The unsatisfied amount of any redemption requests will not be carried over to the next quarter. Unmet redemption requests will be cancelled and Investors would need to submit a further redemption request for any unmet redemption request in the following quarter.

Where redemptions are possible, Units will be redeemed on the last Business Day of each calendar quarter or such other times and dates as Aquasia may determine in its discretion (**Redemption Date**). Redemption requests must generally be received 30 days before the relevant Redemption Date, to be considered for processing on the Redemption Date.

Where a redemption request is accepted, payment of redemption proceeds will generally be made within 30 days of the Redemption Date but if Aquasia considers it to be appropriate it may delay payment for up to 60 days.

Redemptions will be paid in accordance with the Fund's Constitution and the redemption proceeds will be based on the Net Asset Value as at the close of market on the Redemption Date following the acceptance of the redemption request, divided by the number of Units on issue as at that time and date, minus the applicable Sell Spread (if any).

Redemption proceeds may consist of an amount representing the capital value of the Units plus an amount representing distributable income.

If the Trustee reasonably determines that, in connection with accepting a redemption request, it must obtain an external valuation of one or more assets, the Trustee may deduct the cost of that valuation from the redemption proceeds payable to the redeeming Unitholder.

Reporting

Investors in the Fund will receive regular reports, including:

- Confirmation of their initial investment, subsequent investments and redemptions.
- Distribution statements.
- Annual tax statements providing details of their share of the Fund's net income and identifying the taxation components of their distributions as required to complete Australian taxation returns.
- Monthly Investor updates.

Unitholders and potential investors may obtain copies of audited financial statements or current Unit prices for the Fund by contacting Aquasia.

Fees and Expenses

Management Fee

Aquasia as Trustee and Investment Manager charges a management fee for overseeing the operations of the Fund and providing access to the Fund's underlying investments (**Management Fee**).

The Management Fee is 1% p.a. (excl GST) of the Net Asset Value, accrued and calculated monthly and at other times if considered appropriate by Aquasia, based on the Net Asset Value before the recovery of expenses and is payable quarterly.

The Management Fee is payable out of the assets of the Fund.

Aquasia may at its discretion pay from its Management Fee a rebate of part of the fee to certain Unitholders or their advisers.

If the Fund invests in units issued by other funds managed by Aquasia, Aquasia will provide a rebate of the management fees it receives from that other fund which are attributable to those units. This is to ensure that Unitholders are not exposed to duplication of management fees on their investment in the Fund. Any such rebates will be paid directly by Aquasia to the Fund.

Fund Expenses and Transaction Costs

Aquasia is entitled to be reimbursed for administering the Fund and for out-of-pocket expenses it incurs (or reasonably anticipates it will incur) in managing and administering the Fund (together **Fund Expenses**).

Fund Expenses include but are not limited to:

- third party fees for audit, legal, fund accounting, unit registry, fees payable to independent Investment Committee members and communication expenses with respect to investor services (e.g. printing and postage and preparation of tax returns);
- payments to Aquasia in its personal capacity for operational and administrative services; and
- the fund establishment and on-going costs, including the legal costs of producing and updating this IM and the Fund's Constitution and policies.

Aquasia's reimbursement for Fund Expenses (**Expense Recovery**) is currently capped at 0.35% p.a. (excl GST) based on the NAV of the Fund each month (prior to payment of fees and other expenses). Expense Recovery is payable out of the assets of the Fund.

Aquasia has the right to vary or remove the cap on Expense Recovery but will give Unitholders 30 days' notice of such change.

Abnormal Expenses

Aquasia may recover from the assets of the Fund abnormal expenses such as costs of Unitholder meetings, changes to the Constitution, defending or pursuing legal proceedings and other costs to the Fund which are not included in Fund Expenses (**Abnormal Expenses**) and are therefore not subject to the Expense Recovery cap. Abnormal Expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year.

The Fund Expenses outlined above do not include any Abnormal Expenses. Aquasia may, in its sole discretion, decide to recover these Abnormal Expenses from the Fund.

Transaction Costs and Buy/Sell Spread

Transaction Costs are incurred when assets are bought or sold and when investors join or leave the Fund, as the Fund is required to purchase or sell assets to satisfy application or redemption requests. In order to ensure that other Fund investors are not adversely affected, investors must pay a spread charge on joining or leaving the Fund.

Where applicable, an applicant for Units must pay a buy spread charge (**Buy Spread**) and a Unitholder redeeming Units must pay a sell spread charge (**Sell Spread**).

Buy and Sell Spreads are calculated as a percentage of the Net Asset Value per Unit. The Buy Spread is incorporated into the Issue Price of a Unit. The Sell Spread is deducted from the redemption proceeds of a Unit. There is no Buy Spread on reinvestment of distributions.

As at the date of this IM the current Buy/Sell spreads are:

Buy Spread: nil% of the NAV per Unit.

Sell Spread: nil% of the NAV per Unit.

Buy Spreads and Sell Spreads may vary from time to time without notice. The current Buy Spread and Sell Spread for the Fund will be displayed on Aquasia's website www.aquasia.com.au. Investors should check the details on the website prior to making a new or additional investment in the Fund.

Aquasia regularly monitors the Fund's Transaction Costs and reviews the amount of Buy Spreads and Sell Spreads from time to time to ensure that they accurately reflect the Transaction Costs incurred when investors join or exit the Fund. In stressed and dislocated market conditions, Transaction Costs may increase significantly.

