



# PURE Income and Growth Fund Information Memorandum

Unit Class: Foundation

Date issued: 19 November 2025

PURE Asset Management Pty Ltd (ACN 616 178 771) – Trustee and Investment Manager

Australian Financial Services Licence no. 520396

For the use of Foundation investors only

## Important Information

---

This is the Information Memorandum ('IM') for Units in the PURE Income and Growth Fund (referred to as the 'Fund') and was issued on 12 May 2021. This IM has been prepared and issued by PURE Asset Management Limited (ACN 616 178 771) ('PURE') in its capacity as the Trustee of the Fund (referred to throughout this IM as the 'Trustee', 'Investment Manager', 'PURE Asset Management', 'PURE', 'us' or 'we'). PURE is also the Investment Manager of the Fund.

PURE is the holder of Australian Financial Services Licence no. 520396.

No other person (whether or not related to the Trustee) is responsible for any information contained in this IM. The custodian and administrator of the Fund is Apex Fund Services Pty Limited, (ACN 118 902 891, AFSL 303253) ('Apex Fund Services'). Apex Fund Services is part of the Apex Group Holdings Limited group of companies and is referred to throughout this IM as the 'Fund Administrator' or 'Apex Fund Services'.

This IM is for an offer of Units in the Fund (the Offer) to investors who qualify as Wholesale Clients under section 761G or 761GA of the Corporations Act or to any other person who is not required to be given a regulated disclosure document under the Corporations Act. This IM has not been and will not be lodged with the Australian Securities and Investments Commission (ASIC). It does not constitute a product disclosure statement, prospectus or other disclosure document within the meaning of the Corporations Act.

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

This IM does not constitute an offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended (US Securities Act). The Units in the Fund have not been, and will not be, registered under the US Securities Act or the laws of any State, and the Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended. The Fund may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

If you received this IM electronically a paper copy will be provided free upon request. Please call us on 1300 133 451 for a copy.

Certain information in this IM relating to the Fund is subject to change. Where we consider it appropriate, we will notify you in writing of any changes. Any updated information may be obtained by contacting Apex Fund Services as follows:

- 1300 133 451 within Australia or +612 8259 8888 from outside Australia
- Emailing [registry@apexgroup.com](mailto:registry@apexgroup.com) PURE Income and Growth Fund

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

Unless otherwise stated, all fees quoted in the IM are inclusive of GST after allowing for an estimate for Reduced Input Tax Credits (RITCs). All amounts are in Australian dollars unless otherwise specified and all references to legislation are to Australian law unless otherwise specified.

Only Foundation investors may invest using this IM.

## Table of Contents

---

Important Information	2
Welcome Letter	4
Fund at a Glance	5
About PURE Asset Management	6
About The Main Service Providers	8
About The Fund	9
Investment Process	11
Managing Risk	13
Investing in the Fund	15
Redeeming from The Fund	16
Other Investor Information	17
Fees & Costs	18
Taxation	19
Other Important Information	20
FATCA & CRS	23
Dictionary	24
Application Form	25

# Welcome Letter from the Principals

---

Dear Investor,

We are pleased to offer you the opportunity to invest in the PURE Income and Growth Fund.

The Fund's aim is to generate market leading risk-adjusted returns via differentiated economic exposure to emerging companies. Unlike traditional long-only funds, our flexible mandate allows us to provide hybrid funding structures to emerging companies, providing interest income as the investment thesis unfolds, yet also retaining exposure to the equity upside.

Since the Fund's inception in December 2018, PURE have offered companies a genuine alternative to raising equity. The increased awareness of PURE's growth capital solution, along with many successful case studies, has seen inbound deal flow continue to increase.

The Fund provides investors with exposure to emerging companies that are under-researched and that we consider undervalued. Companies without broker coverage and attention are those most likely to exhibit a dislocation between fundamentals and share price. Finding these companies, then assisting them to grow into tomorrow's leaders is PURE's core focus.

Many smaller companies struggle to achieve stock market recognition, hampering their ability to access capital and fund their growth ambitions. The team at PURE have considerable expertise in assisting management teams to develop their stock market identity, revealing their attractions to a wider audience, which facilitates a re-rating and a lower cost of capital for expansionary investment.

The principals have aggregate experience of over 50 years in financial markets, both domestically and offshore. We are significantly co-invested in the Fund, ensuring we are truly aligned with our investors.

The Fund has partnered with Apex Fund Services for custody and various other aspects of fund administration. Apex are a leading provider of fund services in Australia and Unit Holders can have confidence we have partnered with the highest quality service providers. We have ensured that best practice principles are utilised in all aspects of the investment and operation of the Fund.

We welcome you as an investor.

