



Aura Venture Fund III

NSW ILP2400034

Information Memorandum

1 MAY 2025

ISSUED BY:

AURA FUNDS MANAGEMENT PTY LTD

ACN 607 158 814

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Notice and Disclaimers

You must read the following notices and disclaimers before reading or making any use of this document or any information contained in this document. By continuing to read, use or otherwise act on this document, you agree to be bound by the following terms and conditions, including any modifications to them.

Issuer

This information memorandum dated 1 May 2025 (**Memorandum** or **IM**) has been prepared and issued by Aura Funds Management Pty Ltd (ACN 607 158 814) (**Manager, Aura Ventures, us, we or our**), in its capacity as the investment manager of the Aura Venture Fund III (**Fund**). The Manager has been appointed by the General Partner and the Trustee (each defined below) to manage the Fund and will source and present investment opportunities to the Fund.

The purpose of this Memorandum is to invite wholesale clients (as defined in the *Corporations Act 2001* (Cth)), to acquire interests in the Fund. No persons other than the Manager have caused or authorised the issue of this Memorandum nor do they take any responsibility for the preparation of this Memorandum.

Authorised Intermediary Arrangement

The Manager has been appointed as an authorised representative (Corporate Authorised Representative No. 1233893) of Aura Capital Pty Ltd (ACN 143 700 887; AFSL No. 366230) (**Aura Capital** or **Licensee**).

Offers to acquire interests in the Fund under this Memorandum will be made under an intermediary arrangement in accordance with Section 911A(2)(b) of the Corporations Act whereby the General Partner, Partnership and Trustee will:

- appoint and authorise the Manager to make offers to arrange for the issue of interests in the Partnership (**Partnership Interests**) and units in the Trust (**Units**); and
- issue, vary and dispose of Partnership Interests and Units, if such offers are accepted.

Purpose

This Memorandum has been prepared for the sole purpose of providing information about a proposed offering of interests in the Fund. This Memorandum should be read in its entirety before deciding to invest in the Fund. An investment in the Fund is subject to the terms of the Limited Partnership Deed, Trust Deed, Management Agreement and Subscription Agreement (**Investment Documents**).

This Memorandum does not purport to be a comprehensive statement or contain all information of the Investment Documents or of all the terms applicable to an investment in the Fund. The summaries contained in this Memorandum are not exhaustive and not inclusive of all information that might be relevant to a person deciding whether to invest in the Fund. A copy of the Fund's Investment Documents can be obtained by contacting the Manager.

It is intended that the Fund will comprise:

- (a) Aura Venture Fund III, ILP (NSW ILP2400034) (**Partnership**), a New South Wales incorporated limited partnership registered as an early stage venture capital limited partnership (**ESVCLP**) under the *Partnership Act 1892* (NSW),

and may comprise:

- (b) Aura Venture Trust III (**Trust**), an unregistered Australian domiciled unit trust, intended to qualify as a managed investment trust (**MIT**) (as defined in Subdivision 275-A of the *Income Tax Assessment Act 1997* (Cth)) (**ITAA**); and
- (c) any other entities established in respect of the Fund under its Investment Documents as determined by the Manager.

The structure of the Fund will ultimately depend on the profile and location of the investors and their particular requirements.

The general partner of the Partnership is Aura Venture Partners III GP, ILP (NSW ILP2400033) (**General Partner**) and the trustee of the Trust is Aura Venture Fund III Pty Ltd (ACN 680 839 856, Corporate Authorised Representative of Aura Capital, No. 1311766) (**Trustee**).

Persons who successfully subscribe to the Fund will become limited partners in the Partnership and holders of ordinary units in the Trust.

Important Information

Investments in the Fund will be by invitation only. This Memorandum does not constitute an offer or invitation in any place or to any person in or outside of Australia where it would be unlawful to make such an offer or invitation.

This Memorandum is provided to potential investors and, by receiving it, each potential investor is deemed to represent and warrant that it is a sophisticated investor and 'Wholesale Client' under the Corporations Act. If you are not such a person, please do not read this Memorandum. Investors should have the financial ability and willingness to bear the risks of this investment for a substantial period of time and to bear the loss of some or all of their investment.

This Memorandum is not a prospectus, product disclosure statement or any other form of disclosure document for the purposes of Chapter 6D or Chapter 7 (as the case may be) of the Corporations Act. The level of disclosure in this Memorandum is less than that of a prospectus, product disclosure statement or similar disclosure document. A copy of this Memorandum does not need to be and has not been lodged with the Australian Securities and Investments Commission (**ASIC**).

Confidentiality

This Memorandum and any other information provided in connection with this Memorandum are confidential to the Manager. It is provided to prospective investors for the sole purpose of considering an investment in the Fund and must not be copied, supplied, disseminated or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Manager's prior written consent.

Not Financial Product Advice

The information in this Memorandum is general advice and does not constitute personal advice or investment advice. In preparing this Memorandum, we have not taken into account particular investment objectives, financial situation or needs of any individual investor.

We strongly recommend that potential investors read this Memorandum in its entirety and seek independent professional advice as to the financial, taxation, and other implications of investing in the Fund and the materials contained in this Memorandum.

Any information or representations not contained in this Memorandum may not be relied upon as having been authorised by the Manager and should be disregarded. This memorandum supersedes all previous representations and communications (including investor presentations) in respect of the Fund. The Manager may vary the offer without notice at any time, including to close the offer at any time, accept late subscriptions, or to increase or decrease the size or timing of the offer, without notice.

The Manager is not obliged to accept applications for interests in the Fund and reserves absolute discretion in limiting or refusing any application in whole or in part.

No Liability

Whilst every care has been exercised in compiling the information contained in this Memorandum, to the maximum extent permitted by law, none of the Manager, its associated entities, nor any of their respective officers, directors, advisers, or associates provide any representations or warranties in relation to this Memorandum or the Fund and they disclaim all responsibility in relation to this Memorandum and the Fund. The Manager does not make any representation or warranty as to the accuracy, truth, reliability, currency or completeness of the contents of this Memorandum, and will not be liable for any errors or omissions.

An application to invest in the Fund is based on the Investment Documents. Information in this Memorandum is provided only as of the date of this Memorandum unless otherwise stated and is subject to change from time to time.

We intend the issue of a supplementary or replacement Memorandum if any material changes are made. No person is authorised to provide information or to make a representation in connection with the Fund that is not contained in this Memorandum. Any information or representation in connection with the Fund that is not contained in this Memorandum may not be relied upon as having been authorised by the Manager. No representation or warranty is made as to the achievement or reasonableness of any plans, financial returns, or forward-looking statements.

Currency and Rounding

All amounts in this Memorandum are stated in Australian currency, unless specifically stated.

Fees and costs in this Memorandum are disclosed exclusive of Goods and Services Tax (GST).

Any discrepancies between totals and the sum of all the individual components in the tables contained in this Memorandum are due to rounding.

No Guarantee

No person guarantees the performance of, or rate of return from, the Fund nor the repayment of capital from the Fund. Investments in the Fund are not deposits or liabilities of the Manager or any associated company and are subject to investment and other risks, including possible delays in repayment and loss of income or principal invested. Recipients of this Memorandum should ensure they are fully aware of all these risks before investing in the Fund. As with any investment, there are inherent risks in investing in the Fund, including the risk that an investment in the Fund is speculative, that the investment may result in a reduction in or loss of the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital.

Investing in the Fund involves a high level of risk and is not suitable for investors who are unable to sustain the loss of all or part of the sum invested, or who require predictable levels of return or liquidity. Investors should have the financial ability and willingness to accept the risks which are characteristic of the investments described in this Memorandum, for the entire term of the Fund. There will be no public market for the Fund interests and such Fund interests, subject to certain limited exceptions, will not be transferable.

The attention of prospective investors is drawn to Section 8 (*Risk Factors*) of this Memorandum.

Forward-looking Statements

Statements, beliefs, and opinions contained in this Memorandum, particularly those regarding the future are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, contingencies uncertainties and other factors that may be beyond the Manager's ability to control or predict which may cause the actual results or performance of the Fund to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions, current expectations, and beliefs (involving judgements which may be difficult to accurately predict) and are not guarantees or predictions of future performance.

No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Similarly, no representation is given that the assumptions upon which forward-looking statements may be based are reasonable. Forward-looking statements speak only as at the date of this Memorandum and the Manager disclaims any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this Memorandum. Therefore, such forward looking statements included in this Memorandum may prove to be inaccurate and should not be relied upon as indication of future matters.

Jurisdiction

The distribution of this Memorandum and the offering of interests in the Fund in certain jurisdictions outside Australia may be restricted by law. This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund and should not be reproduced or used for any other purpose.

Any person who receives a copy of Memorandum in circumstances where receipt of this Memorandum is unlawful or unauthorised or requires the Manager to take any additional steps, including registration, must not accept the copy of the Memorandum and must immediately return it to the Manager. Any failure to comply with restrictions on receipt or distribution of this Memorandum may constitute a violation of applicable securities law.

Independent Advice Required

In preparing this Memorandum, the Manager has taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective Investors must not construe the contents of this Memorandum as tax, legal or financial product advice. Before making any decision to invest in the Fund, prospective investors should:

- seek and rely on their own professional advice, in particular by obtaining appropriate tax, legal, financial and investment advice in light of their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Memorandum.

Supplementary Information

Subject to applicable law and the Investment Documents, the Manager reserves the right to change or modify at any time the information, terms and conditions set out in this Memorandum and applying to the offer of interests in the Fund, in its absolute discretion.

Privacy

We respect your privacy. Any personal details provided to the Manager (or its related entities) when you invest or at any other time in relation to your investment, will be used to administer and report on your investment with us, and for purposes related to that. For example, your details may be used to establish your initial investment, process ongoing transactions, respond to any queries you may have, provide you with transaction, distribution, tax, and annual statements, and to provide you with information on the performance of your investment, change in product features, commentary on the Fund and other topical information. In certain circumstances, we may be required by law to collect certain personal information about you.

We may also use and disclose the personal information you provide us for the purposes of complying with our obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**).

We aim to keep your personal details as up to date and accurate as possible. If any of your personal details are incorrect or have changed, please write to us.

You acknowledge that Aura may disclose to any other service provider appointed in respect of the Fund or to any regulatory body in any applicable jurisdiction copies of your Subscription Agreement and any information provided by you and any such disclosure will not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise. If you wish to find out what personal information we hold with respect to you, please contact us by email to privacy@aura.co. If you would like further information on our privacy policy, please visit our website: <https://www.aura.co/privacy-policy>.

Acknowledgement

All prospective investors should read this Memorandum in its entirety and understand that this Memorandum is general in nature and is not to be considered as investment, legal, tax or any other form of advice. In making an investment decision, each prospective investor should conduct such investor's own due diligence and must rely on such investor's own examination of the Fund and the terms of the offering, including the merits and risks involved.

By accepting this Memorandum, you are:

- representing that you are a Wholesale Client;
- acknowledging that private equity and venture capital are asset classes with a higher degree of risk than other assets; and
- agreeing to keep this Memorandum and its contents confidential and not to provide it to other persons other than your advisers, provided they also maintain such confidentiality.

Glossary

Capitalised terms are defined in Section 12 (*Glossary*) of this Memorandum.

Section 01:

Introduction

Section 01: Introduction

Dear Investor,

We are pleased to offer you an opportunity to invest in Aura Venture Fund III (**Fund**). The Fund is our latest vintage of a series of venture funds since 2013. The Fund will be managed by Aura Ventures, the dedicated venture capital investment arm of Aura Group, and one of Australia's first venture capital firms in the current VC 2.0 era.

Our mission is to be the top seed stage investor in Australia supporting the most audacious founders building the next generation of world-class technology companies.

Over the last decade we have launched and deployed a series of venture funds that have invested into the next generation of exciting new technology disruptors. Alongside this, we have dedicated a significant amount of time and resources building our unique venture capital platform that we believe is largely strategic to our continued success in this asset class. The strong performances of our funds validate our approach to early stage investing and give us confidence to keep pushing forward.

The platform we have built within the Asia-Pacific region gives our entrepreneurs leverage to help them succeed. Our presence across the region through our physical presence and our strategic partners in the respective geographies enable us to build upon our market insights and provide cross border support for companies looking to expand from Australia into Southeast Asia. Our value add to founders encompasses everything from: principal and strategic guidance, a network of partners and domain experts, institutional funding sources, talent and other high value introductions for portfolio companies.

Our approach as a high conviction seed stage investor has been formulated to deliver the greatest impact to our founders in their early stages of their lifecycle searching for product market fit. Seed is a segment which has been historically underserved in Australia and carries the least threat to competition from offshore competitors. This has allowed us to partner with our international peers, in particularly the US, as our portfolio companies expand offshore.

The Australian venture capital market has never been in better shape. Of all the venture capital markets on the planet – Australia regularly sits at the top in terms of successful businesses produced per capita. Structurally our market is very sound and there are a number of strong tailwinds driving continued innovation on our shores. Robust government support, an educated population, a fast growing early-stage eco-system, our proximity to Asia – all play their part. We believe that the next ten years will provide a golden opportunity for technology entrepreneurs and their supporters to build generational companies.

We look forward to welcoming you to the Aura Ventures family in the near future.

Yours sincerely,

Aura Ventures Team

Section 2:

Key Terms

Section 02:

Key Terms

The following is a summary of the principal terms of the Fund, as defined below. The following summary does not purport to be complete and is subject to the detailed provisions of the Investment Documents, which will supersede and prevail to the extent of inconsistencies with this Memorandum. Each Investment Document is available upon request and should be reviewed carefully prior to making an investment decision.