There are also Transaction Costs associated with the buying and selling of Fund assets as part of its investment strategy rather than in response to application or redemption requests. These Transaction Costs include brokerage, clearing costs, due diligence and legal fees, buy/sell spreads in underlying investments, government taxes, duties and levies incurred when acquiring or disposing of part or all of the Fund's underlying investments. These Transaction Costs are incurred and paid out of Fund assets and are uncapped.

Performance Fee

Aquasia will be entitled to a Performance Fee out of the Fund's assets of 20% (excl GST) of Performance. The Performance Fee will be calculated monthly and at other times if considered appropriate by Aquasia and is paid at the end of each calendar quarter.

The Performance Fee is applied to the amount of the Performance and multiplied by the number of units on issue on the Business Day after the Starting Date.

If the Performance in a given Performance Period is negative then no Performance Fee is payable in respect of that period and no further Performance Fee is payable until the accumulated negative Performance has been offset by subsequent positive Performance amounts.

Any Performance Fee payable to Aquasia will be paid out of the assets of the Fund and will not be a liability of an individual Unitholder.

High Water Mark means the Net Asset Value per Unit at the Starting Date.

Hurdle means the High Water Mark increased by a rate equivalent to 10% annualised over the Performance Period.

Net Asset Value per Unit means the Net Asset Value divided by the total number of Units on issue.

Performance means:

1. the Net Asset Value per Unit at the end of a Performance Period, calculated after:
 - (a) adding back the value of any Distributions in respect of a Unit paid or payable during that period and assuming those amounts had been re-invested in the Fund; and
 - (b) deducting management fees and expenses,
 but before deduction of the performance fee;

minus the Hurdle.

Performance Period means the period from the applicable Starting Date to the last day of the month or other day determined by Aquasia for which the Performance Fee is being calculated.

Starting Date means the last day of the last Performance Period for which a Performance Fee was payable.

For example:

If Performance is positive in the first month of a quarter then a Performance Fee is calculated and accrued, and reduces the NAV at the end of that month. Performance at the end of the second month is then measured and if it is higher than the first month's Performance then the accrual is increased by the amount of the difference. If Performance in the second month is negative then the accrual is reduced, and may go to zero if the magnitude of the second month's underperformance is less than the first months. At the end of the third month the overall Performance for the quarter is calculated and, if positive, a performance fee is payable.

If Performance in a given quarter is negative then no Performance Fee is payable and no Performance Fee can be paid for future quarters until the Performance deficit has been made up.

For example:

If Performance is positive in quarter 1, then a Performance Fee is paid at the end of quarter 1. If the Performance is negative in quarter 2, then no Performance Fee is payable. If, in quarter 3, the Performance is positive but the Performance from the start of quarter 2 to the end of quarter 3 is still negative then, again, no Performance Fee is payable.

If the Performance is positive in quarter 4, and the Performance from the start of quarter 2 (i.e. the Starting Date) to the end of quarter 4 is positive, then a Performance Fee is payable based on the Performance from the start of quarter 2 to the end of quarter 4.

Origination and Borrower fees

Borrowers may pay fees to external originators, including related parties of Aquasia such as Aquasia Investment Services Pty Ltd (**AIS**), for loan origination, management or facility agency services.

These fees are paid in line with market rates and are generally calculated as a percentage of the relevant underlying loan amount. However, they are dependent on the nature and complexity of the transaction and may vary from time to time.

These fees are commercially negotiated between the Borrower and the originator and are not payable to the Fund. In some instances, originators (including AIS) may share part of their fees with lenders. To the extent that origination or other fees are shared with the Fund, they will form part of the assets of the Fund and are not retained by Aquasia for its own account.

In total for an investment, in a senior loan, origination fees are generally between 0.5% – 1.0% of the loan amount and are payable at inception.

Loan Management and facility agent fees are typically between 0.5% and 1.0% p.a. of the loan amount and are payable during the loan term.

Adviser Fees

Investors may agree to pay a commission to their financial advisers who have referred them to invest in the Fund. Such adviser fees are charged by the financial adviser and payable by the investor.

They are separate from and additional to the fees charged by the Fund. Aquasia is not liable for the failure of an investor to pay such adviser fees.

Commissions

The Fund may pay commission or similar payments to financial advisers and referrers. Unless otherwise authorised by the investor pursuant to an agreement between the investor and financial adviser, any such payments will be paid by Aquasia out of its Management fee.

Commissions are not payable out of Fund assets.

Differential fees

Aquasia may negotiate different fee arrangements with certain Unitholders. Aquasia is under no obligation to offer such terms to other investors.

Goods and Services Tax

Amounts stipulated in the IM (including all fees) are exclusive of GST, unless otherwise stated. Where required, GST will be added to the amount payable.

Additional Fund Information

Legal Relationship with Investors

The Corporations Act, general law and the Constitution set out the rights and interests of investors in the Fund as Unitholders and also set out the rights, duties and obligations of Aquasia as the trustee of the Fund.

Constitution

The Fund is governed by its Constitution.

The main provisions of the Constitution are summarised below. The Constitution is legally binding between Aquasia and each Unitholder. To the extent of any inconsistency between this IM and the Constitution, the provisions of the Constitution will prevail. Subject to the terms of the Constitution, Aquasia, as Trustee of the Fund, may amend the Constitution. A copy of the Constitution is available for inspection free of charge at the offices of Aquasia during normal business hours.