Yours sincerely,

Tim, Mike, Nick, Jonathan and Sibghat

# Fund at a Glance

About the Fund	
<b>Name of Fund</b>	PURE Income and Growth Fund
<b>Trustee and Investment Manager</b>	PURE Asset Management Pty Ltd (ACN 616 178 771)
<b>Investment philosophy</b>	PURE believes that falling broker coverage is contributing to significant price/information dislocations within the emerging companies universe. Our solution is a high conviction Fund targeting opportunities where our expertise can add value to a company's investment proposition. We only invest in companies with a market capitalisation of less than \$1b, and where an opportunity exists to originate or co-invest in hybrid funding structures promoting growth.
<b>Benchmark</b>	The Fund is managed on an absolute return basis and is benchmark unaware.
<b>Investment objectives</b>	The Fund's investment objective is to generate double digit returns over a 3-5 year investment cycle. Central to our capital preservation mindset, many of our debt investments will sit higher in the capital structure than equity.
<b>Investments <sup>1</sup></b>	<p>The Fund will hold up to 50 positions and is able to invest in the following:</p> <ul style="list-style-type: none"> <li>• Equity securities</li> <li>• Corporate credit</li> <li>• Cash</li> <li>• Hybrid securities</li> <li>• Derivative securities i.e. options and warrants.</li> </ul> <p>Capital will only be deployed in situations we believe offer a compelling risk/reward opportunity. While we expect to be fully invested, cash allocations can range from 0-100% of the portfolio depending on market conditions.</p>
<b>Minimum initial investment (AUD) <sup>2</sup></b>	\$250,000
<b>Investing</b>	<p>For the first investment in the Fund, a correctly completed Application Form received by the Fund Administrator will receive the issue price of \$1.00.</p> <p>Subsequently, correctly completed Applications that are received before 2.00 pm by the Fund Administrator on the last business day of a month receive the Issue Price calculated for that day.</p>
<b>Access to funds</b>	<p>Investors may redeem some or all of their Units in the Fund after the second anniversary of their investment by sending a Redemption Request to the Fund Administrator. Units may be redeemed prior to the second anniversary with the express consent of the Trustee. Payment of redemptions is made by deposit to the investor's nominated bank account.</p> <p>Correctly completed Redemption Requests that are received before 2.00 pm on the 28<sup>th</sup> day before the last business day of a month will receive the Redemption Price calculated for that day.</p>
<b>Income distribution</b>	<p>Distributions are paid quarterly, in the months immediately following the end of each calendar quarter.</p> <p>Distributions may be reinvested or paid to the investor's nominated account.</p>
<b>Valuation</b>	The Fund will be valued monthly on the last business day of the month. Units will be issued and redeemed on a monthly basis unless the Trustee decides to value the Fund more frequently.
<b>Management costs</b>	The management costs total 1.60% p.a. of the Net Asset Value and are calculated and accrued monthly on the last business day of the month.
<b>Performance fee</b>	A performance fee of 20% p.a. (incl. GST and RITC) applies to amount by which the NAV exceeds the High Water Mark. The Fund must also exceed a net 8% p.a. hurdle before a performance fee applies on performance above a net 5% p.a. Performance fees are calculated monthly on the last business day of the month and are paid quarterly in arrears.
<b>Fund expenses</b>	Expenses for the Fund such as custody, administration, legal and audit fees and other ordinary expenses for the establishment and operation of the Fund may be reimbursed from the Fund.
<b>Buy/Sell Spread</b>	Buy 0.35% / Sell 0.35% (excluding GST)
<b>Recommended minimum investment time frame</b>	Suggested minimum investment time frame is +4 years.

1. The actual allocation to all asset classes may vary from time to time whilst the Fund is being established or due to market conditions.

2. The Trustee may alter the minimum amounts specified at any time without prior notice to Unit Holders.

3. All numbers are inclusive of the net effects of GST unless otherwise noted.

# About Pure Asset Management

---

PURE Asset Management Pty Ltd (ACN 616 178 771) is the Fund's Trustee, issuer of this IM, and is also the Fund's Investment Manager.

The responsibilities and obligations of PURE as Trustee of the Fund are governed by the Fund's Trust Deed, as well as indirectly by general trust law.

PURE is a specialist boutique fund manager providing investors with access to proprietarily sourced deal flow. In its simplest form, we target investments in companies with attractive growth opportunities that require capital to execute. PURE generally initiate an investment through a higher ranking debt security, yet retain exposure to equity upside through attaching warrants, options or other alternative conversion structures. Under such structures, the investor gets 'paid to wait' for the equity investment to mature. The Investment Team look for opportunities where our skill set assists the investment company in unlocking latent equity value. Adopting an index unaware approach, we invest in the best opportunities, not the largest index weights.

It is our view that outperformance is not generated by following the momentum of the crowd. With broker coverage in structural decline and passive investment rising, price/information dislocations within the emerging companies universe continue to occur. Good stories are frequently overlooked, while the emergence of passive investment flow only heightens the misallocation of investor's capital. Our strategy is to work closely with portfolio companies, increase the broader market's awareness of the validity of the investment theses, and ensure the right companies have access to growth capital at the right time. The emergence of digital communication platforms in recent years further facilitates this strategy.

Among other things, our services to portfolio companies can involve the following:

- Assisting management teams with their corporate strategy and IR messaging.
- Providing capital to pursue growth projects.
- Introductions to other sources of capital.

In addition to alpha generation, our flexible mandate offers greater scope to protect capital. We strive to be the leading emerging companies fund in Australia.

## **The investment team: alignment of interests**

The Investment Team is substantially co-invested in both the Fund and in PURE Asset Management. Bringing over 95 years' worth of cumulative financial markets experience for the benefit of Fund investors, the primary members of the investment team include:

### **Tim Callan**

Tim is a Co-Founder of PURE and has over 15 years' experience in both buy and sell side roles within financial markets.

Prior to establishing PURE, Tim was a key member of the investment team at K2 Asset Management, progressing to Portfolio Management duties in 2012 within the K2 Australian Absolute Return, K2 Global High Alpha, and K2 Australian Small Cap Funds.

Prior to joining K2, Tim worked in Institutional Sales and Equity Research roles at Goldman Sachs. He also has an AFL background with a playing career spanning eight years with the Geelong and Western Bulldogs football clubs.

Tim holds a Bachelor of Commerce and a Masters of Applied Finance and Investment.

### **Nick Berry**

Nick is a Co-Founder of PURE and has over 20 years' experience in financial markets.

Prior to establishing PURE, Nick was a Small Capitalisation Company Analyst at Petra Capital, a prominent Sydney based stock broking firm. In this role Nick was responsible for producing small companies research, and sourcing companies with significant growth optionality yet requiring the capital to execute.

Prior to Petra, Nick was an Executive Director at Nomura Australia. Throughout his career Nick has had direct coverage of Small Caps, Retail, Food and Beverage, Gaming, Transport, and the Telco sector.

Nick holds a Masters of Engineering.

### **Mike Henshaw**

Mike is a Co-Founder of PURE and has over 30 years' experience in financial markets.

Mike is also a partner with the Fairbairn Partnership, a corporate advisory business established to help companies develop their strategy, improve investor relations, or raise capital.