Item	Summary
Fund Details	
Fund	Aura Venture Fund III
Fund Structure	<p>The Fund will comprise of:</p> <ul style="list-style-type: none"> (a) Aura Venture Fund III, ILP (ILP2400034), an incorporated limited partnership incorporated in New South Wales (Partnership), <p>and may comprise:</p> <ul style="list-style-type: none"> (b) Aura Venture Trust III, an Australian unit trust intended to qualify as a MIT; and (c) any other entities established in respect of the Fund under its Investment Documents as determined by the Manager. <p>The Partnership will invest in EVCI's (defined below) and the Trust will invest in non-EVCI's.</p>
AFSL Holder	Aura Capital Pty Ltd (ACN 143 700 887, AFSL No. 366230).
Manager	<p>Aura Funds Management Pty Ltd (ACN 607 158 814) is a corporate authorised representative (CAR No.1233893) of the AFSL Holder.</p> <p>The Manager is appointed by the General Partner and Trustee to provide investment management services to the Fund and has overall responsibility for the Fund's investment decisions.</p>
General Partner	The general partner of the Partnership is Aura Venture Partners III GP, ILP (ILP2400033), a venture capital management partnership incorporated in New South Wales.
Trustee	Aura Venture Fund III Pty Ltd (ACN 680 839 856; CAR No. 1311766).
Investment Details	
Investment Strategy	<p>The Fund will primarily invest in private early-stage technology-enabled companies with potential to deliver significant capital growth over the long-term. The Partnership will invest in 'eligible venture capital investment' (EVCI) for the purposes of the <i>Income Tax Assessment Act 1997 (Cth)</i> (ITAA). Investments which are not EVCI's will be made by the Trust.</p> <p>Investors will hold Partnership Interests in the Partnership and may also hold Units in the Trust. An investor's commitment to the Fund, when called, will be allocated to the Partnership and Trust as determined by the Manager. Partnership Interests and Units can only be dealt with together.</p> <p>A detailed "Investment Plan" will form Schedule 1 of the Limited Partnership Deed.</p>
Target Return	<p>The Fund will target an overall IRR to Investors of not less than 25% and aims to deliver returns in excess of 3x capital contributions (net of fees and costs) over its term.</p> <p>This is a target only. The Fund may not achieve this return.</p>
Target Fund Size	The Fund is seeking to raise a target Committed Capital amount of \$75 million, with a maximum of \$100 million in aggregate Committed Capital across the Fund (including the Manager's commitment).
Eligible Investors	The Fund is only open to Wholesale Clients (as defined in the <i>Corporations Act 2001 (Cth)</i>) which are approved by the Manager.

Item	Summary
Minimum Committed Capital	The minimum Committed Capital for any Investor will be \$250,000 unless determined by the Manager, who may accept lesser amounts in its absolute discretion.
Manager's Committed Capital	The Aura Related Persons will together invest a minimum of 2% of Fund Committed Capital.
First Closing Date	30 June 2025 or another date as determined by the Manager.
Final Closing Date	A date determined by the Manager or General Partner, which is not more than 12 months after the First Closing Date (unless extended by the General Partner and Manager for no greater than 18 months after the First Closing Date).
Investment Period	<p>Commencing on the First Closing Date and ending on the fifth anniversary of the First Closing Date (which may be extended by up to two one-year extensions at the discretion of the General Partner or Trustee (as applicable)).</p> <p>The only investments permitted after this date are follow-on investments and investments that are at a term sheet stage or which have otherwise been approved by the Manager but not yet completed.</p>
Term	<p>5 years from the end of the Investment Period, unless:</p> <ul style="list-style-type: none"> (a) terminated by the General Partner or Trustee (as applicable) in accordance with the Investment Documents; (b) extended pursuant to Special Resolution; or (c) extended by the General Partner or Trustee (as applicable) for up to two additional one-year periods in its absolute discretion.
Re-Investment and Recycling	<p>The General Partner or Trustee (as applicable) must not apply proceeds of the realisation of Property (Investment Proceeds) (other than a Liquidity Investment which was not made from the realisation of other Property) to make or contribute to an investment of the Partnership other than:</p> <ul style="list-style-type: none"> (a) with approval by Ordinary Resolution; (b) as part of a bona fide reorganisation or merger of an investment of the Fund; (c) to make a Liquidity Investment pending distribution; (d) an amount equal to the proceeds applied (if any) to that purpose is applied to Investors pro rata to increase their paid up proportions; (e) an amount not greater than the cost of the relevant investment, provided that all amounts reinvested under this provision occur during the Investment Period and do not exceed 40% of Fund Committed Capital; (f) to repay a loan facility or bridging finance that has been repaid within six months of when the loan facility or bridging finance was advanced; or (g) to make a Follow On Investment.
Return Hurdle	8% IRR.
Distributions	Distributions from the Fund may be made at any time at the discretion of the General Partner or the Trustee (as the case may be). Distributions will be made pro rata to Capital Contributions and will be paid in the following order of priority to Investors and the General Partner and Sponsor Unit Holders (each considered together): ¹
<i>LP Return</i>	Firstly, 100% to Investors until they have each received their Capital Contributions and preferred return of 8% IRR (on a whole of Fund basis) as at the record date for the distribution.
<i>Catch Up</i>	Secondly, 100% to the General Partner and Sponsor Unit Holders (considered together) until they have received 20% of the sum of the aggregate preferred return of 8% IRR of Investors (on a whole of Fund basis) and the amounts distributed under this Catch Up.
<i>Split</i>	Thereafter, in the ratio of 80% to Investors (considered together) and 20% to the General Partner and Sponsor Unit Holders (considered together and on a whole of Fund basis).

1. For the purposes of determining the distribution, any Tax Benefits (as defined in the Investment Documents) will be taken to be included in the LP Return, Catch Up and Split.

Item	Summary
Distribution In Specie	In specie distributions will be at the discretion of the Manager, General Partner and Trustee (as applicable).
Capital contributions	Calls for capital contributions to the Fund may be made by the Manager at such times as it considers appropriate. Calls will be payable within 10 Business Days after notice.
Clawback	On termination of the Fund or the General Partner/Trustee, or a redraw from Investors, the Manager must cause the refund of the excess (if any) of any carried interest and sponsor distributions paid to the General Partner and Sponsor Unit Holders (after tax), having regard to the investment performance of the Fund as a whole.
Successor Fund	The General Partner, Trustee or Manager (as applicable) may not establish another fund with a similar investment plan to the Fund until the earlier of the termination of the Fund in accordance with the Limited Partnership Deed, the end of the Investment Period or the time when 60% of the aggregate Capital Contributions of all Investors have been invested or are subject to commitment to future investment or the Fund's expenses.
Investment Team	The Manager's Investment Team will be led by Eric Chan, the co-founder and Managing Partner of Aura Ventures.
Investment Committee	Initial members will be comprised of Eric Chan, Mark Esterhuizen and Calvin Ng, and then such other additional, fewer or replacement persons as determined by the Manager from time to time.
Advisory Committee	The General Partner, Trustee and Manager (as applicable) will appoint and maintain an Advisory Committee shortly after the First Closing Date:
Restricted Activities of the Partnership	<p>The Manager may cause the Partnership to make investments in its sole discretion, subject to the following limits:</p> <ul style="list-style-type: none"> (a) at the time of the investment, investing more than 30% of the Committed Capital in any one investment except as otherwise determined or approved by in accordance with the Venture Capital Act; (b) at the time of the investment, investing more than 20% of the Committed Capital in pre-owned investments; (c) at the time of the investment, investing more than 20% of the Committed Capital in businesses that, at the time that the investment or investments are made, have the majority of their business operations outside of Australia; (d) making any investments which would otherwise result in the investment not being an "eligible venture capital investment" and meeting the "additional investment requirements for ESCVLPs" (as defined in ITAA); (e) without obtaining approval by Ordinary Resolution: causing the Partnership to borrow or obtain financial accommodation which in aggregate with similar arrangements with respect to the Trust exceeds 20% of the Fund Committed Capital as at the time the relevant arrangements were entered and may be used to bridge capital calls and other working capital needed; and (f) without obtaining approval of the Investment Committee: making an investment in or divestment of securities of any entity, <p>unless otherwise permitted under the Venture Capital Act or by the government regulator under the Venture Capital Act.</p>
Co-investments	The Manager may enter into co-investment arrangements with Investors in its discretion.
Consequences of Default	While an Investor is in default (but only for such period as such person remains in default) that Investor's right to vote, transfer interests in the Fund and receive Distributions are suspended.

Item	Summary
Retirement or removal of the General Partner, Trustee or Manager	<p>The General Partner, Trustee or the Manager (as the case may be) may retire with 90 Business Days' written notice and must retire if:</p> <ul style="list-style-type: none"> (a) directed to do so by Special Resolution where an Insolvency Event (as defined in the Investment Documents) occurs in respect of them; (b) directed to do so by Special Resolution and: <ul style="list-style-type: none"> (i) they are required to do so by law; or (ii) continuing to act is either prohibited or would result directly in them incurring a material penalty, and such is not rectified (if possible to rectify) within 60 Business Days after such requirement occurring; or (c) directed to retire by Special Resolution provided that at least 30 Business Days' prior notice of the proposed resolution is given to the General Partner, Trustee or the Manager (as the case may be) and they are given the opportunity to address the Investors at the meeting at which the resolution is considered and either of them: <ul style="list-style-type: none"> (i) has acted with fraud, dishonesty or wilful misconduct in their role as General Partner, Trustee or the Manager (as the case may be); or (ii) are in breach of a material obligation under an Investment Document which has had a materially adverse effect on the Partnership or Trust (as the case may be) or the Investors and the breach is not remedied within 20 Business Days after the later of the date of that Special Resolution or the date specified in the Special Resolution.
Withdrawal and transfer from the Fund	<p>Investors may not withdraw from the Fund or terminate their capital commitments to the Fund prior to the termination of the Fund. Interests in the Fund cannot be redeemed by Investors.</p> <p>The prior written consent of the General Partner or Trustee (as applicable) is required before an Investor may transfer any or all of its interests in the Fund, which consent will not be unreasonably withheld. A transfer of the interest in the Fund will require the transferee to accede to the Investment Documents of the Fund, including by accepting liability to pay undrawn capital commitments to the Fund of the relevant transferor.</p>
Amendments to Limited Partnership Deed and Trust Deed	<p>The General Partner or Trustee (as applicable) may, upon recommendation of the Manager and by supplemental deed, make any modification, addition or deletion to the Limited Partnership Deed or Trust Deed (as applicable) if it:</p> <ul style="list-style-type: none"> (a) is of a formal or technical nature, made to correct a manifest error, inconsistency or is necessary to comply with the provisions of any law or requirements of any government agency; (b) will not have a materially adverse effect on Investors' rights; (c) is authorised or required by an Ordinary Resolution, except if it relates to the: <ul style="list-style-type: none"> (i) entitlement or obligation of an Investor, the General Partner or Manager to fees, capital or distributions (as the case may be), in which case the consent of the affected person is also required; and (ii) provisions relating to ERISA Partners, in which case the amendment must also be approved by ERISA Partners having Committed Capital aggregating in excess of 50% of the Committed Capital of all ERISA Partners, excluding in each case defaulting Investors; (d) if all Investors, the General Partner and the Trustees consent in writing to the modification, addition or deletion; or (e) the amendment to the Limited Partnership Deed is to comply with any requested changes by the Department of Innovation and Science Australia as part of the Partnership's application for conditional or unconditional registration as an ESVCLP.