Rights and Liabilities of Investors as Unitholders

Each Unit carries with it an equal beneficial interest in the Fund as a whole but not in any particular asset of the Fund. Fund income is only distributed to registered investors entitled to a distribution as at the last Business Day of the distribution period. Investors may not interfere with Aquasia's powers or exercise any rights in respect of any investment of the Fund. Under the Constitution, investors may:

- Transfer Units in the Fund with the consent of Aquasia.
- Requisition, attend and vote at meetings of the Fund.
- Share in the income and capital distributions of the Fund.
- Participate in the winding up of the Fund.

Generally, the Constitution limits an investor's liability to Aquasia as the Trustee of the Fund to the value of that investor's investment in the Fund.

However, no absolute assurance can be given due to the fact that this has not been tested in superior courts.

Liability of Aquasia as the Trustee

Except in the case of its own actual fraud, gross negligence, or willful default, Aquasia is not liable to any Unitholder for any loss or damage suffered in any way relating to the Fund and is in fact indemnified out of the Fund.

Retirement of Aquasia as Trustee

Aquasia may be removed from the Fund in the circumstances set out in the Constitution. Aquasia may also voluntarily retire as Trustee and appoint a replacement trustee.

Termination of the Fund

Aquasia may terminate the Fund at any time by giving notice to Unitholders. The Fund also terminates where otherwise required by operation of law. Where the Fund is terminated, Aquasia must sell all the assets of the Fund and distribute the net proceeds (after fees and winding up costs) to Unitholders in proportion to the number of Units held.

Changing Fees, Expense Recovery and Buy Spread/Sell Spread

In accordance with the Constitution, Aquasia may change the amount of the Management Fee, Expense Recovery and Performance Fee in this IM or introduce certain new fees (including increasing current fees and the Expense Recovery cap up to the maximums set out in the Constitution (if any) without the consent of investors on 30 days' advance notice.

In accordance with the Constitution and subject to law, Aquasia may vary the amount of recovery of Abnormal Expenses and Buy Spread and Sell Spread at any time without investor consent or notice. See pages 25 to 26.

Administration of the Fund

Aquasia has engaged external service providers to undertake certain administrative functions for the Fund. The registry function for the Fund will be undertaken by One Registry Services Pty Limited (ACN 141 757 360) (**ORS**). Unity Fund Services Pty Limited (ACN 146 747 122) (**Unity**) will undertake accounting and record keeping services including determining the value of Fund assets, calculating Performance Fees and preparation of financial reports.

Each of ORS and Unity have consented to be named in this IM as service providers for the Fund in the form and context in which they are named and have not withdrawn their consent as at the date of this IM. Neither ORS nor Unity makes, or purports to make, any statement that is included in this IM and there is no statement in this IM which is based on any statement by ORS or Unity. To the maximum extent permitted by law, each of ORS and Unity expressly disclaims and takes no responsibility for any part of this IM other than the references to its name. Neither ORS nor Unity guarantees the repayment of capital or any particular rate of capital or income return.

Custodianship of the Fund

Aquasia provides custody for most of the Fund's investments. However, custody of securities which are registered and settled through Austraclear is provided by:

MSC Certane
AFSL 258829
Level 6
80 Clarence Street
Sydney, NSW 2000

MSC Certane has been appointed as an independent sub-custodian / nominee to hold the assets of the Fund on behalf of Melbourne Securities Corporation Limited ACN 160 326 545 AFSL number 428289 as custodian under the terms of the Custodian Agreement.

MSC Certane and Melbourne Securities Corporation are part of the MSC Group, an established Australian, independent provider of corporate trust, custodial, fund administration and financial intermediary services for domestic and international fund managers, corporates and financial services industry participants.

Neither MSC Certane nor Melbourne Securities Corporation have any supervisory role in relation to the operation of the Fund and have no liability or responsibility to any Unitholder for any act done or omission made in accordance with the Custodian Agreement.

Disclaimer:

Both MSC Certane and Melbourne Securities Corporation, respectively, have given written consent to be named in this IM in the form and context in which they are named and have not withdrawn that consent prior to the date of this IM. Neither MSC Certane nor Melbourne Securities Corporation make, or purport to make, any statement that is included in this IM and there is no statement in this IM which is based on any statement by MSC Certane or Melbourne Securities Corporation (collectively or individually).

To the maximum extent permitted by law, MSC Certane, Melbourne Securities Corporation, respectively, expressly disclaim and take no responsibility for any part of this IM other than the references to each of their names, respectively. Neither MSC Certane nor Melbourne Securities Corporation guarantee the repayment of capital or any particular rate of capital or income return.

Aquasia from time to time may use other custodians for some of the Fund's assets and has the right, in its absolute discretion, to appoint other custodians. Engaging a custodian is subject to an onboarding process which includes a review of the legal documentation and operational considerations and is subject to periodic review by the Investment Committee.

Application Monies held in a Trust Account

The money paid to acquire Units in the Fund may be held by Aquasia or its Custodian in a trust account for the benefit of the prospective investor until Aquasia issues Units to the prospective investor. This trust account may be an interest-bearing account. Any income attributable to that application money will be paid to the Fund and is not payable to the prospective investor.

Cooling-Off Period

No cooling-off period applies with respect to investments in the Fund.

Suspension of the Calculation of the Net Asset Value

Aquasia may declare a temporary suspension of the determination of the Net Asset Value on any calculation date in certain circumstances, including, without limitation, where:

- Any market or platform (including clearing or settlement facilities) used by the Fund to trade or transact is closed, suspended or restricted,
- The price of a significant part of the Fund's assets cannot be reasonably, promptly or accurately ascertained, or
- Aquasia considers it to be in the best interest of investors to do so.