Prior to this role, Mike was the Head of Industrials Research and a member of the executive leadership team at

## About Pure Asset Management

---

Petra Capital. Throughout Mike's tenure, Petra Capital was involved in raising over \$2 billion to assist emerging Australian companies in their growth aspirations. He has worked in senior roles as portfolio manager for the Thorney Investments family office and in several international organisations in London.

Mike holds a Bachelor of Arts and has completed the General Manager Program at the UNSW Business School.

### **Jonathan Kriska**

Jonathan is a portfolio manager brings with him over 30 years' experience in financial markets across both stockbroking and funds management.

His experience has spanned numerous roles including equities analysis, portfolio management, capital raising, and corporate advisory.

Between 2006 and 2018 he worked as an Equities Analyst for stockbroking groups such as Patersons Securities, Bell Potter, and Petra Capital. Prior to joining PURE, Jonathan spent 4 years working at Charter Hall as a Portfolio Manager of several funds which invested in listed equities. There, he was also responsible for managing a \$50m institutional mandate which outperformed its benchmark by 4.8% annually over three years.

Jonathan holds a Bachelor of Economics and Masters of Applied Finance.

## About The Main Service Providers

---

### **Custodial Services**

We have appointed Apex Fund Services Pty Ltd (Apex) as the Custodian and Fund Administrator for the Fund. Apex is part of the Apex Group, a global financial services provider offering a broad range of solutions including fund administration, custody, and corporate services.

As an outsourced custodian, Apex will be responsible for holding the assets of the Fund as an independent custodian. This may include the appointment of a Sub-Custodian to provide these services. Currently, J.P. Morgan is appointed as the Sub-Custodian by Apex Fund Services Pty Ltd.

In its role as Fund Administrator, Apex Fund Services Pty Ltd is responsible for assisting the Investment Manager in maintaining the Unit Trust's register of Unit Holders, arranging the issue, redemption, and valuation of units, preparing unaudited financial statements for the Unit Trust, and providing various other administrative services.

The Fund may terminate this Agreement upon 90 days' notice

### **Registry Services**

Unit Registry services for the Fund will also be provided by specialist registry provider Apex Fund Services.

Apex will be responsible for assisting PURE in maintaining the Fund's register of Unit Holders, for arranging the issue, redemption and transfer of units, general unitholder communication, and for providing certain other administrative services.

The Fund may terminate this Agreement upon 90 days' notice.

## About The Fund

---

The Fund is a wholesale fund, or an unregistered managed investment scheme. In this structure, money invested in the scheme by all investors is pooled and used to buy investments, which are managed on behalf of all investors. The Investment Manager has day to day control over the operation of the Fund.

By investing in the Fund, investors can access opportunities not readily available to private investors, while utilising the specialist knowledge and skills of PURE Asset Management. Transaction and other costs incurred by the Fund in buying and selling securities are likely to be reduced due to the Investment Manager's expertise in operating in Australian and overseas markets, rather than Investors investing on their own behalf.

### Fund Overview

The PURE Income and Growth Fund is a high conviction small cap Fund providing capital to emerging companies through debt and equity investments. Our target investments consist of deep value opportunities, and those we consider to be 'swimming downstream'.

The Fund invests predominantly in ASX listed companies, yet prefer to enter an investment via debt securities. We will always retain equity upside, yet believe ranking higher in the capital structure and being 'paid to wait' offers superior risk-adjusted returns, particularly with emerging companies.

Our portfolio is primarily built by transacting directly with a company after significant due diligence. As a debt investor we are able to obtain far more insight and visibility than equity investors are afforded. In addition, we are not competing on-market with other investors to establish meaningful positions and paying potentially inflated entry prices. If negotiated corporate terms fall short of our risk/return expectations we will not invest. We believe this increases the likelihood of alpha generation, while providing greater capital preservation through the cycle.

The Fund expects to hold 30 to 50 company investments in the portfolio when fully invested.

### Investment Objectives

The PURE Income and Growth Fund aims to generate double digit returns over a 3-5 year investment cycle, with added focus on protecting investor capital. Income will be generated through higher ranking debt securities, while a carry into successful equity investments allows for further capital growth upside.

### Asset Allocation

The PURE Income and Growth Fund has the ability to invest in many asset classes, the weightings of which will fluctuate based on many factors. While ASX listed companies are a key feature of the Fund, mandate flexibility permits investments in other asset classes

which at times we may consider a superior investment. This includes unlisted companies, hybrid securities and other derivatives, such as options and warrants. The Fund will not take short positions.

We believe this offers investors a more attractive risk/return proposition than if the Fund's investments were limited purely to listed equity securities.

Cash weightings in the Fund can range from 0-100% depending on the Investment Manager's view of the market.

### Portfolio Construction

Up to 50 high conviction positions are held within the portfolio. Investment weightings are aligned with our conviction levels, with liquidity also taken into account.

Portfolio weightings are constantly re-assessed to ensure all investments remain in line with conviction levels. The investment team acknowledges the danger of 'confirmation bias' with any investment decision. For this reason, we continually challenge our theses to ensure they remain intact.

### Liquidity

We consider liquidity to be a key determinant of performance within emerging company investing. Our investment mandate allows cash to be managed in a flexible manner and can range from 0 – 100% of Fund assets.

We consider mandates requiring funds to be fully invested at all times a flawed strategy. Forcing a manager to reinvest the proceeds of a sale to simply remain invested can result in sub-optimal investment decisions. Many of our peers are also at or near capacity, severely decreasing their investable universe.

Liquidity should be considered a key determinant of performance within emerging company investing. Cash delivers protection in volatile markets, while also ensuring resources are available to capitalise on mispriced opportunities as they arise. We believe this provides us with a unique advantage.

### Gearing

The Fund will not use gearing.

### Borrowing and Cash Policies

It is not our intention to borrow money for the Fund other than to meet short-term liquidity requirements. If utilised, this amount will not exceed 10% of Gross Asset Value.

Cash will be held in bank-backed and similar deposit products held on behalf of the Fund with Australian ADI's.