Item	Summary
Confidentiality	<p>All information provided to an Investor in relation to an Investment Document, the Fund, a portfolio company of the Fund, or an offer document must be kept confidential except where the information is disclosed:</p> <ul style="list-style-type: none"> (a) in accordance with an Investment Document; (b) has come within the public domain, other than by a breach of an Investment Document; (c) with the prior written consent of the General Partner, Trustee or Manager (as applicable) (which consent may be withheld or delayed); (d) to the extent reasonably required by an Investor to perform its obligations to report to a custodian, trustee, manager, investors or beneficiaries, or similar and their advisers, of a fund for which the Investor holds its interests provided it informs those parties of the confidential nature of the information; (e) to a person to whom the Investor proposes and is entitled to transfer its interest in accordance with this deed if the person prior undertakes to the General Partner and the Trustee (as applicable) and the Fund to keep the information confidential as if it were an Investor; (f) as required to do so by an applicable law, government agency or stock exchange, provided prior consultation with the General Partner, Trustee or Manager (as applicable) about the disclosure occurs (to the extent reasonably practicable and unless such consultation is prohibited by law); (g) to Affiliates (as defined in the Investment Documents) and committees within Affiliates provided that the information is kept confidential; or (h) to an Investor's custodian, bankers, lawyers, accountants or other or professional advisers or service providers provided it informs those parties of the confidential nature of the information.
Fees and Other Costs	
Management Fee	<p>An amount equal to 2% per annum (plus GST):</p> <ul style="list-style-type: none"> (a) of aggregate Committed Capital (of Investors) until the end of the Investment Period and the first closing date of a Successor Fund; and (b) thereafter, of Invested Capital until dissolution of the Fund, <p>payable and calculated quarterly in advance commencing on the First Closing Date.</p> <p>The Manager may defer payment of part or all of the Management Fees that the Manager is entitled to, in respect of any period, for any duration. Deferral will not affect the Manager's entitlement to recover deferred fees in the future.</p> <p>The Manager will have discretion to waive or rebate part of the Management Fee.</p>
Maximum Establishment Costs	<p>The greater of:</p> <ul style="list-style-type: none"> (a) \$250,000 (ex GST); and (b) 0.50% of the aggregate Fund Committed Capital (ex GST). <p>This includes costs incurred by the General Partner, Trustee and the Manager in establishing and promoting the Fund.</p> <p>Amounts in excess of this amount will be paid by the Manager.</p>
Late Capital	<p>Investors admitted on a closing date after the First Closing Date will contribute the proportion of their Committed Capital that they would have paid had they been admitted on the First Closing Date plus an amount equal to such drawn capital multiplied by a premium of 8% per annum applied from the date the payment would have been payable until the later closing date. This amount is paid to previously admitted Investors and the returned capital proportion is added to their undrawn committed capital to be called under the terms of the Investment Documents.</p> <p>Late Investors will upon their admission to the Fund also bear a proportionate share of any of the Funds' costs and fees that would have been incurred by them if admitted on the First Closing Date including the Management Fee that the Investor would have borne had it been admitted on the First Closing Date instead of the later closing date. This fee is paid to the Manager and ensures all Investors are treated equally.</p>

Item	Summary
Expenses	The Partnership and Trust must pay and indemnify the General Partner, Trustee and Manager (as applicable) for all expenses and other outgoings related to their operation in respect of the Fund, other than overhead costs or establishment costs in excess of the Maximum Establishment Costs.
Outside Fees	<p>In the Invested Proportion, remuneration (including director's fees), consulting fees, break fees, transaction fees, underwriting fees, advisory fees, finder's fees or financial products:</p> <ul style="list-style-type: none"> (a) received by the General Partner, the Trustees or Manager or any of their Affiliates or Associates (each as defined in the Investment Documents) or any of their respective full-time employees or officers (each, an Outside Fee Recipient); (b) in relation only to potential or actual transactions of the Fund or for services provided to an investment (or their Associates) of the Fund; (c) excluding fees charged to investors for co-investments; (d) excluding fees or other amounts charged to an investment (or their Associates) of the Fund for reimbursement of reasonable costs, expenses and outgoings incurred on behalf of that investment; and (e) excluding any Business Expenses, <p>less any expenses associated with generating and receiving such fees incurred by an Outside Fee Recipient (other than expenses paid to an Aura Related Person) and those amounts that are required to be repaid to the payer or on-paid to a third party that is not an Outside Fee Recipient or Aura Related Person.</p>

Reporting and Valuations	
Reports	How to be given
Unaudited accounts for the Financial Year.	To each Investor within 120 days after the end of the Financial Year.
Unaudited quarterly statements and reports providing, narrative and summary information on the Fund, and the Fund's investments or potential investments.	To each Investor within 60 days after the end of each quarter.
Annual tax statements in respect of the Fund.	To each Investor within 120 days after the end of the Financial Year.

Item	Summary
Other Considerations	
MIT / AMIT regimes	The Trustee may elect to have the Trust qualify for the MIT and AMIT regimes.
Tax Considerations	The taxation of partners and partnerships is extremely complex. Each prospective Investor is urged to consult its own tax adviser as to the tax consequences of an investment in the Fund.
Risks	The investment program of the Fund is speculative and entails substantial risks. The Fund may be exposed to certain markets that are subject to inefficiency, unpredictability and political instability, all of which could cause loss of capital.
Legal Advisers	Gilbert + Tobin
Tax Advisers	Crowe Australasia

Item	Summary
Defined terms and interpretation	<p>Advisory Committee means the advisory committee established in accordance with the Investment Documents.</p> <p>Aura Related Person means collectively:</p> <ul style="list-style-type: none"> (a) the General Partner, the Manager and their Affiliates and Associates; (b) directors, officers, managers, employees, indirect/direct equity holders, general partners and immediate family members of any of the persons described in paragraph (a); and/or (c) Affiliates of any of the persons described in the paragraph (b), <p>but excludes portfolio companies of the Fund.</p> <p>Business Day means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, New South Wales.</p> <p>Business Expenses means any amounts that are operating or other expenses of a business that the Partnership or Trust (as applicable) has invested in.</p> <p>Capital Contribution means a capital contribution to the Partnership including Late Capital but excluding any late capital interest.</p> <p>Committed Capital means, in respect of an Investor, the total of the committed capital of the Investor to the Fund made under a Subscription Agreement (to the extent accepted by the Manager, General Partner or Trustee (as applicable)), as determined and adjusted in accordance with the Investment Documents, excluding late capital interest.</p> <p>ERISA Partner has the meaning provided Schedule 2 of the Limited Partnership Deed.</p> <p>Financial Year means each 12-month period ending on 30 June and the shorter periods ending on the first 30 June after the First Closing Date or commencing on a 1 July and ending on the date of termination of the Fund.</p> <p>Follow On Investment means an investment in an entity, scheme or arrangement in which the Fund has an existing investment or in an entity which is or was an associate of that investment.</p> <p>Invested Capital means the cost of all investments of the Fund, less the cost of all investments which have been fully sold, redeemed or otherwise fully realised and distributed in cash or in specie to Investors (including as redemption proceeds), or written off to zero.</p> <p>Invested Proportion means, in respect of an investment of the Partnership or Trust (as applicable) in an entity, the proportion that the total Capital Contributions of all Investors in respect of that investment bears to the aggregate of capital contributions of all Investors in the Fund in respect of their investment in that same entity, from time to time, provided that the General Partner or Trustee (as applicable) must allocate that sharing differently from that proportion to the extent that the amount does not relate to a Fund Vehicle (as defined in the Investment Documents).</p> <p>Investment Committee means the investment committee established in accordance with the Investment Documents.</p> <p>Liquidity Investment means an investment held for no more than 12 months in a financial product issued (including interests in a cash management trust), secured, guaranteed, supported, accepted, drawn or endorsed by a government agency, an authorised deposit-taking institution, an entity conducting any business of banking anywhere in the world or an affiliate of any of these, to be realised within 12 months after its acquisition and which is a security, other than securities in the issuing entity itself.</p> <p>Management Agreement means the agreement between the General Partner, the Partnership, the Trustee and the Manager pursuant to which the Manager provides investment management services to the Fund.</p> <p>Ordinary Resolution means a resolution approved by Investors holding together more than 50% of the Fund Committed Capital of those Investors entitled to vote on the resolution.</p> <p>Special Resolution means a resolution approved by Investors holding together at least 75% of the Fund Committed Capital of those Investors entitled to vote on the resolution.</p> <p>Sponsor Unit Holders means the holders of sponsor units in the Trust, and will be the recipients of sponsor distributions from the Trust.</p>

Section 03:

Our Journey

Section 03: Our Journey



By Eric Chan
Co-Founder and Managing Partner, Aura Group

Aura Group was originally founded in 2010 as a boutique corporate advisory firm focused on early stage businesses. At the time, the Australian startup eco-system was absent and our work with promising technology companies centred around helping them with the capital raising process. Our foray into funds management began in 2013 through the establishment of a number of single asset funds and then later our first blind pool VC fund in 2017. We are now launching our third VC fund to capitalise on the burgeoning eco-system that we helped to create.

Today, the Aura Group exists as an integrated global financial services firm providing innovative products and tailored investment solutions for investors across the Asia-Pacific region. We manage and advise on over \$1B of assets across a range of asset classes including venture capital, private equity, multi asset and private credit.

Aura Ventures is the dedicated venture capital arm of Aura Group. Venture capital is our first and longest investment strategy. We believe that our role is to support the visionary entrepreneurs who aspire to invent the future. We aim to fuel their growth with capital, access to our networks and decades of experience building businesses.

We are a team of seasoned investors, operators and founders which have taken companies from idea to exit. We have built a speciality in advising and investing in seed stage companies, a market segment which has been underserved in a nascent industry within Australia. By focusing predominately on a single stage of a startup lifecycle has allowed us to enhance our feedback loop over the past decade and in turn enabled us to relentlessly learn, reiterate and improve the way we invest and support our founders. We believe seed is the most attractive stage of a business for early stage investing in Australia as it provides asymmetric returns. It is also the most viable entry point as valuations has been more predictable over the years and at a level that allows for adequate ownership stakes in companies without the need to write outsized cheques. The latter is particularly important as we have been disciplined in determining the size of each fund vintage so as to ensure it doesn't exceed the market depth in a developing industry. We also believe that seed is the stage we can deliver the greatest impact in our founder's journey.

Seed stage companies are micro-companies where traditional laws of company building does not apply and they are simply experiment machines searching for signs of Product-Market-Fit. So how do we gain conviction when so much is uncertain for these businesses? We believe we do this by building muscle memory on seed stage investing and leverage the experience, learnings and investment frameworks we have accumulated and developed over the past 10+ years to aid in our selection process. This involves taking a high conviction approach as we believe "spray & pray" strategies undermine the asymmetric return potential of seed stage investments.

Such strategies layer risk mitigation in a way that diminishes the potential for venture returns. In our view, the benefits of diversification in a "spray & pray" approach tails off exponentially and eliminates the ability to deliver alpha returns through follow-on investments.

Over the past decade, we helped carve the venture capital ecosystem and in return it has provided us with priceless insights. These insights have influenced our approach to the venture capital landscape. The dynamics in this region differ significantly from those in other markets. While we still subscribe to the power law distribution theory, the limited market depth makes achieving a 100x return on an investment, which generally requires the company to exceed \$1B in valuation, less probable. As such, we have adapted our investment strategy to the unique characteristics of this market, rather than replicating strategies effective or common in larger markets like the U.S. This perspective has shaped our emphasis on seeking seed stage investments, targeting opportunities where we believe we have a competitive edge, dynamically constructing our portfolio with careful consideration of entry and exit points and selecting how and who to collaborate with.²

Our team is surrounded by a community of prominent tech founders, operators and investors based in Australia, Southeast Asia and United States. This community forms a resource for our team and portfolio companies to access a broad range of experience and networks.

We are now raising our third core venture fund, Aura Venture Fund III, to extend our mission in supporting the next wave of generational companies. The Fund offers an opportunity for investors to participate in the next cohort of successful Australian founded technology companies. In time for the bottoming of the venture cycle. While we are proud of the important work we have done to date – we are only just getting started and believe the next decade in Australia will produce an unprecedented number of globally successful companies. These will provide the foundation for some truly incredible investment outcomes.

2. There are no assurances regarding the success or profitability of any investment.



Aura Ventures has leading returns across venture capital

Since inception, we have invested a total of \$63.3m into 25 companies across a broad range of industries excluding co-investment opportunities we have facilitated for our investors.³ These investments have created approximately \$2B in shareholder value, more than \$100m in investor value and delivered a MOIC of 2.3x⁴ across each dollar of invested capital. In our view, these returns place Aura Ventures in the top-quartile of Australian venture capital funds.

We have also returned \$37M in distribution to investors across all core funds.⁵

Fund Summary⁶

Committed Capital (\$M)	Vintage	Capital Deployed (\$M)	# of Investments	Gross MoIC	Net TVPI	DPI
Fund Zero (DSOF I, II, III, ASOF V)						
16.4	2013-2015	13.2	3	3.0x	1.9x	1.8x
Aura Venture Fund I (AVF I)						
20.3	2017	16.4	11	2.9x	2.3x	0.3x
Aura Venture Fund II (AVF II, deployment ongoing)						
26.6	2022	14.8	11	1.1x	1.0x	n.m

Portfolio Company Summary⁷

Company	Fund / Year Invested	HQ	Sector	Industry	MoIC ⁸	Website Link
Full Exits						
Catapult	DSOF I & II / 2013	AU	Enterprise SaaS	Sports	8.0x	link
Integrated	AVF I / 2017	AU	B2B SaaS	Fintech	2.3x	link
Lannock	ASOF V / 2015	AU	Financial Services	Strata	1.9x	link
TradeGecko	AVF I / 2018	SG	B2B SaaS	Commerce	1.7x	–
MC Payment	AVF I / 2016	SG	Payments	Fintech	1.3x	–
Superestate	AVF I / 2019	AU	B2C	Fintech	1.1x	link
Partial Exits						
Bookwell	AVF I / 2019	AU	B2B SaaS/Marketplace	Health and Wellness	1.1x	link
Foodbomb	AVF I / 2019	AU	B2B SaaS/Marketplace	Foodservices	0.8x	link

3. As at 31 December 2024.

4. MOIC as at 31 December 2024. Net returns after costs, fees and carry but before tax. Returns are unaudited. Past performance is not a reliable indicator of future performance.

5. As at 31 December 2024.

6. All statistics, figures and other factual representations in this table are as at 31 December 2024. They are subject to change and may include unrealised gains.

7. The information contained in this table are as at 31 December 2024.

8. The information relates to the total value generated to the invested capital from the initial cheque invested into the portfolio company and may include unrealised gains.