Rejection of Applications

In accordance with the Constitution, or obligations under any AML/CTF Law, or for any other reason, Aquasia may reject applications for Units in its absolute discretion, including where Aquasia considers it to be in the best interest of investors to do so, or where it is impossible or impractical to calculate the current Net Asset Value or otherwise as required by law.

Redemption proceeds

The Constitution permits redemptions subject to the Trustee's absolute discretion. It should be noted that, in accordance with the Constitution, or any obligations under any AML/CTF Law, Aquasia may determine or be legally required to withhold payment of redemption proceeds to an investor.

Suspension or Variation of Redemptions

In certain circumstances, Aquasia may vary the terms and conditions applicable to redemptions by:

- varying the time by which a redemption request may be satisfied;
- determining not to give effect to a redemption request;
- scaling back redemptions or staggering payment of redemption proceeds; or
- suspending redemptions for a period of time.

These circumstances include, but are not limited to, where, in the opinion of Aquasia:

- the processing of all redemption requests would compromise the operation of the Fund;
- sufficient assets of the Fund cannot be realised at an appropriate price or on adequate terms or otherwise due to a circumstance outside the control of Aquasia;
- it is impracticable or impossible for Aquasia to calculate the Net Asset Value or the redemption price (including, without limitation, due to adverse market conditions, the unavailability or unreliability of independent pricing sources or to access information required due to its physical location being inaccessible or a technological outage);
- it would prejudice the Fund's or Aquasia's ability to comply with applicable laws;
- Aquasia otherwise determines it to be in the best interests of Unitholders; or
- the law otherwise permits or requires.

Redemption requests received after the commencement of a period of suspension will not be accepted.

Partial redemptions may be made on a pro-rata basis. The unsatisfied amount of any redemption requests will not be carried over to the next quarter. Unmet redemption requests will be cancelled and investors would need to submit a further redemption request for any unmet redemption request in the following quarter.

Compulsory Redemptions

If an investor's investment balance falls below the minimum balance of A\$50,000 (or would fall below that balance following redemption of Units), Aquasia may in its absolute discretion close the investor's account and redeem all the investor's Units without receiving a redemption request from the investor.

The Constitution also provides that Aquasia may compulsorily redeem an investor's Units without receiving a redemption request from the investor in other specified circumstances.

In-Specie Transactions

The Fund does not currently intend to permit in-specie applications or redemptions, however, Aquasia reserves the right to accept in-specie transfers for applications or in satisfaction of redemptions in its absolute discretion and will determine the value of the assets being transferred in its absolute discretion.

If in-specie transfers are permitted, Aquasia may determine that some or all costs associated with the in-specie transfer will be paid by the investor.

Transfers

Investors may only transfer their Units with the consent of Aquasia. Aquasia reserves the right to refuse any request to transfer any Units for any reason. Without limitation, it will not approve proposed transferees who are not Wholesale Clients or who have not satisfied all applicable AML/CTF checks.

Related Party Investments and Transactions

Related parties of Aquasia, including employees, family, friends and associated affiliates, may also be Unitholders in the Fund or may invest in assets which are the same as those held by the Fund. The Fund may also invest in assets in which Aquasia, and its directors and officers, may be involved in its advisory or origination businesses and its other managed funds.

As outlined in the Risks section on page 16 the Fund may, from time to time, enter into transactions with Aquasia's related parties including, but not limited to:

- co-investing with, or buying/selling assets to and from, related funds or entities;
- selling interests in, or facilitating the refinance of, the Fund's interest in loans by related funds or entities;
- investing in units or securities issued by related funds or entities;
- participating in transactions arranged and/or managed by Aquasia's related origination and loan management business; and
- appointing related entities to provide services and perform functions relating to the Fund.

These related party transactions must be on arm's length commercial terms and in the best interest of Unitholders and must comply with Aquasia's conflicts of interest policy.

Aquasia may perform professional, advisory or administrative services to the Fund in its personal capacity (and not as Trustee or Investment Manager of the Fund). Any fees Aquasia receives for such services are separate from and additional to any fees relating to its role as trustee or investment manager and will be retained by Aquasia for its own benefit without any requirement to account to the Fund or its Unitholders.

In the course of managing the Fund, the Trustee may have actual or potential conflicts in respect of its duties in relation to the Fund, related funds and its own respective interests. The Trustee has policies and procedures in place to manage these appropriately.

For further information on the conflicts of interest, related party investments and transaction risks associated with the Fund, please refer to our Conflict of Interest Policy, Related Party Policy and Allocation Policy (copies of which are available by contacting us at enquiries@aquasia.com.au) as well as the information on conflicts of interest in the next section.

Conflicts of interest

Aquasia, and its directors and officers, may from time to time act as directors, managers, investment managers, trustees, advisers, or otherwise be involved in business activities other than as the Trustee and Investment Manager. The Fund may invest in assets in which Aquasia, and its directors and officers, may be involved in through its advisory or origination businesses. Aquasia and its directors and officers may also hold Units in the Fund.

Accordingly, it is possible that there may be the potential for conflicts of interest to arise. Aquasia will endeavour to manage and resolve any such conflicts fairly and efficiently, enter into any transactions on an arm's-length basis and in accordance with its conflicts of interest policy.

Dealing with Complaints

Aquasia has procedures in place for dealing with complaints. We will seek to acknowledge receipt of an investor's complaint in writing as soon as reasonably practicable and in any event within 14 days from receipt, and address the investor's complaint within 30 days. Investors with enquiries should contact Aquasia.