### Derivatives and Foreign Exchange Contracts

The Fund may at times use derivatives. When used they will be done so to generate an investment return,

## About The Fund

and not for hedging purposes. Stock specific warrants feature in most company transactions yet carry no contingent liability and are implemented to generate an absolute return.

### Investment Management Approach

The Investment Manager's philosophy is to construct a high conviction portfolio of emerging companies.

Target portfolio companies are generally those suffering from a lack of coverage within the investment community, and must have a market capitalisation of no more than \$1b upon portfolio entry. Within this universe, we narrow our search to industrial companies we believe are 'swimming downstream' as a result of their industry positioning. These companies are then subjected to 'deep dive' analysis before being considered worthy of entry into the portfolio.

While we consider macro factors and market themes, bottom up stock picking remains our mantra. Detailed fundamental research is central to our process and investment traits we look for include the following:

- Companies possessing driven and aligned management teams;
- Companies with growth optionality, yet poor access to capital;
- Companies with limited sell-side research coverage;
- Companies operating in an attractive industry;
- Companies exposed to structural growth drivers;
- Companies which have a strong earnings outlook;
- Companies which possess upcoming re-rate catalysts; and
- Companies with asymmetric risk/reward characteristics.

In addition, we favour companies we believe would receive operational and investor relation benefits from PURE's involvement. This may be through our contact networks, strategic advice, investor relations initiatives, or expertise in harnessing modern distribution channels.

The Fund's portfolio managers are expected to spend significant time out of the office meeting management teams, attending site visits, investor days, and industry conferences. Intelligence gleaned from industry contacts, competitors, and suppliers is also critical. Maintaining strong relationships across relevant industries that have been forged over many years is important to the investment process.

With most investments initiated through debt securities, PURE undertakes significant due-diligence for its debt investments which are not afforded to equity investors. This includes audits of internal forecasts, customer agreements, supply agreements, board minutes, and existing debt covenants, amongst others.

Findings on portfolio companies are then modelled to develop a robust financial framework. This forms the basis of our earnings and valuation expectations for all investments, which are then cross-checked against relevant metrics within each sector.

Whilst underlying valuation assumptions are important, we acknowledge the timing of any investment is critical. Without a catalyst, companies may appear cheap or expensive for long periods of time. Identifying a trigger that may alter the markets perception of value is critical to optimising portfolio returns.

Catalysts can be macro driven, market driven, or company specific. We place more emphasis on catalysts acutely specific to our investments. Such examples may include industry or competitor data, earnings upgrades, trading updates, site visits, or product launches. We believe the best investment opportunities to be earnings related catalysts where our findings differ materially from consensus thinking. The greater the gap between our findings and consensus, the greater the potential reward.

From here, companies which our findings suggest offer the greatest risk/return dynamics enter the portfolio. Position sizing takes into account factors such as liquidity, conviction, potential return, the quality of the company, and the company's position within their industry. The portfolio is reassessed on a continual basis to ensure investment weights reflect our current conviction levels.

Our investment process is expressed visually in the chart following.