Company	Fund / Year Invested	HQ	Sector	Industry	MoIC ⁸	Website Link
Active						
Shippit	AVF I / 2017	AU	B2B SaaS	Logistics	14.2x	link
Gamurs	AVF I / 2017	AU	B2C Media	Gaming	4.4x	link
Haast	AVF II / 2023	AU	B2B SaaS	LegalTech, RegTech	3.8x	link
Tutero	AVF II / 2022	AU	B2C	EdTech	2.0x	link
Harvest B	AVF II / 2021	AU	B2B/B2C	Food	1.4x	link
Jigspace	AVF II / 2024	AU	Enterprise SaaS	AI	1.1x	link
Scannable	AVF II / 2024	NZ	B2B SaaS	Compliance	1.1x	link
Layer	AVF II / 2022	AU	B2B Marketplace	Gaming	1.0x	link
GPS Innovation	AVF I / 2016	AU	B2B SaaS	Telematics	1.0x	link
Zenphi	AVF II / 2022	AU	B2B SaaS	BPO	1.0x	link
Sahha	AVF II / 2023	AU	B2B	Health and Wellness	1.0x	link
Hatch	AVF II / 2023	AU	B2C Marketplace	HRTech	1.0x	link
Tixel	AVF II / 2024	AU	Consumer Marketplace	Entertainment	1.0x	link
iDeed	AVF II / 2021	AU	Enterprise SaaS	Fintech	0.3x	link
Inactive						
Juni	DSOF III / 2014	KOR	Hardware	Telecommunications	–	–
Ynomia	AVF I / 2017	AU	B2B SaaS	PropTech	–	–
Allure	AVF I / 2018	AU	B2C	Retail	–	–

Section 04:

Market Opportunity

Section 04: Market Opportunity

Why invest in technology startups

The unfolding of the 21st century could arguably be defined by a singular narrative: the relentless march of innovation.

We have witnessed an acceleration in paradigm shifts that is not linear, but exponential. From mainframes in the 1950s, to personal computers in the 1980s, the internet era in the 1990s, mobile era in the 2000s, cloud infrastructure in the 2010s to today's era of artificial intelligence, spatial computing, and cryptography. There is no doubt that the company builders of today have huge advantages versus those of yesteryear.

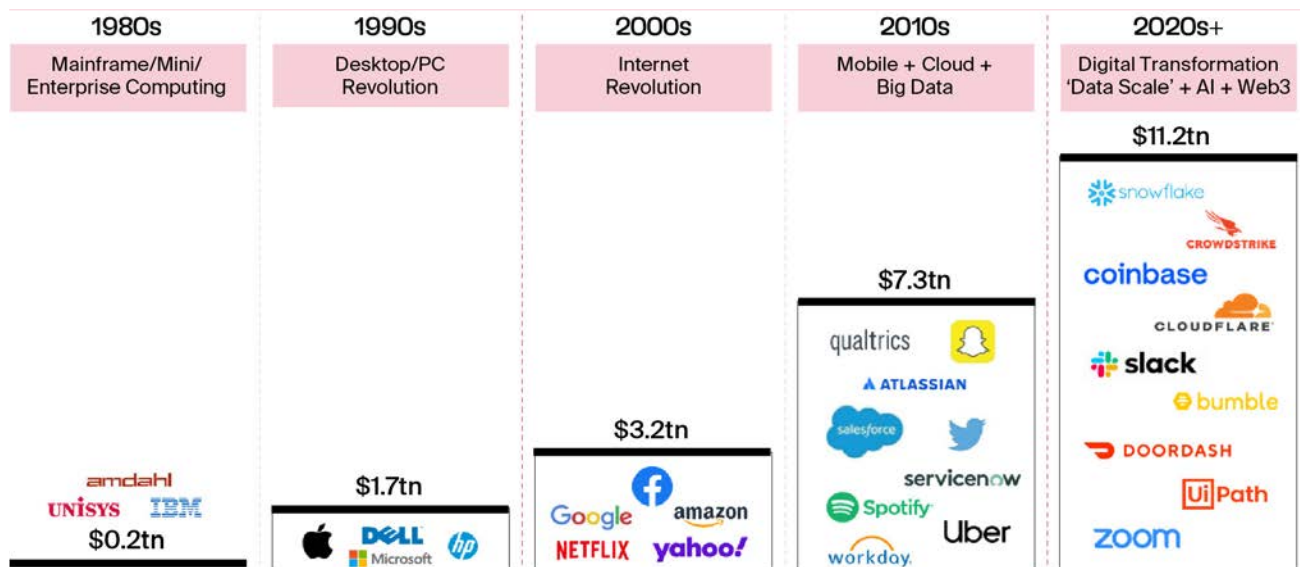
At the heart of the current era's identity is not just the speed of technological breakthroughs, but the depth and breadth with which these innovations redefine our everyday lives. We believe these progressions are not just a series of standalone advancements but part of a broader, self-reinforcing cycle. Innovations spawn new platforms, which in turn catalyse further innovation in applications. This dynamic and virtuous circle of technological evolution amplifies the impact of each successive wave of change.

Technological advancement does more than just bring new products and services into existence; it fundamentally transforms the landscape of business, creating unprecedented opportunities for value creation and capture. That's because with each major platform shift, comes new ways of making things possible and new ways of reaching people with it.

To put this into perspective, consider the cloud computing era: The top three cloud infrastructure providers (Azure, Google Cloud, AWS) have an aggregate market cap equivalent to the top 100 B2B and B2C cloud application companies at approximately US\$2.1 trillion.⁹ According to Goldman Sachs, AI is expected to drive a magnitude greater contribution to GDP than electricity and personal computers.¹⁰ We are on the cusp of a decades-long innovation super cycle.

It is our view that investing in technology startups is one of the primary avenues to access the emerging engines of economic growth and opportunity. The great companies of tomorrow are the early-stage companies of today. We believe funding exceptional founders with bold ideas is the best way to participate in the remarkable amount of value that is going to be created.

Continuous Innovation Cycles Expand Scale of Each Subsequent Wave



Market Cap of US-Based Public Technology Companies

Source: Adams Street Partners, May, 2023: <https://www.adamsstreetpartners.com/wp-content/uploads/2023/05/2023-05-01-Powerful-Long-Term-Trends-Boost-Venture-Capital-Outlook-P.pdf>

Venture capital's value creation

The venture capital industry has played a significant role in supporting innovation over several decades.

The "Magnificent Seven", the seven most valuable and influential companies on the NASDAQ,¹¹ trace their roots to venture funding and are technology companies; Apple, Alphabet, Amazon, Microsoft, Meta, Nvidia and Tesla.¹² More broadly, half of all US public companies have benefited from venture capital, while venture capital-backed companies contribute 77% of US public market capitalisation.¹³

9. Partner Insight, April, 2023: <https://www.partnerinsight.io/post/aws-azure-google-cloud-market-cap-top-100-publicly-traded-cloud-companies>

10. Goldman Sachs, August, 2023: <https://www.goldmansachs.com/insights/articles/ai-investment-forecast-to-approach-200-billion-globally-by-2025.html>

11. Stock Analysis, January, 2025: <https://stockanalysis.com/list/biggest-companies/>

12. Investor's Business Daily, February, 2025: <https://www.investors.com/research/magnificent-seven-stocks-february-2025>

13. Adams Street, May, 2023: <https://www.adamsstreetpartners.com/wp-content/uploads/2023/05/2023-05-01-Powerful-Long-Term-Trends-Boost-Venture-Capital-Outlook-P.pdf>

Building a company from zero to one and scaling it to commercialisation requires significant work, skill and, of course, some luck. Over recent decades, there has been a notable shift among entrepreneurs gravitating towards the mantra that true value creation is not a sprint but a marathon. As such, the core tools for value creation by venture capitalists that help improve the chance of success – domain expertise, networking, strategic guidance, governance – are vitally important to startups in their evolution. Additionally, in a world where launching a company has never been easier, capital is required to execute quickly and build defensibility. The provision of venture capital dollars serves as an important fuel that visionary founders need to bring their ideas to life. Certainly not all companies seek venture capital funding but, in more cases, than not – the fastest growing technology companies look to venture capitalists for their important early financial support.

Our industry is a technology-optimist. Where society faces countless challenges in areas such as healthcare, education, workforce productivity, and climate – we believe our best chance to solve these problems is through investing in the intersection of human ingenuity and technology.

Why invest in Australia's technology startups

Punching above its weight on the global stage

Over the past couple of decades, Australia, an island continent making up 0.33%¹⁴ of the world's population, has developed into an innovative powerhouse that actively supports a dynamic technology ecosystem.

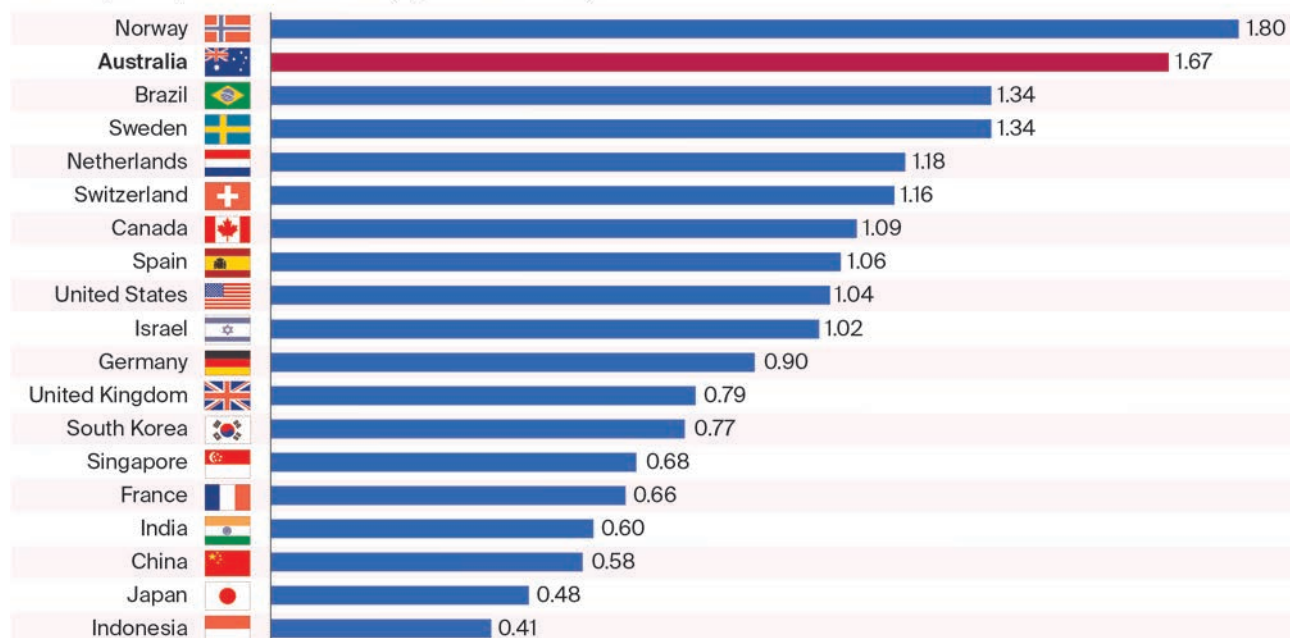
Australia has produced 21¹⁵ of the world's ~920¹⁶ tech 'unicorns' (companies worth US\$1 billion or more) – a 2.2% share that exceeds Australia's 1.63%¹⁷ of global GDP. Around 260 companies with a valuation of \$100 million or greater have been founded in the past three decades, 139 of them since 2020.¹⁸ Meanwhile, the value of companies funded by Australia's venture capital market has risen more than 10-fold over the past 10 years to now being worth more than \$65 billion.¹⁹

Not only is Australia defying the global odds, but it has remained as one of the most capital-efficient producers of unicorns with 1.5 being produced per billion dollars of capital invested compared to 1.1 in the United States and 0.8 in the UK. These software success stories share many commonalities in their business model and management team: hyper-focus on capital efficiency, high-quality recurring revenues, and a low-friction sales model. By necessity, Australian startups have learned to do more with less and we expect this DNA to be inherited by the new generation of successful companies.

Capital efficient DNA

Australia has produced the second most Unicorns for every \$1B investment made in the world. Contributors being our high growth SaaS models, low cost GTM tactics and Day 1 Global mindset.

Unicorns per US\$bn of VC investment (5 years to end 2021)



Source: Airtree, November, 2022: <https://www.airtree.vc/open-source-vc/australian-startups-capital-efficiency>

14. World Ometers, January, 2024: <https://www.worldometers.info/world-population/australia-population/>

15. TechCouncil, August, 2022: https://techcouncil.com.au/wp-content/uploads/2022/08/Turning-Australia-into-a-regional-tech-hub_Report-2022.pdf

16. Ibid.

17. Trade Economics, January, 2024: <https://tradingeconomics.com/australia/gdp>

18. Airtree, 2024: https://www.airtree.vc/open-source-vc/2024-edition-australian-tech-companies-valued-at-100m?utm_source=Airtree+Newsletter+Mailing+List&utm_campaign=816f6b05fb-

19. Waveup: <https://waveup.com/blog/venture-capital-firms-australia-vc-ecosystem-overview/>

The ‘Ideas Boom’ is now a mainstream contributor to Australia’s economic growth

With an economy traditionally fuelled by mining and agriculture, the technology sector has rapidly grown such that it now represents Australia’s fifth-largest industry. Providing employment for over 935,000²⁰ individuals and contributing more than \$167²¹ billion annually to the economy – a figure that has surged by 79% since 2016.²² With technology jobs outnumbering many traditional professions, technology has become a mainstream sector with the potential to outpace both primary industries and manufacturing in economic contribution by the decade’s end.

The Australian Government, already long supporters of the local technology eco-system through a number of generous company incentives and investor tax concessions, have acknowledged the increasing importance the technology sector will play in our future through its recent investment in PsiQuantum.²³ While investing in technology companies is not usually in the domain of the Government, the signal it sends on the importance of supporting home grown technology is clear. Each successful company can produce thousands of jobs and spawn brand new eco-systems leading to even further job creation and GDP growth, in this case in the quantum computing space.