Notification of any complaint should be made in writing and addressed to:

The Compliance Officer
Aquasia Pty Ltd
Level 5, 7 Macquarie Place
Sydney NSW 2000

Privacy

Aquasia must comply with Australian privacy laws which regulate the collection, storage, quality, use and disclosure of personal information. Aquasia may collect personal information from investors to provide its products and services. In accordance with Aquasia's privacy policy (which is available free of charge by contacting us on 02 8061 4888 or enquiries@aquasia.com.au), in most cases investors have rights to access their personal information. With regard to the Fund, Aquasia can use an investor's personal information to assess an investor's application for investment in the Fund and, if the application is accepted, to manage the Fund.

Aquasia may disclose information to related entities, and anyone acting on Aquasia's behalf such as external service suppliers who supply administrative, financial or other services to assist Aquasia in providing financial services for the Fund, anyone the investor has authorised, or government departments or agencies, tax or revenue authorities (including the ATO which may pass this information onto foreign tax authorities, such as the US Internal Revenue Service). If we are not able to collect all the personal information we require, we may not be able to assess the investor's application or manage the investor's investment in the Fund.

We may transfer your personal information outside of Australia to other countries or disclose it to persons (including regulators) located outside of Australia. Further details are included in Aquasia's privacy policy. Please note that if an investor provides personal information to Aquasia about another person, the investor warrants that the investor is authorised by that person to do so and that the investor has informed that person of the information in this 'Privacy' sub-section.

Enquiries regarding access to personal information must be in writing and addressed to:

The Compliance Officer
Aquasia Pty Ltd
Level 5, 7 Macquarie Place
Sydney NSW 2000

If you have any queries regarding our treatment of your privacy, please contact us on +61 2 8061 4888 or enquiries@aquasia.com.au.

FATCA

The Foreign Account Tax Compliance Act (**FATCA**) was enacted by the US Congress in March 2010 as an attempt to capture income earned by US citizens in foreign jurisdictions. It imposes due diligence and reporting obligations on foreign financial institutions including the obligation to report to the ATO where Aquasia clients have a connection with the US. As part of the Application Form, applicants will be required to self-certify their FATCA status. Additional information may also be required before we can progress your application.

Failure to provide the required information may lead to rejection of your application.

Common Reporting Standard

The OECD Common Reporting Standard (**CRS**) requires Australian banks and financial institutions to collect and report to the ATO various account relation information of investors who are foreign tax residents. In the Application Form, you will be required to advise your country of residence for tax purposes and, if applicable, your tax identification number (**TIN**). Additional information may also be required before we can process your application.

Failure to provide the required information may lead to rejection of your application.

Further Information Required from Unitholders

Unitholders must provide updated or additional information required by the Trustee (or its Custodian) in order to comply with any applicable law, including AML/CTF Laws, FATCA and CRS. Unitholders must notify the Trustee within 30 days of any changes to the information provided in the Application Form.

Up-to-date Information

Certain information in this IM may change from time to time. This includes but is not limited to potential changes which we have identified. Where we indicate to the investor that we will give notice of such changes, or where the updated information includes no materially adverse information, we will notify Unitholders and publish the updated information on our website www.aquasia.com.au.

A copy of the updated information will be available free of charge upon request by contacting Aquasia.

Contacting Aquasia

Attention: Stuart Richardson
Aquasia Pty Ltd
Level 5, 7 Macquarie Place
Sydney NSW 2000
Phone: +61 2 8061 4888
Email: enquiries@aquasia.com.au

Australian Taxation Implications

Important

The following provides a summary of the general tax implications for an investment by an Australian resident individual Unitholder who holds their Units on capital account. Each Unitholder's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this Information Memorandum (**IM**). Investing in an unregistered managed investment scheme (**MIS**) is likely to have tax consequences. It is also noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders concerned.

Each Unitholder must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment.

It is recommended that Unitholders obtain their own professional and independent taxation advice before investing in the Fund.

Income Tax Provisions

General classification of the Fund

The Trustee has not made an election to apply the Attribution Managed Investment Trust (**AMIT**) provisions. Accordingly, this section outlines the general income tax treatment where the AMIT provisions do not apply to the Fund. The Trustee will provide an update to the extent that the Fund makes an election to apply the AMIT provisions in the future. The Trustee has also not made an Managed Investment trust (**MIT**) capital account election to treat the disposal of covered assets (shares, units and real property) on capital account.

A Unitholder's investment in the Fund will comprise of Units in a Unit Trust. Each Unitholder will be regarded as a beneficiary of the Fund. Both the Fund and the Unitholders should apply the trust taxation provisions, as outlined below.

Income tax treatment of the Fund

As the Fund is a Unit Trust, the Fund will effectively be treated as a flow-through vehicle for income tax purposes provided that the

Fund distributes all of its income to the Fund's Unitholders on an annual basis. The Trustee should therefore not pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed below).

Income Tax treatment of Unitholders

Provided that the Fund is treated as a flow-through vehicle, Unitholders will be assessed on the taxable income derived by the Fund, based on their proportionate share of the annual income of the Fund that is distributed to them in that income year. Unitholders will be required to include their share of taxable income in their tax return for the relevant income year.

Tax deferred distributions

Tax-deferred distributions may occur where the Fund distributes an amount of cash that exceeds the taxable income allocated to a Unitholder. Certain tax-deferred distributions that are not assessable to a Unitholder result in a reduction in the cost base of the Units held by the Unitholder. A capital gain can arise where those tax-deferred distributions exceed the cost base of the Units.

Annual reporting

The Fund will be required to provide distribution information (including tax components) to the ATO on an annual basis by lodging the Annual Investment Income Report (**AIIR**). The Fund will provide an annual tax distribution statement to Unitholders in accordance with the ATO's guidelines for MITs. The tax distribution statement will reconcile the cash distribution with the taxable distribution for the income year.