# Investment Process

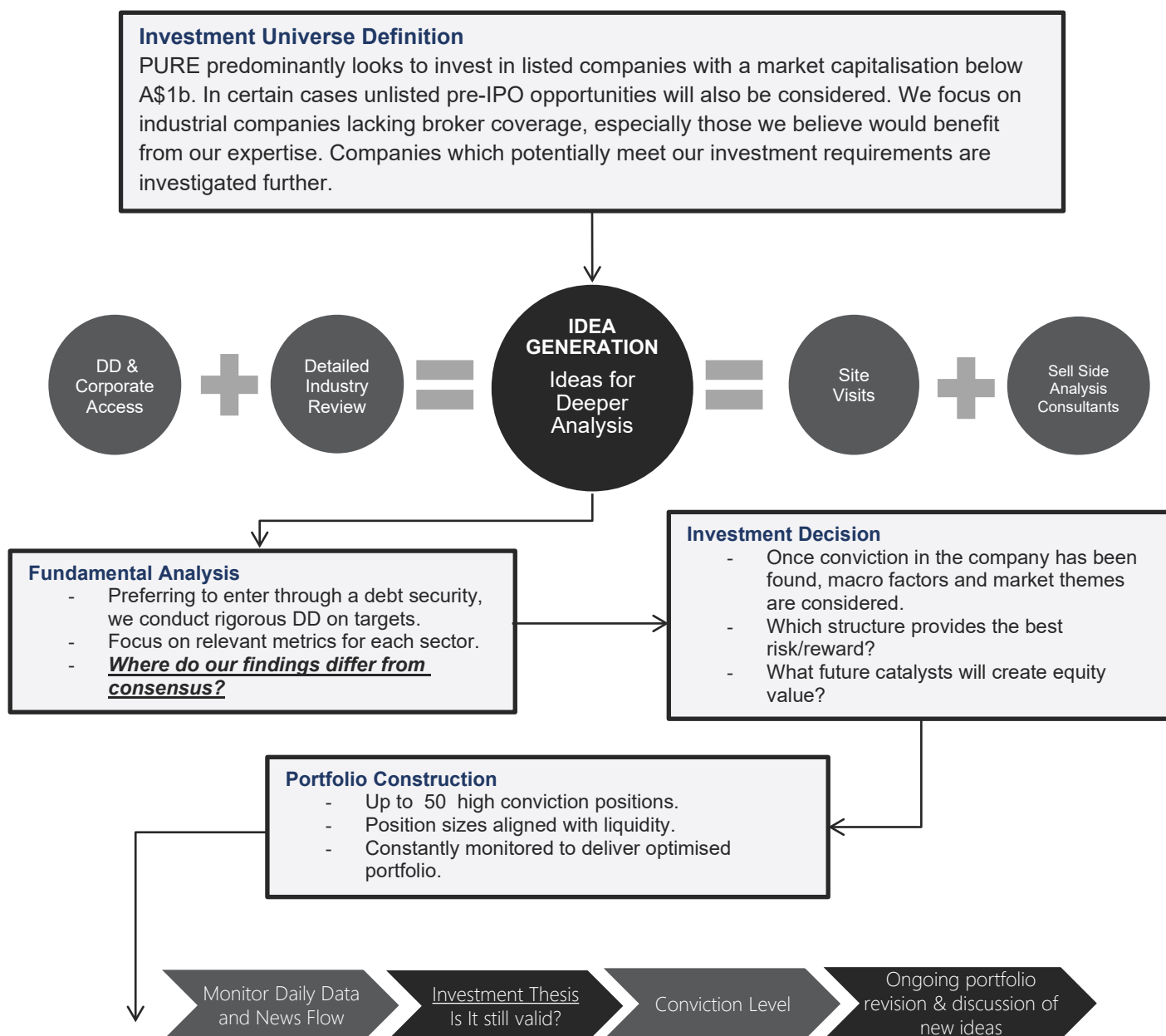
## Investment Universe

From an investment perspective, the PURE Investment Team primarily invest in industrial companies with a market capitalisation of less than A\$1b. We consider the sweet spot to be A\$20m – A\$200m. The team has combined experience of over 70 years in this part of the market and consider this a key competitive advantage. Resource companies and pre-revenue companies such as biotech are excluded from PURE’s investable universe.

Funding the commercialisation of proven products or services with sales momentum is the intention of the Fund, not investing in the ‘hope’ of Research and Development.

PURE are fundamental growth investors adopting a long-only strategy. While we are sector agnostic, investments are only initiated in industrial business models we understand and would ultimately like to own the equity.

## Investment Process



# Investment Process

---

## Due Diligence

As a credit investor, PURE is afforded access to information in excess of an equity investor. While access to publicly available information forms the basis of our initial analysis, the Investment Team cross-checks this via a 60-point due diligence checklist.

### Level 1

PURE conducts desktop due diligence on each investment. This analysis includes:

- Accessing all publicly available information on the company.
  - Reading through past ASX releases.
  - Searching for media articles.
  - Speaking to contacts who know the company.
  - What are the company's capital requirements? Can they grow faster with access to capital?
- Collating knowledge on the relevant industry.
  - Is the market growing?
  - How is the company positioned within this industry?
  - What does the competitive environment look like?
- Understanding the growth opportunity of the company.
  - How does this differ from the market's current view / pricing of the equity?

### Level 2

Once comfortable with the desktop research, PURE sends the company a 60-point due diligence checklist. This information is in excess of that afforded to an equity investor, and is designed to verify the findings within Level 1. This information gathering includes items such as:

- Company board minutes from the past 12 months.
- The Company's financial model and forecast outlook.
- Granular breakdown of the Company's sales pipeline. What level of sales are 'locked-in'?
- Sightings of any material contracts.

And much more. The two items PURE consider the most powerful are the Company's board minutes and sales pipeline. Scrutinising these items brings to light any issues within the company (board minutes) and provides an understanding as to the likelihood of meeting any sales expectations provided to market (sales pipeline).

### Level 3

On completion of the checklist, there are always a selection of company / industry specific questions which require clarity. Achieving comfort on these points form the final element of PURE's due diligence process.

## Deal Structuring

While PURE can initiate investments through many hybrid structures, the metrics sought across all originated transactions are outlined below:

- Interest rate / Coupon: 8 – 13%
- Warrant coverage: 100%
- Warrant premium: 20 – 100%
- Security: Senior secured (typically fixed and floating charges in a general security agreement)

While we will contemplate a broader range of hybrid structures, PURE's preferred approach involves a credit facility with 100% warrant coverage. The result of this structure is the effective break up of a traditional convertible note into its two constituent parts.

The structuring of each transaction originated by PURE involves negotiation with the investee Company's Executive Management and Board. The negotiation, if successful, culminates in the signing of a detailed binding term sheet inclusive of all key commercial items.

The benefit of self-origination is that we are not compelled to enter our investments at a prevailing market rate. If the deal metrics do not satisfy our expected return relative to the risks involved, we will not initiate the position.

## How we differ

Unlike traditional funds which invest passively, PURE actively sources companies to work with and unlock value. Fund investors can take comfort in the fact that we take ownership of our positions, roll up the sleeves, and actively help our investment companies improve. This can include defining ways to refine their IR messaging, strategic advice, assistance sourcing acquisition targets, providing growth capital, and introductions to new capital partners.

# Managing Risk

---

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

The Investment Manager does not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the Fund's investments will vary. Returns are not guaranteed, and you may lose money by investing in the Fund. The level of returns will vary, and future returns may differ from past returns. Laws affecting managed investment schemes may change in the future. The structure and administration of the Fund is also subject to change.

In addition, we do not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances.

## Key Risks

Some of the things that may cause the Fund's value to move up and down are summarised below. These risks are not exhaustive:

### General Investment Risks

#### Investment return risk

Past performance is no guarantee of future performance. As PURE is an active manager, there is a risk that the Fund may underperform compared with its investment objectives or with the market.

#### Market risk

Returns of the Fund will be affected by the performance of the investments chosen for the Fund, which may in turn, be affected by the performance of the investment markets generally. This risk, related to market performance, includes demand and supply in the market and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, environmental and technological issues, and consumer demands.

#### Credit risk

The value of debt securities may be impacted by the issuer's ability to pay interest and principal owed as they become due. If there is a negative perception of the issuer's ability to meet its payment obligations, the value of the debt security may decrease.

#### Liquidity risk

Some investments may not be easily converted into cash with little or no loss of capital and minimum delay, because of insufficient availability of buyers, suspension of trading on request from the market regulator or the entity involved, fund outflows, or disruptions in the

market place.

Securities of small entities held in the portfolio may become less liquid, and especially in times of falling markets.

#### Interest rate risk

This refers to the risk that the market value of the investments of the Fund can change due to changes in interest rates. The market value of fixed interest securities can fluctuate significantly with relatively small changes in interest rates.