Gaining international attention

The global venture capital landscape is evolving and Australian startups, more than ever, are gaining international attention early in their lifecycle. And this is for good reason as Australian startups possess a number of sought after characteristics that make them highly investible. Capital efficiency and Government support as mentioned above are critical. But in addition to this, we believe our startups are valued very conservatively against more mature venture capital markets, our proximity to Asia makes expansion into that region more straightforward than for American or European companies, our population is highly educated which means there is a deep pool of skilled workers to hire from and most industries have matured to a point that provide a stable environment to operate in.

The shift towards remote investment has opened doors for global investors to participate in Australian ventures without geographical constraints, increasing competition but also the potential valuations of later funding rounds. Recognising these changes, we embrace the global interest in Australian companies, positioning ourselves as an essential partner for both local startups and international investors, aiming to foster strong relationships with founders from the onset and support them through their growth journey.

Australia’s startup sector is at an inflection point

The Australian ecosystem is coming of age. A dynamic ecosystem can be recognised by a key moment – when a market’s density reaches an inflection point and begins to proliferate on its own. We are now witnessing such a phenomenon in Australia, where a confluence of pivotal factors is propelling the industry towards a newfound era of maturity. Today, Australia boasts all the essential ingredients for a self-sustaining environment of innovation: visionary founders, robust infrastructure, early-stage support, exceptional talent, and ample capital.

The emergence of local venture capital funds over the past decade and the formal institutionalisation of the sector with contributions from Australian superannuation funds have seen the size of the eco-system more than double between 2020 and 2024.²⁴ Despite this significant growth, there remains a consensus on the untapped potential for even further venture capital engagement, bolstered by a consistent production of successful enterprises within the country. An area where Australia differs to many of its peers is it has had the benefit of time. After investing over a decade, with a narrow focus on seed stage companies, has allowed us to continuously learn and iterate the way we invest. This is particularly valuable in an asset class where the feedback loop is extensive given the long investment time horizons.

With the rise of Australian unicorns, such as Atlassian, Canva, Eucalyptus, Go1, Airwallex, Employment Hero and more, we have seen founders and employees reinvest their expertise and wealth back into the ecosystem, fostering a richer and more specialised talent pool, all the while maintaining their roots and headquarters in Australia. We refer to this as the flywheel of Australian venture capital. Each additional success has the potential to create many more downstream successes leading to exponential system growth. It is our hypothesis that this flywheel will be further accelerated due to the substantial tech layoffs in recent years and the depreciation in value of employee share option grants prior to the correction which will collectively redirect talent back into the founder pool. We believe we are now in the third wave of this flywheel that will be magnitudes larger than the second.

20. Minister for Industry and Science, May, 2023: <https://www.minister.industry.gov.au/ministers/husic/media-releases/number-aussie-tech-workers-rise>

21. Australian Trade and Investment Commission, February, 2023: https://international.austrade.gov.au/content/dam/austrade-assets/international/documents/reports/why_australia_digital_technology_2023.pdf

22. Ibid.

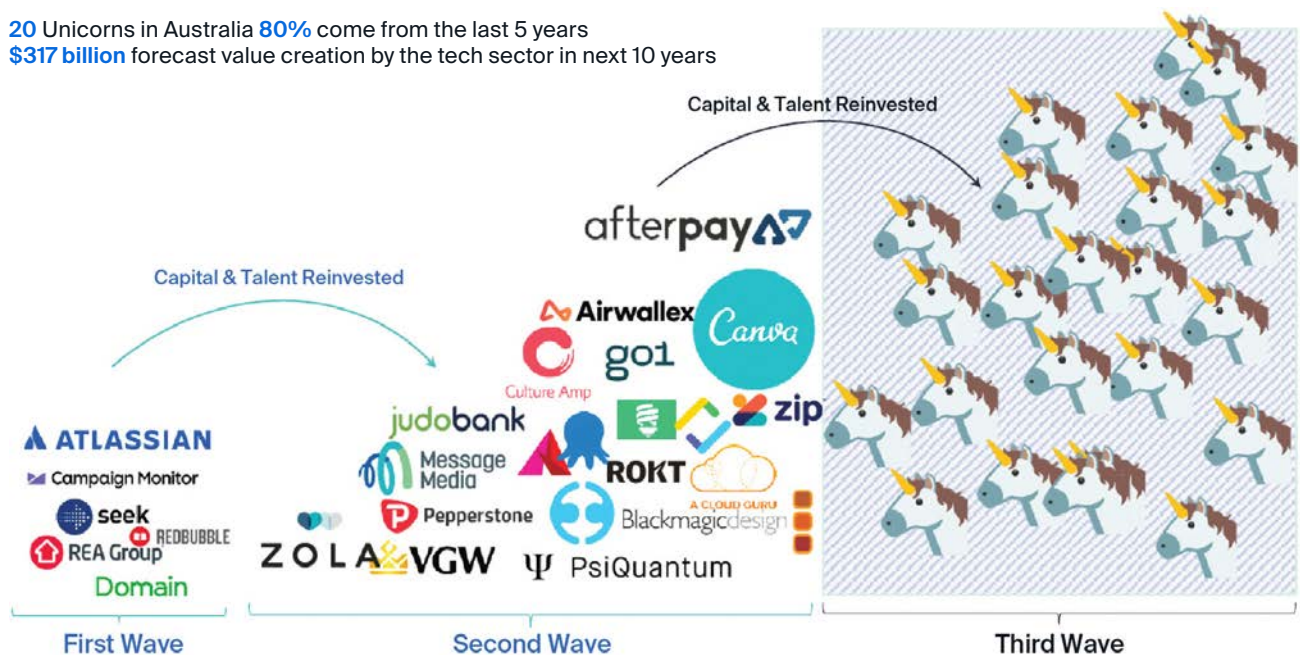
23. Ibid.

24. Department of Industry, Science and Resources, January, 2025: <https://www.industry.gov.au/sites/default/files/2020-02/venture-capital-dashboard.pdf>

Why Australia, Why Now?

The capital and talent flywheel is in motion that will produce a third wave of unicorns.

20 Unicorns in Australia **80%** come from the last 5 years
\$317 billion forecast value creation by the tech sector in next 10 years



Source: The Australian, "Aussie tech scene creates 20 private unicorns" – Government Report, "Australia's Digital Opportunity" – forecast value creation by technology sector.

Government backed incentives

As noted above, the Australian Government is a supporter of the local technology eco-system and has implemented a number of incentives for both companies and their investors to participate in the industry.

Investors into ESVCPLs are provided with both tax offsets and capital gains tax-free returns.²⁵

For companies, the Research & Development Tax Incentive is a valuable source of capital that Australian startups have been utilising since its introduction.²⁶ The incentive is calculated as a function of a companies investment into technology development and is ultimately non-dilutive capital, benefitting both founders and their investors.

25. Australian Taxation Office, February, 2017: <https://www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/incentives-and-concessions/venture-capital-and-early-stage-venture-capital-limited-partnerships/esvclp-tax-incentives-and-concessions>

26. Australian Government, January, 2025: <https://business.gov.au/grants-and-programs/research-and-development-tax-incentive>

Section 05:

Investment Strategy

Section 05:

Investment Strategy

Overview

Our investment strategy combines early, high conviction investing with progressive, active involvement to build material ownership positions and establish lasting relationships from the outset.

The Fund will aim to make investments in 20-30 early-stage companies with the majority of entry points at seed stage but also some either side of that at pre-seed and Series A stages. The companies we invest in will usually be post product launch and maybe post-revenue but generally pre-Product Market Fit. A core use of our capital will generally be to achieve Product-Market-Fit and following that to build a scalable business model.

Initial cheques will typically be between \$0.5 million and \$5 million into each portfolio company. Follow-on cheques, in total for each company, can be up to \$15m. Depending on the final size of the Fund, we may invest above or below these thresholds where we believe it is in the interest of the Fund but will not invest more than 30% of the Fund's Committed Capital in any one business.

Our intent is not only to invest but to nurture a selected few of these investments into high impact companies capable of returning the Fund. Identifying high impact companies in their early stages, and optimally allocating follow-on capital across subsequent rounds, is easier said than done. However, that's where our thesis-driven investing comes into play which empowers us to make bold, data-backed and in some cases contrarian investments. We support our founders resolutely, helping them navigate through the inevitable twists and turns of early-stage company building.

As our companies advance and attract larger and sometime global investors for subsequent rounds, we may invest our pro-rata share or beyond up to a prudently considered amount to protect and or to add to our ownership. Our goal is to hold a significant stake in these high impact companies – generally aiming for 10% ownership at exit – which often positions us as one of the major shareholders, just behind the founders.

The process of cultivating such outcomes requires a steadfast commitment to helping founders on their life journey of building generational companies. Therefore, we believe in a patient strategy with a 7 to 10-year horizon to maximise value, whilst remaining open for earlier liquidity events when they present a clear advantage. In our view, the venture capital industry follows a power law distribution of returns, with a small number of investments being responsible for the majority of a Fund's gains. This highlights the importance of holding successful, high impact companies for as long as possible, allowing them time to compound value over the Fund's life.

Sector Focus and Investment Criteria

Venture capital investing is investing in the businesses of tomorrow. While the Fund has a broad investment mandate, which is not limited to any particular sector, industry or business model, we strongly believe that the next cohort of prominent companies will be underpinned by high-growth, high margin, and highly defensible models. Therefore, we aim to primarily focus on investing in B2B, Software-as-a-Service (SaaS), and tech-enabled companies. A segment Australia has a strong track record, competitive advantage and a "right to win". More than half of our portfolio to date has been in these categories.

The fundamentals of our investment criteria are summarised below:

- **Bias towards B2B technologies.** In a famous 2011 essay titled "Why software is eating the world," Andreessen presciently described how software companies would take over a large portion of the economy.²⁷ Since then, we have seen enterprises continue to find more uses for technology – IT has proliferated from the back office, through the front office and is now revenue producing. Yet, while worldwide IT spend is expected to reach US\$5 billion in 2024, only 20% of spend is attributed to software purchases. Moving forward, we can expect this trend to not just continue but accelerate. As AI matures, it will further catalyse the expansion of software's role, enabling a broader spectrum of technology possibilities in the enterprise sector. The 'eating' of the enterprise world by software is far from over; it's becoming more voracious, with AI acting as an appetite enhancer, pushing the boundaries of innovation and efficiency across industries.
- **Obsessed, thesis-driven entrepreneurs.** Being a founder is an affliction: they're obsessed with the problem they are solving, they wake up every day to do it, and they have the grit and determination to push through. To persevere takes no less than an obsession on a future that doesn't yet exist. Founders who have first-hand experience of the problem they're trying to solve hold secrets as information advantage over the market. They can also effectively communicate the why, what and how of their vision to recruit world-class leaders, managers and executors to build an advantage in human capital.

27. Andreessen Horowitz, August, 2011: <https://a16z.com/why-software-is-eating-the-world/>

- **Rapid Currents.** There is no unfair advantage in building directly for stagnant bodies of water. Achieving progress requires much more effort and sophistication due to established, well-capitalised competition that are all competing for the share of a dwindling resource. We are cautious of these markets and instead focus on identifying companies operating in rivers running with significant currents that can pull a company forward towards an ocean. As a general rule of thumb, we are looking for misunderstood markets that are benefiting from structural tailwinds and have the potential to propel a company to \$100M in ARR within 7-8 years and to \$250-300M ARR within another 2-3 years.²⁸
- **Global Mindsets.** With very few exceptions, Australian companies need to address global markets to generate significant asymmetric value. While we do not expect all investments to be rolling out their product globally from day one, we expect founders to consider the global implications of their strategy from an early stage. Most Australian startups understand the size of the opportunity in North America but often neglect to consider the importance of expansion into Southeast Asia. Aura Ventures, with its Head Office based in Singapore, is well positioned to assist its founders explore this very lucrative and very accessible region.
- **Enduring Moats.** We believe that to build iconic, generational companies such as Amazon, Google and Facebook, businesses must have a strategy to developing enduring moats – a deep defensive trench that protects their core economic castle from disruption. Sufficiently deep moats can help companies defend themselves from competition, optimise pricing structures and generally preserve unit economics. Through experience, network effects, embedding, scale, and brand are some well documented paths in creating enduring value.



28. All figures are projections and estimates only.

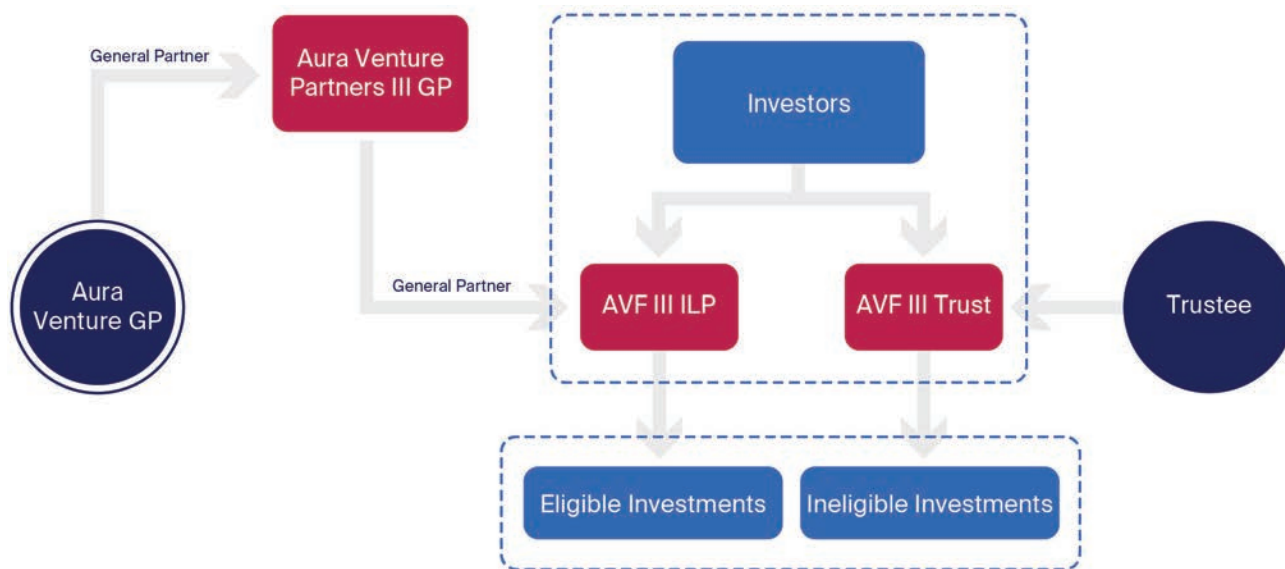
Section 06:

Structure of the Fund

Section 06: Structure of the Fund

Structure of the Fund

The Fund Structure is described in Section 2 (*Key Terms*). A simplified diagrammatic representation is depicted below. References to AVF III ILP is to the Partnership and AVF III Trust is to the Trust.