Public trading trust provisions

It is noted that a unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities (**the public trading trust provisions**). Eligible investment business activities include passive activities, such as investing in loans or dealing in certain financial securities.

While the Fund may satisfy the definition of being a public unit trust, the Trustee intends to limit the activities of the Fund to eligible investment business activities so that the public

trading trust provisions do not apply to the Fund. Furthermore, the Trustee will seek to ensure it does not control entities that carry on trading activities.

While the Trustee does not believe that the public trading trust provisions should apply to the Fund, there is no guarantee that the ATO may not take an alternative view. To the extent that the public trading trust provisions apply, the Fund will be required to pay tax at the corporate tax rate (currently 25% for certain small business entities and 30% for all other entities) on taxable income and would seek to pay a franked dividend to the Unitholders. The exempt component of a discount capital gain or capital allowance deduction may be treated as an unfranked dividend.

Additional items

Accruals taxation

It is possible that the Fund may derive assessable income prior to the amounts being received by the Fund or distributed to Unitholders. For example, under the taxation of financial arrangement (**TOFA**) provisions that can apply to financial arrangements (e.g. loans) held by the Fund.

These rules may bring to account interest income and other returns made by the Fund on an accrual basis. Accordingly, Unitholders may be required to include amounts in their taxable income prior to receiving a distribution of these amounts from the Fund.

Non-arm's length income

Where the Fund is a MIT, income derived by the Fund can be taxed at the corporate tax rate where the parties do not deal at arm's length in respect of the transaction. Where the Fund makes loans, corporate tax can be paid on any return that exceeds the benchmark rate of return on the particular loan. This is generally determined as the market rate on a similar instrument. The Trustee will seek to comply with these provisions when setting the returns on loans and similar instruments.

Tax losses

Where the Fund incurs a tax loss, these do not flow through the Fund to Unitholders. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

Bad debt deductions

A loan impairment can give rise to an accounting expense that is not deductible for income tax purposes. Where the Fund is in the business of money lending, it is possible for the Fund to claim a bad debt deduction on both interest and principal amounts that are properly written off by the Trustee during an income year as a bad debt. However, the ability for the Fund to utilise the bad debt deduction is subject to the Fund satisfying certain continuity of ownership tests under the trust loss provisions. Where a bad debt is not deductible, this can give rise to taxable income that exceeds accounting distributions.

Thin capitalisation

The Australian thin capitalisation provisions can apply to limit the amount of deductible borrowings to the Fund. Broadly speaking, the thin capitalisation provisions can apply where the Fund is a foreign controlled Australian trust or is an Australian controller of a foreign entity. The Trustee does not believe that the Fund should be subject to the thin capitalisation provisions. However, if the provisions become relevant, the Trustee will seek to manage its level of gearing, and types of borrowings, in order to minimise the effect of the provisions on the deductibility of interest to the Fund.

Distribution reinvestment

A Unitholders' distribution may be reinvested as additional units in the Fund. Where this occurs, the Unitholder may still be assessed on the amount of the distribution applied to the reinvestment.

Foreign income

A Foreign Income Tax Offset (**FITO**) may arise where the Fund derives foreign sourced income and pays foreign tax on such income. Where this occurs, the Fund may allocate the FITOs to Unitholders based on the distribution of income to such Unitholders. Unitholders may be able to claim a tax offset against their Australian income tax liability for the FITOs allocated to them by the Fund. FITOs that are not utilised cannot be carried forward to a future income year.

Tax File Number (TFN) and Australian Business Number (ABN)

As the Fund is an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number (**TFN**) or Australian Business Number (**ABN**) in certain cases from its Unitholders.

It is not compulsory for a Unitholder to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from Unitholders can result in the Trust being required to withhold at the top marginal rate (currently 47%) with respect to distributions to the Unitholder (which may be creditable in their tax return).

Goods and Services Tax (GST)

The acquisition and disposal of units in the Fund by the Fund's Unitholders will not be subject to GST. However, GST may apply if fees are charged to the Fund by the Trustee or the Investment Manager. In such a case, the Fund may be eligible to claim a Reduced Input Taxed Credit of either 75% or 55% of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

Stamp Duty

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in stamp duty consequences. Unitholders should confirm the duty consequences of their dealings in Units with their taxation advisers.

Non-resident Unitholders

General

The Australian taxation implications of Unitholders that are not Australian resident for tax purposes (**non-resident Unitholders**) are not considered as part of this IM. However, this section provides a general outline of the Australian income tax requirements of the Fund to withhold on distributions made to non-resident Unitholders by the Fund. Non-resident Unitholders should seek their own independent taxation advice regarding their local, as well as Australian, taxation obligations.

Interest income

To the extent that interest income is derived by the Fund from an Australian source (either directly or indirectly), the Trustee should generally be liable to withhold 10% as a final Australian withholding tax.

MIT fund payments

A MIT fund payment typically refers to Australian sourced income that is distributed by a withholding MIT that is not otherwise subject to specific withholding rules (e.g. gains on the disposal of securities or fee income received on loans).

Where the Fund qualifies as a withholding MIT and distributes a MIT fund payment to Unitholders (being either income derived directly by the Fund or MIT fund payments it has received from other trusts), the Fund may qualify to apply a final reduced withholding tax rate. This reduced rate may be either 15% (for Unitholders in exchange of information (EOI) countries) or 30% (for non-EOI countries).