#### Counterparty risk

A counterparty to a contract may fail to meet their obligations under it, causing loss to the Fund. This potentially arises with various unlisted investments including options and convertible notes.

#### Derivative risk

Because the Fund may use derivative instruments such as warrants and options, that are contracts between two parties that usually derive their value from the price of an underlying physical asset or market index, the investment movements may be more volatile than if a Fund is invested solely in equities or bonds. Derivatives can be used to manage risks, but may expose the Fund to other risks. This means that the use of derivatives can lead to higher gains or losses than a portfolio that does not use derivatives. A Derivative may involve gearing, that is, liability for a loss from a change in price of a security, currency or index which exceeds the amount of cash or assets initially required to establish the Derivative.

#### Entity risk

The Fund's investment in a listed entity may be affected by unexpected changes in that entity's operations or business environment, including the risk that the entity may become insolvent. If this occurs the Fund may receive a smaller or no return from, or it may lose, its investment in the entity.

### Other General Risks

#### Service provider risk

You could be adversely affected if any of the various parties involved in the operation of the Fund, including us, or service providers fail to perform their obligations. This could impact your returns or the ability to withdraw your funds. We actively monitor and review the performance of all key service providers in performing their agreed contractual arrangements.

#### Operational Risk

This is the risk of technological or process failure or impacts from the wider financial market in general. This could impact your returns or the ability to withdraw your funds.

# Managing Risk

---

## **Personnel Risk**

The Fund relies heavily upon the Investment Manager to execute the investment strategy to deliver the targeted returns. Despite the investment strategy being applied as outlined, there is no certainty that the investment manager will produce the intended result.

## **Regulatory and tax risk**

Fund performance may be affected by regulatory changes and changes to tax legislation in Australia which could have an impact on the value of your investment.

## **Redemption risk**

This is the risk that the Fund cannot make redemption payments on time. This is due to a mismatch between the maturity profile of the investments and the amounts required to meet redemptions. We have the right to defer redemptions, switches and transfers if we believe the realisation of assets to meet the redemption is not practicable, would be materially prejudicial to all investors, or is not desirable for the protection of the Fund.

## **Cyber Risk**

The prevalence of Cyber threats is a material consideration for PURE. While Cyber Insurance is in place, and Cyber protocols such as two-factor authentication are implemented, there is no certainty that PURE will not be subjected to targeted Cyber-attacks.

## **Volatility Risk**

Investing in emerging companies can be volatile from month-to-month, given the number of external factors impacting performance. While our approach looks to de-risk that process, investors should be aware that returns can be more volatile than other asset classes.

# Investing in the Fund

---

## Making an application

The minimum initial application is \$250,000. We may waive or increase the minimum application amounts at our discretion. Application money is deposited into a non-interest bearing account, pending processing.

To invest, please complete and sign the Application Form accompanying this IM.

The duly completed Application Form, together with the relevant certified identification documents, must be mailed to the Fund Administrator via the following postal address:

PURE Income and Growth Fund  
Apex Fund Services  
GPO Box 4968  
Sydney NSW 2001

The first Units in the Fund will be issued after the receipt by the Fund Administrator of a correctly completed Application Form. After the first application, correctly completed Application Forms must be received by the Fund Administrator before 2 pm on the 28<sup>th</sup> day before the last business day of a month to receive the Issue Price applying for that month.

## Investment Method

Your initial investment amount may be made by:

- Electronic Funds Transfer or Direct Deposit to the application account details provided in the application form; or
- Cheque made payable to: Apex Fund Services Pty Ltd ACF PURE Asset Management Pty Ltd <PURE Income and Growth Fund Application Account>

Please note the application cannot be processed until cleared funds are received. Cash cannot be accepted.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

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

## Valuation of the Fund and application price of Units

The first Units in the Fund will be issued at \$1.00. From then on, the Issue Price will change from time to time as the market value of the Fund's assets rises or falls. Each Unit is a proportional interest in the Net Asset Value of the Fund, having regard to the total number of issued Units.

The value of Units is determined by dividing the Fund Net Asset Value for the Valuation Date applying to the issue of Units by the number of Units on issue, adjusted for transaction costs of 0.35% of application proceeds (excluding GST).

Securities usually are valued at the closing price on the securities exchange on which they are listed. Any income entitlement or cash held for the Fund and any amount of Goods and Services Tax (GST) recoverable by the Fund from the Australian Taxation Office (ATO) are also included in the value of Fund's assets and used to calculate the value of Units. Generally, the Fund's liabilities are valued at cost.

The Fund will be valued monthly on a Valuation Date being the last business day of the month. Units will generally be issued following the fifth business day after the Valuation Date using the value calculated for that Valuation Date, although the Trustee has the discretion to value the Units more frequently where it so decides.

Following acceptance of an application by the Trustee, application money will be held in an account maintained by the Fund Administrator pending its investment in the Fund after the next occurring Valuation Date.

## Classes of units

All investors investing on the basis of this IM will be issued units in the Foundation class of units.

Additional classes of units may be issued in subsequent periods from time to time.

# Redeeming from the Fund

---

## Making a redemption

Unit Holders may redeem Units only with the express consent of the Trustee. Where the Trustee has provided their consent, a Unit Holder may withdraw their investment by written request either:

- Email to [registry@apexgroup.com](mailto:registry@apexgroup.com)  
Attn: PURE Income and Growth Fund

or

- Mail to:  
PURE Income and Growth Fund  
Apex Fund Services  
GPO Box 4968  
Sydney NSW 2001

## Redemption Price

The Redemption Price of a Unit in the Fund is based on the NAV of the Fund divided by the number of Units on issue as calculated for the Valuation Date applying to the redemption.

Redemption Requests accepted by the Trustee and received by the Fund Administrator before 2 pm on the 28<sup>th</sup> day before the last business day of a month will receive the Redemption Price for the month.