Strategy Implementation

The Fund will focus on investing in growth stage businesses in Australia. The Investment Period for the Fund is from the First Closing Date and ending on the fifth anniversary of the First Closing Date. After the Investment Period further investments are limited to specific circumstances such as follow on investments. The Manager aims to maximise the value of investments, and to return investment proceeds to Investors by the end of the Term. If the Fund holds investments at the end of the Term, the General Partner and the Trustee will seek to maximise the value of those investments. The General Partner or Trustee (as applicable) may extend the Term for up to two additional one-year periods in their absolute discretion, and will generally do so where this is considered to be warranted to maximise the realisable value of the investments.

Tax Implications

A venture capital fund registered as an ESVCLP under the Venture Capital Act will have flow-through tax treatment and will not be taxed at the Partnership level. Refer to Section 9 (*Taxation*) of this IM for more information about ESVCLP tax implications.

Registration Requirements

An ESVCLP must be registered with the Department of Innovation and Science Australia and have its Investment Documents approved before any tax exemption applies to investments of the ESVCLP.

To retain its registration, an ESVCLP is obliged to satisfy certain conditions including:

- having committed capital that is no less than \$10 million and not exceeding \$200 million;
- ensuring that no single investor's contribution surpasses 30% of the total committed capital, though exceptions exist for certain entities like broadly held compliant superannuation funds, authorized deposit-taking institutions, and life insurance companies;
- all of the ESVCLP's investments must be compliant with the relevant laws and align with the fund's sanctioned investment plan;
- the ESVCLP's investment in any one entity (and its affiliates) should not be more than 30% of its total committed capital; and
- should the ESVCLP retain investments in a business whose total asset value exceeds \$250 million, the investors may only receive a limited tax concession on future capital gains from those investments, calculated based on the fund's ownership percentage at the point when the investee's valuation hit \$250 million.

Currently, the Fund has not gathered the required minimum of \$10 million in capital commitments necessary for unconditional registration as an ESVCLP. When the Fund achieves the requisite binding capital commitments, the General Partner will request that the Innovation Committee of Industry Innovation and Science Australia grant the Fund unconditional registration.

Reporting Requirements

An ESVCLP has quarterly and annual reporting obligations to the Department of Innovation and Science Australia. These include descriptions of investments and disposals that the ESVCLP has made during the period and outline the ESVCLP's performance in implementing its approved investment plan.

Investment Plan

As a requirement of the registration process, an ESVCLP must submit an investment plan for approval by the Department of Innovation and Science Australia, in which they will consider the extent to which the plan focuses on early-stage venture capital, having regard to the following areas for proposed investee entities:

- stages of development;
- cash flow levels;
- levels of technology;
- proportion of intellectual property to total assets;
- levels of risk and return; and
- amounts of tangible assets and collateral against which borrowings may be secured.

The Department of Innovation and Science Australia can revoke an ESVCLP's registration if it does not act in accordance with its approved investment plan, in which case it would lose the tax benefits associated with being an ESVCLP.

The Manager intends that the Fund will always act in accordance with its approved investment plan.

Eligible Investments

An ESVCLP must only acquire EVCIs. The criteria for EVCIs are set out in legislation and may change from time to time. Currently, the criteria include:

- an ESVCLP must not invest in entities whose total assets exceeds \$50 million at the time of investment;
- the investment made must be in a company or a unit trust;
- the investment must be in shares, options, units or convertible notes that are held at risk (noting that there are some exceptions where an investment in pre-owned shares or units can be held);
- the investee entity must meet Australian nexus requirements at the time of investment meaning that at least 50% of the assets (determined by value) and 50% of the people currently engaged by the investee entity to perform services are located in Australia at the time of investment and for at least 12 months after. Up to a maximum of 20% of the ESVCLP's committed capital may be invested in non-resident entities.
- the investee entity is not listed (noting that there are exceptions where an ESVCLP invested prior to listing);
- the investee entity only invests the ESVCLP's funds in another entity so long as that entity and its subsidiaries satisfy the ESVCLP investment requirements;
- the investee entity must have a registered auditor by the end of the year of the initial investment unless the investee entity's total assets are valued below \$12.5m, in which case a statement of total assets can be signed off by the company director or Manager; and
- an ESVCLP may only invest in entities whose predominant activities are not considered to be an "ineligible activity" for the purposes of the ITAA.

Non-ESVCLP Eligible Investments

The amount of committed capital made by each investor into the Fund will generally be invested into ESVCLP EVCIs. However, the Fund has the ability to invest into attractive investment opportunities that are non-EVCI via the Trust.

In addition, if the Department of Innovation and Science Australia or the Australian Taxation Office determines that the Partnership, or one or several of its investments are not compliant for the purposes of the ESVCLP regime, then this could lead to adverse consequences for the Partnership and investors. However, this is mitigated by provisions in the Investment Documents to permit the transfer of non-EVCI investments from the Partnership to the Trust.

Section 07:

Fees and Costs

Section 07: Fees and Costs

Summary

Fees	Amount
Management Fee	<p>An amount equal to 2% per annum (plus GST):</p> <ul style="list-style-type: none"> • of aggregate Committed Capital (of Investors) until the end of the Investment Period; and • thereafter, of Invested Capital until dissolution of the Fund, <p>payable and calculated quarterly in advance commencing on the First Closing Date.</p>
Maximum Establishment Costs	<p>The greater of:</p> <ul style="list-style-type: none"> • \$250,000 (ex GST); and • 0.50% of the aggregate Fund Committed Capital (ex GST). <p>This includes costs incurred by the General Partner, Trustee and the Manager in establishing and promoting the Fund.</p> <p>Amounts in excess of this amount will be paid by the Manager.</p>
Late Capital	<p>Investors admitted on a closing date after the First Closing Date will contribute the proportion of their Committed Capital that they would have paid had they been admitted on the First Closing Date plus an amount equal to such drawn capital multiplied by a premium of 8% per annum applied from the date the payment would have been payable until the later closing date. This amount is paid to previously admitted Investors and the returned capital proportion is added to their undrawn committed capital to be called under the terms of the Investment Documents.</p> <p>Late Investors will upon their admission to the Fund also bear a proportionate share of any of the Funds' costs and fees that would have been incurred by them if admitted on the First Closing Date including the Management Fee that the Investor would have borne had it been admitted on the First Closing Date instead of the later closing date. This fee is paid to the Manager and ensures all Investors are treated equally.</p>
Expenses	<p>The Partnership and Trust must pay and indemnify the General Partner, Trustee and Manager (as applicable) for all expenses and other outgoings related to their operation in respect of the Fund, other than overhead costs or establishment costs in excess of the Maximum Establishment Costs.</p> <p>These expenses include administration, legal, audit, accounting and taxation preparation costs, custodial fees, insurances, government charges, AML checking fees, CRS checking fees and other general expenses. Some of these fees are fixed and their impact will fall as a proportion as the Fund assets grow.</p> <p>The Fund will also reimburse the General Partner, Trustee or Manager (or their appointees, to the extent permitted under the Investment Documents) for all out-of-pocket expenses properly incurred in connection with the management of the affairs of the Fund.</p> <p>Expenses will be deducted from the assets of the Fund as and when they are incurred. Extraordinary expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, legal fees, once off or non "business as usual" fees, and termination and wind-up costs. If extraordinary expenses are incurred, they will be deducted from the assets of the Fund as and when they are incurred.</p>

Fees	Amount
Outside Fees	<p>In the Invested Proportion, remuneration (including director's fees), consulting fees, break fees, transaction fees, underwriting fees, advisory fees, finder's fees or financial products:</p> <ul style="list-style-type: none"> (a) received by the General Partner, the Trustees or Manager or any of their Affiliates or Associates (each as defined in the Investment Documents) or any of their respective full-time employees or officers (each, an Outside Fee Recipient); (b) in relation only to potential or actual transactions of the Fund or for services provided to an investment (or their Associates) of the Fund; (c) excluding fees charged to investors for co-investments; (d) excluding fees or other amounts charged to an investment (or their Associates) of the Fund for reimbursement of reasonable costs, expenses and outgoings incurred on behalf of that investment; and (e) excluding any Business Expenses, <p>less any expenses associated with generating and receiving such fees incurred by an Outside Fee Recipient (other than expenses paid to an Aura Related Person) and those amounts that are required to be repaid to the payer or on-paid to a third party that is not an Outside Fee Recipient or Aura Related Person.</p>



Section 08:

Risk Factors

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Risk Factors

Investment in the Fund entails a high degree of risk and is suitable only for sophisticated investors who understand fully and are capable of assessing the risks of a Fund of this nature.

Prospective Investors should consider carefully the following factors (amongst others) in making their investment decision.

These risk factors do not purport to be a complete explanation of the risks involved in investing in the Fund. Prospective Investors must read this entire Memorandum and the Investment Documents including all attachments thereto and must consult their own professional advisors, before deciding to invest in the Fund.

Capital at Risk

Every investment carries a certain level of risk, which refers to the chance that the returns on an investment will differ from what is anticipated, potentially leading to partial or total loss of the original investment. Typically, higher expected returns entail higher risks, a concept known as the 'risk-return trade-off'. While venture capital offers the potential for substantial returns, the asset class is balanced by the significantly higher levels of risk. Therefore, investors must assess their capacity and willingness to accept such risk as there can be no assurance that the Fund's investment objectives will be achieved or that there will be any return of capital.

Appropriateness and Suitability

The investment is only intended for individuals who are professionally advised or highly knowledgeable and who understand and can evaluate the merits and risks of an investment in the Fund. This investment is not advisable for those who cannot afford to lose part or all of their investment, or who need predictable returns or liquidity.

The Fund invests in private companies with scarce secondary market options, meaning liquidity is only available upon the Fund's investment exit. There is also no secondary market for interests in the Fund, and selling your interests is contingent on finding a buyer and obtaining the General Partner and Trustee's approval, which is not guaranteed. There is no right to withdraw from the Fund or redeem interests in the Fund.

All Investors are encouraged to seek independent financial advice with respect to the appropriateness and/or suitability considerations of the Fund.

General Risks

This section is not exhaustive and aims to acquaint Investors with the principal risks involved in investing in the Fund. We encourage investors to thoroughly evaluate these risks. While the Manager will attempt to mitigate risks, it is not possible to eliminate them entirely, and there is no assurance that their risk management strategies will always be effective.

Economic and political conditions

The performance of the Fund and its investments can be significantly affected by direct and indirect consequences of economic, political or social conditions, including factors such as interest rates, exchange rates, inflation rates, and business confidence. Fluctuations in these factors can directly influence the market dynamics of the Fund's investments, affecting suppliers and customers of the investee companies. Additionally, returns from investee companies are partly reliant on the level of economic activity, making investor returns susceptible to the economic conditions of Australia, the US, and globally.

While the Manager intends to manage or delegate management of the Fund's assets in a manner that will minimise its exposure to such risks, there can be no assurance that adverse political or economic changes will not cause the Fund to suffer losses.

Changes in government

Changes in government and monetary policy, taxation and other laws may all have an impact on portfolio companies or on the ultimate return achieved by Investors. Amendments to legislation and regulations may have an adverse consequence on the operations of the business or may result in businesses substantial cost and expense to implement or comply with such changes.

Legal, tax and regulatory risks

Legal, tax and regulatory changes in Australia may occur during the term of the Fund which could have an adverse effect on the Fund. The Fund may not be in a position to take legal or management control of its investments. The Fund may have limited legal recourse in the event of a dispute, and remedies may have to be pursued in the courts.

There is the potential for changes to tax laws and changes in the way tax laws are interpreted. Any change to the current tax laws (including in the relevant foreign jurisdictions) is likely to affect returns to Investors.

Tax outcomes for the Fund and investors may vary depending on tax positions adopted, the timing of transactions, and interactions between Australian and international tax jurisdictions. Differing interpretations by tax authorities may lead to uncertainty in the Fund's ultimate tax liabilities and the effective tax rate applicable to investors.

An investment in the Fund involves tax considerations which differ for each Investor. Each prospective Investor is encouraged to seek professional tax advice in connection with any investment in the Fund.

Business and early stage

The Fund's primary aim is to invest in seed stage ventures, a sector of venture capital that carries a material amount of risk. These investee companies, being in the initial phase of their development, often lack established operations, product offerings, customer bases, and management structures. They can face robust competition from well-established firms that possess superior financial and technical capabilities, more extensive marketing and service operations, and a larger workforce with better qualifications. Investing in such early-stage companies through the Fund is highly speculative and can lead to a complete loss of capital. There is no guarantee that any potential losses will be compensated by profits from other investments within the Fund, placing investors at risk of losing their entire investment.