There are certain items of income that are excluded from the reduced concessional rate (referred to as non-concessional MIT income). These items will be subject to a final withholding tax of 30%.

Tax return obligations

Where the Fund qualifies as a withholding MIT, all income distributed by the Fund should be subject to a final withholding tax. Where this is the case, Unitholders should not be required to prepare and lodge an Australian income tax return due to an investment in the Fund alone. The Trustee believes that the Fund will continue to qualify as a withholding MIT and will inform Unitholders if this changes in the future.

Disposal of units

The disposal of Units in the Fund (either directly or indirectly) owned by a non-resident Unitholder should not give rise to Australian capital gains tax where the Unitholder does not hold 10% or more of the Units in the Fund.

New Zealand Taxation Implications

Important advice: Potential investors should obtain specific taxation advice referable to their own circumstances prior to making any investment decision.

The following information is a general tax summary of the key New Zealand income tax, stamp duty, and GST implications of investing in the Fund. Its scope is limited to investors dealing at arm's length, who are solely New Zealand resident taxpayers, who acquire investments of less than 10% in the Fund. It is not anticipated that the Fund will be under the control of New Zealand residents. It is assumed the investors do not hedge their investment into NZ\$. The Fund invests in A\$ / NZ\$ private debt assets (which may be hedged into A\$ under the fund's hedging policy). The fund does not hedge its investments into NZ\$. Different rules may apply where these requirements are not met.

The information in this summary is general in nature. It does not constitute legal or tax advice and does not seek to address all of the tax issues that may be relevant to a prospective investor. Taxation issues, especially those relating to the taxation of foreign investments, are complex and tax laws, their interpretation and associated administrative practices, may change over the term of an investment. As tax treatment varies according to individual circumstances, prospective investors need to seek their own independent tax advice in respect of their proposed investment in the Fund. The application of the general anti-avoidance rules is capable of broad application and should be carefully considered in relation to any investment decision

All tax liabilities are, and will remain, the responsibility of each investor. Aquasia is not responsible for any taxation or penalties incurred by investors in any circumstance. Aquasia does not take into account the individual taxation position of Unitholders in the Fund and is not responsible for any taxation or penalties incurred by investors in any circumstances.

All references in this tax summary to legislative provisions are to provisions of the Income Tax Act 2007 (**Tax Act**), unless otherwise stated.

The taxation summary is based on the New Zealand taxation laws in force and the administrative practices of the Inland Revenue Department (**IRD**) generally accepted as at the

date of this IM. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.

Status of Investments in the Fund

The Fund is a unit trust which is treated as an Australian resident for Australian tax purposes. The Fund will be investing in passive income in Australian and New Zealand debt assets and will not conduct an active business nor have a significant New Zealand business. Aquasia intends to limit the investment activities of the Fund to ensure that it is treated as a 'flow through' entity for the purposes of Australian tax. The Fund will not be listed on an Australian stock exchange.

An investment in Units in the Fund should generally not be regarded as a financial arrangement subject to the financial arrangement rules in the Tax Act.

Investments in Units in the Fund will therefore be classified as foreign investment fund (**FIF**) interests under the Tax Act.

Tax Treatment of Investors

Attribution

Subject to certain exclusions, a person's interest in a foreign investment fund gives rise to the attribution of FIF income or, in limited cases, a FIF loss for an income year.

One exclusion is that relating to units held in Australian resident unit trusts which satisfy the 70% minimum distribution test and which utilise a resident withholding tax proxy. In the present case it is not anticipated that this exclusion will apply.

Nor is it anticipated that the other exclusions from the attribution of FIF income will apply to non-individual investors covered by the scope of this IM on the basis that an investor's interest in the Fund will not exceed the 10% thresholds, and units in the Fund will not be listed in Australia. Additional exemptions may be available for investors who are individuals and investors acquiring a 10% or greater interest. Independent advice will need to be sought by such investors.

Calculation methods

Where income is attributed under the FIF rules, the FIF income may be calculated under one of several calculation methods, the most relevant being:

- the fair dividend rate method; and
- the cost method.

These methods are exclusive codes for the calculation of FIF income so that both dividends derived and gains on disposal are ignored.

In spite of this, a tax credit may still be allowed for Australian withholding taxes deducted by the Fund on the distributions to New Zealand investors. The tax credit will be limited to the NZ tax payable on the investment income arising for the New Zealand Investor under the applicable FIF method. This is based on a formula to determine the amount of New Zealand income tax on a segment of foreign-sourced income. Any tax credits not utilised by the New Zealand investor will be forfeited.

However, a tax credit will not be available to the New Zealand investor for any New Zealand withholding tax deducted / approved issuer levy (**AIL**) paid on any interest income received by the Fund from its New Zealand debt investments.

Currency conversion rules also apply to the calculation of FIF income.

There is an accompanying prohibition on the deduction of amounts incurred in acquiring the attributing interest (unless the calculation method itself expressly provides for a deduction of the cost).

A common calculation method must be applied if the investor has more than one attributing interest in the same FIF unless the interests are different classes, or application of the common method is specifically restricted.

Generally, a calculation method, once adopted, must continue to be applied in later income years.

Fair Dividend Rate Method

The fair dividend rate method is the starting point for the calculation of FIF income. Under this method, the FIF income is 5% of the market value of the interest at the start of the income year (the opening market value). There are special provisions for quick gains from purchases and sales made during the year.

There are also periodic FDR rules for investors who make investments for the benefit of other investors.

Adoption of this method is subject to being able to ascertain market value of the FIF without an independent valuation. It does not apply for interests in a FIF that are “non-ordinary shares” as defined in the Tax Act, which is not anticipated to be the case.