The NAV per Unit can be reduced by the Trustee to make an allowance for the transaction costs required for selling investments which is known as the Sell Spread. At the date of this IM, the Sell Spread is 0.35% (excluding GST). Refer to 'Fees and costs' on page 18 for additional information on the Sell Spread.

For in specie transfers of assets out of the Fund, a nil or reduced Sell Spread may be applied to reflect the actual costs incurred by the Fund. The investments of in specie transfers will be valued on the date the Units are redeemed. All costs including any applicable duties and levies, incurred as a result of the transfer will be payable by the Unit holder.

Redemption Requests accepted by the Trustee will not receive any rebate of performance accruals.

## Access to funds

Units may not be redeemed for the first two years after investment. However, Units may be redeemed prior to the second anniversary with the express consent of the Trustee

Where the Trustee has provided its consent to the redemption of Units, correctly completed Redemption Requests that are received by us by 2.00 pm 28 days before the last business day of the month will receive the Redemption Price applying for that month.

Units will generally be redeemed following the fifth business day after the Valuation Date using the value calculated for that Valuation Date, although the Trustee has the discretion to value the Units more frequently where it so decides.

Except where the Fund is not liquid, where the Trustee has consented to a redemption of Units the Trustee will generally allow Unit Holders of the Fund to access their investment at the end of each month. However, the Trust Deed allows the Trustee to delay making payments up to for a Redemption Request in unusual circumstances such as when the Trustee is unable to satisfy a Redemption Request due to suspended trading in the market.

The Trustee will refuse to comply with any Redemption Request if the requesting party does not satisfactorily identify themselves as the Unit Holder. Redemption payments will not be made to third parties (including authorised representatives) and will only be paid directly to the Unit Holder's bank account held in the name of the Unit Holder at a branch of an Australian domiciled bank.

## Facsimile requests

By lodging a facsimile Redemption Request the Unit Holder releases, discharges and agrees to indemnify Trustee from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile Redemption Request.

The Unit Holder also agrees that any payment made in accordance with a facsimile Redemption Request shall be a complete satisfaction of the obligations of Trustee, notwithstanding any fact or circumstance including that the payment was made without the Unit Holder's knowledge or authority.

The Unit Holder agrees that if the payment is made in accordance with a facsimile Redemption Request, the Unit Holder and any person claiming through or under them shall have no claim against the Trustee for the payment.

# Other Investor Information

---

## Distributions

A Distribution comprises a Unit Holder's share of any distributable income earned by the Fund. A Unit Holder's share of any distributable income is generally based on the number of Units held by the Unit Holder at the end of the distribution period.

Generally, the income entitlements of Unit Holders of the Fund are distributed within 30 days after the date they are determined, although the distribution may take longer (for example, if there is a delay in completing an audit).

As a Unit Holder in the Fund, you can:

- have your distribution reinvested back into the Fund in which you have invested; or
- have your distribution directly credited to your nominated bank account.

If you do not make an election, your distribution will automatically be reinvested and will be taken to be received prior to the next valuation time after the relevant Distribution period.

## Appointment of authorised representative to operate account

Unit Holders may elect to appoint an authorised representative to operate their account. The relevant sections on the Application Form need to be completed, including the name and signature of the authorised representative, the signature of the Unit Holder and the date. Only Unit Holders can appoint authorised representatives. If you appoint an authorised representative, we suggest that you ensure that:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or by the Trustee.

If the Trustee determines that the circumstances require, the Trustee may cancel an appointment by giving the Unit Holder 14 days' notice in writing. If an appointment is cancelled, the Trustee will not be obliged to act on the instructions of the authorised representative. If the instructions are varied, the Trustee will act only in accordance with the varied instructions.

By completing and lodging the relevant sections on authorised representatives on the Application Form you release, discharge and agree to indemnify the Trustee from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Trustee acting on the instructions of your authorised representative.

You also agree that any instructions of your authorised representative to the Trustee, which are followed by the Trustee, shall be a complete satisfaction of the obligations of the Trustee, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority.

You agree that if the authorised representative's instructions are followed by the Trustee, you and any person claiming through or under you shall have no claim against the Trustee for the instructions.

## Powers of an authorised representative

An authorised representative can, among other things:

- apply for additional investment Units;
- request that distribution instructions be altered;
- change bank account details,
- withdraw all or part of your investment; and
- enquire as to the status of your investment and obtain copies of statements.

Redemption Payments will not be made to third parties.

If a company is appointed as an authorised representative, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

Regular reports are provided to Unit Holders in the Fund. These reports comprise:

- Annual Report including financial statements will be sent to investors after 30 September each year.
- Transaction Reports confirming all investments, redemptions and distributions (issued following transactions and on request).
- Distribution Statements – issued in line with distribution frequency, notifying you of the value of your investment, income from investments and confirming the reinvestment or payment to your nominated account.
- Tax Statements issued annually, providing Unit Holders with taxation information including a detailed summary of the components of any Distributions.

You can contact the Investment Manager for updated information on performance, Unit prices, Fund size and other general information about the Fund on:

1300 133 451 within Australia or +612 8259 8888 from outside Australia

or by emailing: [registry@apexgroup.com](mailto:registry@apexgroup.com)

## Enquiries and Complaints

The Trustee seeks to resolve complaints over the management of the Fund to the satisfaction of Unit Holders. If a Unit Holder wishes to lodge a formal complaint, please contact us on:

1300 133 451 within Australia or +612 8259 8888 from outside Australia

or by emailing: [registry@apexgroup.com](mailto:registry@apexgroup.com)

The Trustee will seek to resolve any complaint and will respond within 14 days of receiving the complaint.

# Fees and Costs

---

## Management costs

The management costs are inclusive of investment management and Trustee fees.

The management costs are calculated and accrued monthly on the last business day of the month based on the NAV of the Fund and are reflected in the Unit price of the Fund. Management costs do not include the performance fee, expenses or transaction costs.

The management costs applicable to Units in the Fund are currently 1.60% p.a. of the NAV of the Fund, inclusive of GST less RITC.