Deal flow risk

The Fund may not be able to fully invest its committed capital at acceptable prices. The Manager may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. The venture capital and private equity markets are cyclical and competitive. Competing offers for investment in a potential portfolio company can result in upward pressure on the pricing of potential investees of the Fund or cause the Fund's failure to invest and to implement the Manager's investment strategy.

Exit risk

A number of factors may complicate exit strategies pursued by the Fund. Exits by way of initial public offerings are subject to the listing requirements (including escrow) and timing of the Australian stock exchange rules and regulations. Exits by way of trade sales are dependent on the Fund locating a buyer willing to transact on terms acceptable to the Fund. The Fund's ability to exit may be affected by the market, the general economy, and other factors beyond the control of the Fund.

Liquidity in portfolio companies

The Fund carries a significant liquidity risk, as these investments are inherently illiquid and liquidity is primarily achieved when the Funds' investments are sold. The timeline for realising investments and thereby achieving liquidity can often exceed the planned lifespan of the Funds, especially given the extended development periods typical of early-stage investments.

An accessible market may not exist for these investments, making them difficult to value and potentially subject to legal and regulatory restrictions on a sale. Even where a market does exist, the securities of these companies can experience volatility and unpredictable price movements.

Investing in the Fund means committing to non-readily realisable securities without any guarantee of return. The illiquidity of the investments within the Fund means there's no assurance of being able to sell these investments at favourable prices or to successfully execute an exit strategy.

Availability of investment capital

Venture capital investments in early-stage companies typically necessitate multiple rounds of financing before reaching maturity. If a venture capital investor, such as the Fund, lacks the resources to participate in these subsequent financing rounds, it could negatively affect both the investee company and the investor's initial stake. While the Fund aims to retain enough liquidity to engage in these follow-on rounds, it may not always be able to provide the necessary follow-on financing. As a result, third-party financing sources will often be necessary and sought after. The Manager anticipates that the value added by the Fund's management will enhance the valuation of its investees over time, thereby attracting additional, more financially robust investors for subsequent rounds. However, there's no guarantee that such external financing will be available or, if it is, that the terms will be favourable to the Fund's interests. This underscores a significant liquidity risk inherent in venture capital investments, hinging on the availability of additional financing and the terms under which it might be secured.

Due diligence risk

Investments will be made in early stage companies which have limited information available for due diligence. As such, some investments may be made based on limited due diligence and on publicly available information. This may increase the risks to the Fund associated with those investments.

Concentration risk

The Fund may participate in a limited number of investments and as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavourable performance of even a single investment.

Realisation risk

There is no ready secondary market in which to sell the shares of private unlisted companies which may inhibit the Fund's ability to generate liquidity or realise investments.

Valuation

Investing within private markets is often required to be done without a clear market price, leading to discrepancies between their recorded valuations and their true marketable value. Valuations provided to investors are based on specified principles established within the Fund's valuation policy, yet valuing startups and growth-stage companies remains a complex and uncertain process. These valuations are subject to fluctuations and may not reflect the actual price realized upon the sale of the investment. There is no guarantee that the projected valuations can be achieved upon exit. In a competitive deal environment, this a given investment size may lead to smaller equity shares, underscoring the valuation risks inherent in venture capital investment due to market variability and the challenge of accurately assessing the value of early-stage companies.

Foreign investments and currency

The Fund may make foreign investments, while remaining ESVCLP compliant, including non-AU headquartered companies or AU companies with operations abroad. This may introduce additional risks beyond those encountered within the AU market. Such investments are particularly vulnerable to the impacts of currency exchange rate fluctuations, which can be volatile and significantly affect the value of foreign securities held by the Fund. Additional challenges include economic instability in the host country, limited public information, underdeveloped regulatory frameworks, and difficulties in enforcing legal rights internationally. Furthermore, non-AU companies may not adhere to the same accounting, auditing, and financial reporting standards as AU companies, complicating valuation and oversight.

The Fund may be subject to risks such as difficulty in repatriating capital and income, investor protection laws which provide less protection than under Australian laws, potentially volatile economies, equity and credit markets and potential instability.

Portfolio concentration

The Fund's investment strategy may lead to a concentration of investments in a limited number of companies or industries, as well as a geographic focus primarily on Australia. This concentration raises the risk that any negative developments within these select companies, industries, or the Australasian region could significantly impact the Fund's overall investment performance. The focus on technology investments and companies utilising such technologies further narrows the investment scope, making the Fund's aggregate returns vulnerable to downturns in this specific market sector.

Additionally, as the portfolio matures, the nature of venture capital investments—often described by the power law of returns—suggests that a larger proportion of value may become increasingly concentrated in a smaller number of investments. This concentration exacerbates the risk, as adverse changes affecting these key investments could materially impact the Fund's final performance.

Competition for investments

The Australian venture capital landscape has experienced a significant influx of awareness and capital, driven by several high-profile successes. This increased capital availability has led to more startup companies receiving funding, larger investments, and heightened competition for deals. As a result, the Fund may face challenges securing investment opportunities in the future, either due to this intensified competition or a reluctance to match the investment terms and pricing offered by competitors. Attractive investment opportunities are becoming increasingly competitive, prompting companies to raise larger rounds at higher valuations. This scenario underscores the critical need for effective deal access and selection strategies, along with robust execution and value creation post-investment, to secure favourable investment returns.

In the context of the Fund, while the Australian early-stage venture capital market is perceived as less competitive than more established overseas markets such as the United States, the Fund is still contending with various investment groups for opportunities. These groups include institutional investors, investment managers, industrial groups, and merchant banks, many of which are backed by larger, more well-capitalised investors. This competition could negatively impact the terms of investments and potentially limit the Funds' ability to identify enough attractive opportunities to fulfill its investment goals, thereby affecting overall investment strategy and outcomes.

Unspecified investments

Investing in the Fund involves allocating capital to a blind pool, meaning that the Manager has not pre-identified specific investments at the time of funding. This arrangement necessitates that potential investors place their trust entirely in the team's discretion to select and execute portfolio investments, without the chance for investors to evaluate these choices independently.

Moreover, there is no guarantee that the Fund will encounter a sufficient volume of appropriate investment opportunities that align with its investment objectives and strategy, nor is there assurance that identified opportunities will culminate in successful investments. This complexity underscores the inherent risk of investing in a blind pool venture capital fund, characterised by the uncertainty of securing promising deal flows in the future and the reliance on the Manager's judgment and capability to navigate these uncertainties effectively.

Dependence on key personnel

Early-stage companies usually have few employees and rely on the founder or founders to grow the business. There is a risk that something happens to these key people which adversely impacts the business. The Fund is also exposed to key person risk in relation to members of the Investment Team who are key to sourcing and managing investments of the Fund. The departure of a member of the Investment Team may adversely impact the Fund.

Consequences of default

When investors commit to the Fund, they face the risk associated with capital calls and the consequences of default. Economic downturns or individual financial difficulties may lead investors to default on capital calls. In such cases, the Investment Documents outlines remedies including selling the defaulting investor's interest in the Fund to non-defaulting investors or declaring a forfeiture of the defaulting investor's interest in the Fund. This includes the invested capital as well as any rights to future profits, losses, or distributions. Such actions underline the significant financial and participatory risks associated with failing to adhere to capital call commitments in venture capital investments.

Conflict of interest

The Manager, its employees and their respective affiliates and associates may hold positions or affiliations with advisory boards, investment committees, or other investment funds, potentially leading to conflicts of interest. These individuals might pursue investment activities or receive investment opportunities that do not align with the Fund's interests, potentially prioritising other commitments over the Fund's investment strategy. Additionally, the involvement of the team across various fund vintages could introduce conflicts, especially in allocating investment opportunities, managing competing portfolio companies, and engaging in transactions related to other funds.

While potential conflicts often arise naturally in business, Aura Ventures have a strong and established conflict of interest management policies which will be applied in relation to the Fund and will endeavour to act in the best interests of all investors at all times in managing the Fund.

The Manager is committed to dedicating a portion of their time to the Fund as deemed appropriate. However, their affiliations with other activities may divert significant time and attention away from the Fund, further complicating the potential for conflicts of interest and impacting the focus on the Funds' operations and success.

Compliance with ESVCLP rules

The tax advantages of the Fund are predicated on the Fund's compliance with the various legislative ESVCLP rules and requirements. If the Fund does not comply with these rules, then its registration will be revoked and it will be taxed as an ordinary limited partnership. Additionally, there is a risk that Industry Innovation and Science Australia or the Australian Taxation Office (**ATO**) may determine that the Fund, or one or several of the Fund's investments are not compliant for the purposes of the ESVCLP regime. This could lead to adverse consequences for the Fund and investors, including in relation to the tax treatment of distributions. Any available tax benefits under the ESVCLP regime are subject to the Fund becoming unconditionally registered, maintaining its registration as an ESVCLP and complying with the ESVCLP rules. As detailed in this Memorandum, there are provisions in the Investment Documents to permit transfers of investments that are found to no longer comply with the ESVCLP rules from the Partnership to the Trust.



Absence of recourse

The Investment Documents contain provisions that restrict the conditions under which the Manager, and their respective officers, directors, partners, employees, shareholders, affiliates, and other agents can be held accountable to the Fund. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

Side letters

Subject to applicable law, the Manager and its affiliates and associates may in accordance with the Investment Documents enter into other written agreements with one or more Investors without the consent or approval of any other Investors. These agreements may supplement the terms of the Investment Documents with respect to such Investor and may entitle an Investor to make an investment in the Fund on terms that vary from those described herein.

Co-investment risk

The Fund may co-invest with third parties. Possible risks of such investments include investor financial difficulties, inconsistent interests or goals with the Fund, or the co-investor being in a position to take action contrary to the Fund's investment objectives.

Section 09:

Taxation

Section 09: Taxation

This section of the Memorandum is a brief guide on the Australian tax considerations that are applicable to the Partnership as an ESVCLP and the limited partners in the Partnership and also to the trust as a MIT and the unit holders in the Trust.

The comments are not applicable to Investors who are (i) exempt from income tax in Australia; (ii) invest or trade in units or partnership interests in the ordinary course of their business or otherwise hold the units or partnership interests on revenue account; or (iii) are subject to Division 230 of the Income Tax Assessment Act 1997 (i.e. the Taxation of Financial Arrangements regime).

This summary is necessarily general in nature and is not intended to be either a definitive or exhaustive statement of all tax considerations that may be applicable. This guide is based on the current Australian judicial interpretations and the administrative practices of the Australian taxation authorities at the time of this Memorandum. Investors should be aware that the ultimate interpretation of the Australian tax law rests with the Australian courts, and that the law and the way that the Australian taxation authorities administer the law, may change over time. In particular, the summary does not take into account the specific circumstances of any Investor. Prospective Investors should therefore obtain professional tax advice that takes into account their specific circumstances before making the decision to invest, including in applicable foreign jurisdictions.

9.1 Partnership

(a) Taxation of the Partnership

Provided that the Partnership maintains its registration as an ESVCLP, it will be treated as a flow-through partnership for tax purposes, and will not be subject to income tax.

(b) Taxation of Investors in the Partnership

Broadly, the Australian resident and non-resident Investors will not be subject to Australian income tax on their share of the Partnership's income from EVCLs, or income and capital gains from the disposal of EVCLs, where those investments have been owned for at least 12 months.

An Investor's share of income or gains in respect of permitted loans is taxable in the hands of the Investors as permitted loans are not EVCLs.

An Investor's share of losses from the disposal or realisation of an EVCL by the Partnership is not deductible for Australian income tax purposes, if the Partnership owned the investment for at least 12 months.

In addition, an Australian resident Investor may be entitled to a tax offset of up to 10% on contributions made to the Partnership. The tax offset is non-refundable but may be carried-forward to future income years to the extent that it is not utilised in the income year the contribution is made to the Partnership.

A non-resident Investor's share of certain types of income derived from an EVCL (for example, dividends paid by an investee) may still be subject to withholding tax. However, it is not expected that investments of the Partnership will pay dividends (noting that the Partnership is prohibited in investing in investments where income is derived by interest, rents, dividends, royalties or lease payments).

9.2 Trust

(a) Taxation of the Trust

Broadly, an unregistered MIS has been established to invest in the Trust, which is expected to qualify as a MIT. The MIT will generally be taxed on a flow-through basis under the same Australian tax provisions that apply to trusts.

However, when a trust first qualifies as a MIT, it must determine whether to adopt the CGT provisions as the primary method for taxing gains and losses. If this election is made, gains and losses from disposing of eligible shares or units (excluding debt interests) will be treated exclusively on capital account. Without this election, gains or losses will be taxable on revenue account.

(b) Taxation of Investors in the Trust

An Australian resident investor's share of the MIT's net income is taxable. This income may include capital gains (potentially eligible for 50% general CGT discounts), dividends, and other income derived by the trust.

Foreign resident investors should be taxed concessionally under the MIT regime. Typically, capital gains for foreign residents are taxable only if they arise from taxable Australian property (TAP), such as direct or indirect interests in Australian real property. Foreign residents are not eligible for the CGT discount, and capital gains must therefore be declared without discounting.

Gains from non-TAP assets are exempt from Australian tax.