Cost Method

Where the opening market value can be determined only by an independent valuation, the cost method may be used. Under this method, the FIF income is basically 5% of the cost of the investment with the cost being uplifted by 5% each year to allow for investment growth. Investors are required to use an independent valuation if the investment was not a FIF investment in the previous income year.

Other Methods for Individuals

Individuals may elect into the “Comparative Value Method” (a market value based method) or the “Deemed Rate of Return Method” depending on their personal circumstances, in which case independent advice will need to be sought.

Stamp Duty

New Zealand stamp duty will not apply.

GST

New Zealand GST will not apply to the issue or redemption of Units.

The GST paid on some of the fees charged to the Fund, depending on the type of fee.

Please Note:

Aquasia is required to deduct Australian withholding tax from distributions to New Zealand resident investors. Please see “Non-resident Unitholders” on page 36.

Glossary

Abnormal Expenses	Out-of-pocket expenses incurred by Aquasia in managing and administering the Fund which are not generally incurred during day-to-day operation of the Fund in any given year and which are not included in Fund Expenses.
AFSL	Australian financial services licence.
AML/CTF Law	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and related rules as amended from time to time.
Application Form	An application form accompanying this IM or a digital version of it.
Aquasia	Aquasia Pty Ltd ABN 20 136 522 051 AFSL 337 872
ASIC	Australian Securities and Investments Commission or if it ceases to exist, any regulatory body or authority as then serves substantially the same objects.
Asset Based Securities or ABS	Asset-backed securities – a type of debt based on a pool of underlying assets.
ATO	Australian Taxation Office.
A\$ or AUD	Australian Dollars.
Business Day	A day, that is not a Saturday, Sunday or public holiday, on which banks are generally open for business in Sydney.
Buy Spread	The charge incurred by investors making applications into the Fund to cover the Transaction Costs associated with the buying and selling of assets for the Fund. The Buy Spread is expressed as a % of the Net Asset Value per Unit and is NIL (as at the date of this IM). The Buy Spread may be varied from time to time without notice. See pages 25 to 26.
Cash Equivalents	Includes at call and term deposits with Australian ADIs, negotiable certificates of deposit and bank accepted bills.
CGT	Capital Gains Tax.
Constitution	The constitution of the Fund, being the trust deed dated 5 April 2018 as amended or replaced from time to time.
Convertible Notes	Debt which combines debt and equity characteristics.
Corporations Act	<i>Corporations Act 2001</i> (Cth), as amended from time to time.
CRS	Common Reporting Standards.

Custodian	Aquasia Pty Ltd or (for certain assets) MSC Certane or such other custodian of the Fund as Aquasia may appoint from time to time. Further details on page 29.
Expense Recovery	Aquasia's reimbursement for Fund Expenses as described on page 25.
FATCA	Foreign Account Tax Compliance Act.
Foreign Currency	The currency of any country or countries except the currency of Australia.
Fund	Aquasia Private Investment Fund.
Fund Expenses	Has the same meaning as defined on page 25.
GST	Goods and Services Tax. GST has the meaning given in the GST Law.
GST Law	Has the meaning given in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Hybrid Securities	Securities with debt and equity characteristics.
IM	This information memorandum dated 1 May 2026.
Investment Committee	The investment committee for the Fund who are responsible for overseeing the activities of the Fund from an investment, operation and compliance perspective and who will set the Fund's ongoing strategy. The current members of the investment committee are set out on page 10.
Investment Manager	Aquasia Pty Ltd.
Issue Price	The price at which Units are issued to investors and calculated as described on page 22.
Management Fee	Has the same meaning as defined on page 25.
MSC Certane	Certane CT Pty Ltd ACN 106 424 088 as sub-custodian / nominee for Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289 (Melbourne Securities Corporation).
Net Asset Value or NAV	Net asset value of the Fund, as determined in accordance with the Constitution.
Net Asset Value per Unit	Net asset value per Unit, as determined in accordance with the Constitution.
NZ\$ or NZD	New Zealand Dollars.

New Zealand Law or NZ Law	Financial Markets Conduct Act 2013 (NZ).
ORS	One Registry Services Pty Ltd.
Performance Fee	Has the meaning as defined on pages 26 to 27.
Redemption Date	Has the meaning as defined on page 23.
Residential Mortgage Backed Securities or RMBS	A type of asset-backed security where the underlying assets are residential mortgages.
Sell Spread	The charge incurred by Unitholders upon the redemption of Units to cover the Transaction Costs associated with the buying and selling of assets for the Fund. The Sell Spread is expressed as a % of the Net Asset Value per Unit and is NIL (as at the date of this IM). The Sell Spread may be varied from time to time without notice. See pages 25 to 26.
Subordinated Debt	A bond or loan that ranks below senior debt but ahead of equity.
Target Return	10% p.a. (net of fees).
Tax Act	Together, the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997, unless otherwise stated.
TOFA Rules	Division 230 of the Tax Act.
Transaction Costs	Costs associated with the buying and selling of assets for the Fund.
Trustee	Aquasia Pty Ltd.
Unit	Unit of the Fund.
Unitholder	The person(s) named in the Aquasia Private Investment Fund register of unitholders as holder of a Unit.
Unity	Unity Funds Services Pty Ltd.
Wholesale Clients	Persons who qualify as 'wholesale clients' for the purposes of Section 761G of the Corporations Act 2001 (Cth) or as 'wholesale investors' under schedule 1 of the Financial Markets Conduct Act 2013 (NZ).