Additionally, foreign residents may be subject to withholding tax on following income categories:

- Interest income derived by the unitholder is subject to a 10% withholding tax.
- For unfranked dividends, a 15% withholding tax applies to residents of treaty countries under the relevant Double Tax Agreement (DTA), or 30% for residents of non-treaty countries. Fully Franked dividends are not subject to withholding tax.
- A concessional final withholding tax applies to other payments (i.e. net income of the trust excluding the amounts noted above), with a 15% rate for residents of information exchange countries and 30% for residents of non-information exchange countries.

9.3 GST

(a) Acquisition or disposal of investments by the Fund

The Fund should not be subject to any GST in respect of the acquisition or disposal of its investments to the extent that those investments will be in shares. However, GST may be payable on the acquisition of other assets.

The Fund may also be required to pay amounts on account of GST incurred on certain fees, costs, charges, expenses and outgoings incurred in connection with the acquisition or disposal of its investments, and the management of its affairs. Depending on the nature of those fees, costs etc., the Fund may not be able to recover from the Australian Taxation Office their associated GST costs in the form of “input tax credits” or “reduced input tax credits”.

(b) Acquisition or disposal of interests by the Investors

Investors should not be subject to any GST in respect of the acquisition or disposal of their interests in the Fund. However, Investors should seek their own tax advice to determine whether any GST incurred on costs (such as third party advisory fees) in connection with the acquisition or disposal of their interests is recoverable from the Australian Taxation Office in the form of “input tax credits” or “reduced input tax credits”.



9.4 Stamp duty

(a) Acquisition and disposal of investments by the Fund

The Fund may be required to pay stamp duty on the acquisition of its investments, depending on the nature and if applicable, acquired shareholding percentage of those investments.

No stamp duty should be payable on the Fund’s disposal of its investments.

(b) Acquisition and disposal of interests by the Investors

To the extent that the Fund invests in shares, Investors should not be subject to any stamp duty in respect of the acquisition or disposal of their interests in the Fund on the basis that the Partnership is subject to certain ownership restrictions; namely, no investor (subject to certain exceptions) may hold more than 30% of the capital commitments of the Partnership.

However, stamp duty may be payable by Investors on the acquisition of their interests in the Partnership if the Fund invests in other assets. Investors should seek their own tax advice with respect to the stamp duty consequences arising from their interests in the Fund in this regard.

Section 10:

Additional Information

Section 10

Additional Information

10.1 Privacy

The Fund is committed to protecting the privacy and confidentiality of investors' personal information in accordance with the *Privacy Act 1998* (Cth) (**Privacy Act**). The Privacy Act regulates the collection, use, disclosure, and storage of personal information and imposes strict obligations on entities that handle personal information.

Collection and Use of Personal Information

The Fund will collect and use personal information from investors for the purpose of managing their investments in the Fund. The types of personal information that may be collected include, but are not limited to, name, contact details, tax file number, and financial information. The Fund will only collect personal information that is necessary for the purpose of managing investors' investments, provide you with updates on Aura Group and its products and services (subject to your ability to opt out of such communications).

Disclosure of Personal Information

The Fund may disclose personal information to third parties, such as the Fund's service providers, regulatory authorities, or auditors, for the purpose of managing investors' investments in the Fund. The Fund will only disclose personal information to third parties where it is necessary for the purpose of managing investors' investments and where the third party has agreed to protect the privacy and confidentiality of the personal information.

Storage and Security of Personal Information

The Fund will store personal information securely and will take reasonable steps to protect personal information from misuse, loss, or unauthorised access, modification, or disclosure.

Access and Correction of Personal Information

Investors have the right to access and correct their personal information held by the Fund. Investors may also request that their personal information be deleted or destroyed, subject to the Fund's legal obligations to retain certain information for a certain period of time.

Complaints

If investors have concerns about the way their personal information is being handled, they may make a complaint to the Manager, who will investigate the complaint and provide a response.

By investing in the Fund, investors consent to the collection, use, and disclosure of their personal information as described in this section. Investors may withdraw their consent at any time by contacting the Fund.

10.2 Anti-money laundering

The Manager is committed to complying with the AML/CTF Act. The AML/CTF Act requires certain businesses, including the Fund, to take measures to prevent money laundering and terrorist financing activities.

The Manager will conduct customer due diligence on all investors in accordance with the AML/CTF Act. This may include collecting and verifying investors' (and their connected persons, including directors, beneficiaries, controllers and beneficial owners) personal information, such as name, date of birth, power of attorney, as well as information about the source of their funds.

By applying to invest in the Fund, investors acknowledge that the Manager reserves the right to refuse any investment, including by suspending the issue or redemption of interests in the Fund or payment of proceeds if the investor fails to provide satisfactory information or if the Manager determines that the investment may be linked to money laundering or terrorist financing activities. The Manager will incur no liability to you if the Manager, Partnership, General Partner or Trustee, does so.

10.3 FATCA and CRS

The United States of America (**US**) passed the Foreign Account Tax Compliance Act (**FATCA**) which is designed to assist the US in collecting tax revenues from US residents.

The Australian Government has entered into an inter-governmental agreement (**IGA**) with the US government in relation to the application of FATCA to Australian institutions which include the Fund, the Trustee, the General Partner and the Manager.

The Common Reporting Standard (**CRS**) is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Banks and other financial institutions will collect and report to the Australian Taxation Office (**ATO**) financial account information on non-residents using the standard. The ATO will exchange this information with the participating foreign tax authorities of those non-residents.

The General Partner and the Trustee therefore intend to comply with obligations under FATCA and CRS, the IGA and any other local laws designed to give effect to FATCA, CRS and the IGA (collectively, the **FATCA and CRS Obligations**).

As an Investor in the Fund, you agree to assist the Manager, Partnership, General Partner and Trustee in meeting their respective FATCA and CRS Obligations by doing the following:

- (a) agreeing to provide any relevant information we request from time to time;
- (b) agreeing to notify us of any changes in information previously provided;

- (c) consenting to the disclosure of information by us where your interests in the Fund are held by a person or entity to which the FATCA and CRS Obligations relate. This may include providing such information to the ATO who may, in turn, provide the information to foreign taxation authorities, including the US Internal Revenue Service (IRS); and
- (d) waiving the provisions of any domestic law that would otherwise prevent the disclosure by us in complying with FATCA and CRS Obligations.

If any of the Manager, Partnership, General Partner or Trustee fail to comply with their respective FATCA and CRS Obligations, then that failure could result in withholding tax being deducted or withheld at a rate of 30% on some distributions. However, if all relevant information is provided in accordance with our FATCA and CRS Obligations, then this withholding should not apply.

If an Investor does not provide us with all necessary information and withholding tax is payable as a result, then the Fund may seek to recover any tax withheld from the relevant Investor.

10.4 Conflicts of Interest

The Manager, General Partner, Trustee/Licensee and Aura Group, and their respective employees, directors, officers, and associates (collectively, **Manager Affiliates**) may from time-to-time act in various capacities (such as adviser, manager, and responsible entity/trustee to another fund vehicle) in relation to or be otherwise involved in (such as by way of investment), other business activities that may be aligned or in competition with the interests of Investors in the Fund. Manager Affiliates may have interests conflicting with the Fund that arise in the ordinary course of their respective businesses or in the structure and operation of the Fund's investments.

Manager Affiliates may do any of the following:

- (a) deal with each other in relation to the Fund, in which case the dealing will generally be on arm's length terms;

- (b) establish investment vehicles that may co-invest in the investments of the Fund;
- (c) invest in and deal in any capacity with the same investments as that of the Fund, on similar or different terms; and
- (d) establish a subsequent fund with the same or similar investment mandate.

The Manager may recommend that investments be purchased or sold on behalf of the Fund, regardless of whether at the same time a Manager Affiliate may buy, sell, or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to Aura Group, or other clients of any of them. A Manager Affiliate may act as the manager for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to the Manager's obligations and duties in relation to the investors in the Fund. Such other clients may have investment objectives or may implement investment strategies similar to those of the Fund. To the extent that a particular investment is suitable for both the Fund and the other clients, these other clients may compete with the Fund with respect to those investments. Where this occurs, the Manager will seek to ensure that such investments will be allocated between the Fund and the other clients pro rata based on assets under management, available capital or in some other manner that is fair and equitable taking into account the surrounding circumstances, including the risk profile of the client accounts.

The Manager may from time to time sell, transfer or otherwise dispose of assets of the Fund to another fund or investment vehicle managed by a Manager Affiliate (**Fund Sale**). Where such Fund Sale occurs, the Manager must determine the value of the transaction using a method determined by an independent valuer or investor and in accordance with the accounting standards and valuation guidelines set out in the Investment Documents and on an arm's length basis.

By investing in the Fund, Investors acknowledge the potential conflicts of interest that may arise.



Section 11:

Investing in the Fund

Section 11:

Investing in the Fund

11.1 Who Can Invest?

Interests in the Fund may only be issued to Wholesale Clients in Australia. If you are unsure whether you are eligible to invest in the Fund, please contact the Manager for more information.

11.2 Applications

Subscription Agreement

To invest in the Fund, investors must sign a Subscription Agreement and agree to be bound by the other Investment Documents, including the Limited Partnership Deed and Trust Deed. The Manager reserves the right to refuse any application.

To request a copy of the Investment Documents, please contact the Manager.

Minimum Committed Capital

The minimum Committed Capital amount for any investor is A\$250,000. The Manager may accept a lower amount in its discretion.

The General Partner and/or Trustee (as applicable) may issue capital calls to Investors for all or part of their unpaid Committed Capital and will provide at least 10 Business Days' prior written notice of such a call (**Call Notice**). The Call Notice will specify the amount of the call, purpose of the call (including details of the investment and brief narrative regarding the nature of the investment), and due date for payment.

Capital Contributions are payable via electronic funds transfer or deposited in an account (which may be interest-bearing), details of which will be provided by the Manager. The Licensee is entitled to retain any interest earned on such amounts.



Section 12:

Glossary

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Glossary

Capitalised terms not defined in this Memorandum have the meaning given to them in the Investment Documents (as the context requires).

Advisory Committee	has the meaning provided in Section 2.
AFSL	means Australian Financial Services Licence.
AML/CTF Act	means <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006</i> (Cth).
ASIC	means Australian Securities and Investments Commission.
Aura Capital or Licensee	means Aura Capital Pty Ltd (ACN 143 700 887; AFSL No. 366230).
Aura Group	means Aura Ventures and its related entities.
Aura Related Person	has the meaning provided in Section 2.
Aura Ventures or Manager	means Aura Funds Management Pty Ltd (ACN 607 158 814; CAR No. 1233893).
Business Day	has the meaning provided in Section 2.
Business Expenses	has the meaning provided in Section 2.
Call Notice	has the meaning provided in Section 11.2.
Capital Contribution	has the meaning provided in Section 2.
Catch Up	has the meaning provided in Section 2.
Committed Capital	has the meaning provided in Section 2.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Distributions	has the meaning provided in Section 2.
ERISA Partner	has the meaning provided in Section 2.
ESVCLP	has the meaning provided in the 'Notice and Disclaimers' section.
EVC	has the meaning provided in Section 2.
Final Closing Date	has the meaning provided in Section 2.
Financial Year	has the meaning provided in Section 2.
First Closing Date	has the meaning provided in Section 2.
Follow On Investment	has the meaning provided in Section 2.
Fund	means Aura Venture Fund III.
General Partner	means Aura Venture Partners III GP, ILP (ILP2400033).
GST	means Goods and Services Tax.
Invested Capital	has the meaning provided in Section 2.
Invested Proportion	has the meaning provided in Section 2.
Investment Committee	has the meaning provided in Section 2.

Investment Documents	means the Limited Partnership Deed, Trust Deed, Management Agreement and Subscription Agreement.
Investment Period	has the meaning provided in Section 2.
Investment Team	has the meaning provided in Section 2.
Investor	means a person investing in the Fund.
IRR	means internal rate of return.
ITAA	means <i>Income Tax Assessment Act 1997</i> (Cth).
Limited Partnership Deed	means the limited partnership agreement relating to the Partnership dated 19 September 2024, as amended and restated from time to time.
LP Return	has the meaning provided in Section 2.
Management Agreement	has the meaning provided in Section 2.
Management Fee	has the meaning provided in Section 2.
Maximum Establishment Costs	has the meaning provided in Section 2.
Memorandum or IM	means this information memorandum.
MIT	has the meaning provided in the 'Notice and Disclaimers' section.
Ordinary Resolution	has the meaning provided in Section 2.
Outside Fee Recipient	has the meaning provided in Section 2.
Partnership	means Aura Venture Fund III, ILP (NSW ILP2400034).
Partnership Interest	has the meaning provided in the 'Notice and Disclaimers' section.
Special Resolution	has the meaning provided in Section 2.
Split	has the meaning provided in Section 2.
Sponsor Unit Holders	has the meaning provided in Section 2.
Subscription Agreement	means the online application form approved by the Manager under which a prospective Investor makes a capital commitment to the Partnership and undertakes to comply with the terms of the Investment Documents as they apply to them.
Term	has the meaning provided in Section 2.
Trust	means Aura Venture Trust III and any other trust as established from time to time.
Trust Deed	means, in respect of a Trust, the trust deed relating to that Trust.
Trustee	means Aura Venture Fund III Pty Ltd (ACN 680 839 856, CAR No. 1311766), while it remains in its respective capacity as trustee and also means any trustee of a Trust from time to time.
Units	has the meaning provided in the 'Notice and Disclaimers' section.
Venture Capital Act	means the <i>Venture Capital Act 2002</i> (Cth).
Wholesale Clients	has the meaning provided in the Corporations Act.