## Performance Fee

A performance fee of 20% p.a. (incl. GST and RITC) applies to amount by which the NAV exceeds to the High Water Mark. The Fund must also exceed a net 8% p.a. hurdle before a performance fee applies on performance above a net 5% p.a. Performance fees are calculated monthly on the last business day of the month and are paid quarterly in arrears.

## Fund expenses

We have the right to recover all proper expenses incurred in managing the Fund and as such these expenses may increase or decrease accordingly.

Expenses relating to the Fund include custody fees, administration fees, audit fees and other ordinary expenses related to the establishment and operation of the Fund may be reimbursed from the Fund.

We may also recover abnormal expenses (such as the costs of Unit Holders' meetings, legal advice/proceedings and other irregular expenses). The Trust Deed does not place any limit on the amount of the abnormal expenses that can be paid from the Fund.

## Differential fees

The Trustee may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain wholesale investors.

## GST and Taxes

All government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. Relevant tax information is provided in the 'Taxation' section. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund.

## Buy/Sell Spread

The Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty.

The Buy/Sell Spread reflects the estimated transaction costs associated with buying and selling the assets of the Fund when investors invest in, or redeem from, the Fund. The Buy/Sell Spread is an additional cost to the investor but is included in the Unit price and incurred when an investor invests in or withdraws from the Fund. The Buy/Sell Spread is paid into the Fund and not retained by the Trustee.

At the date of this IM, the Buy/Sell Spread for the Fund is 0.35% (excluding GST) which equates to \$3.50 (excluding GST) for an investment or redemption of \$1,000.

The exact amount of transaction costs is dependent on a number of different variables, including the level of trading undertaken by the Fund.

## Can the fees change?

All fees can change without Unit Holder consent, subject to the maximum fee amounts specified in the Trust Deed of the Fund. Reasons might include changing economic conditions and changes in regulation.

We will generally provide Unit Holders with at least 30 days' notice of any proposed change to the Trustee fee. Expense recoveries and Buy/Sell Spreads may change without notice, for example, when it is necessary to protect the interests of existing Unit Holders and if permitted by law.

# Taxation

---

The taxation information in this IM is of a general nature and is current as at its date. This information provides a general overview of the tax implications for Australian tax resident Investors that hold their units on capital account. The application of these laws depends on the individual circumstances of the Investor. The following comments should not be regarded as tax advice and it is recommended that Investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident Unit Holders only.

## Taxation of the Fund

The Fund is an Australian resident trust estate for Australian tax purposes. Under the Constitution, where Unit Holders are entitled to all of the distributable income of the Fund for a Financial Year, the Fund itself should not be liable for income tax. The taxation liability for the taxable income of the Fund will rest with the Unit Holders. However, if for any reason there is taxable income to which no Unit Holder is presently entitled, the Fund will be taxed at the highest marginal tax rate for that income.

If the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Unit Holders. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses (including to the extent the Fund has carried forward capital losses) to offset against income or capital gains (as appropriate) in subsequent years.

On the basis that the Fund carries on an eligible investment business it is not a "public trading trust" and will not be taxed as a corporate entity.

## Distributions

Where a Unit Holder is presently entitled to a share of the Fund's income for a Financial Year, the Unit Holder will be liable to tax on their proportional share of the taxable income of the Fund. Investors will be assessed on their proportionate share of the Fund's net taxable income in the Financial Year for which their entitlement to the distributable income arises, even though it may not have been received in that Financial Year.

Distributions from the Fund may comprise different components including interest, dividends, net capital gains, other income, franking credits, foreign income, foreign income tax offsets and tax-deferred amounts.

For Unit Holders who hold their units on capital account, the tax-deferred income should not form part of their assessable income in the year that the tax-deferred distribution is paid. Instead, the Investor's cost base in the units will be reduced by the tax-deferred amount and may affect the CGT position of the investment. However, for those Unit Holders who have a zero cost base in their units, or where the tax-deferred distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the Unit Holder. Investors should maintain records of their cost base and adjustments.

Distributions of income reinvested in further units are treated the same way as cash distributions.

## Franking Credits

Where the Fund receives franked dividends, the taxable net income of the Fund includes franked dividends and attached franking credits. A credit for these amounts may be available in calculating Unit Holders' tax liabilities, depending on their specific circumstances and subject to various integrity rules, including the 45-day holding period rule. Excess franking credits may be refundable to certain resident individuals and complying superannuation entities or, in certain cases, may generate tax losses for corporate entities.

## Disposal or Redemption of Units

Unit Holders must include any realised capital gain or loss on disposal or redemption of their units (together with any capital gain distributed by the Fund) in calculating their net capital gain or loss for a Financial Year.

The Fund may determine that part of the Redemption Price of a unit represents a distribution of income for tax purposes for the Financial Year. Where the Redemption Price includes a distribution of income, any capital gain made by the Unit Holder on disposal is reduced by the taxable income amount included in the Unit Holder's assessable income.

A net capital gain will be included in a Unit Holder's assessable income. A net capital loss may be carried forward by the Unit Holder to be offset against capital gains of the Unit Holder in subsequent years (subject to the Unit Holder meeting certain conditions) but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the units have been held for 12 months or more.

## Other Important Information

---

### Other matters

The Fund is unlikely initially to qualify as a Managed Investment Trust (MIT) on the basis that it will not satisfy the 'widely held' requirements. As such, the Fund is not eligible to make the election for treatment of the disposal of certain covered assets on capital account until it does satisfy this test. Gains and losses realised on disposal of assets will be subject to ordinary concepts.

If the Fund qualifies as a MIT in a subsequent year, and it also satisfies the additional Attribution MIT (AMIT) requirements, the Trustee intends to make an irrevocable election to apply the AMIT tax legislation. The AMIT legislation applies an attribution model whereby the Trustee attributes amounts of trust components of a particular character to investors on a fair and reasonable basis, consistent with the operation of the AMIT's constitution.

The Taxation of Financial Arrangements ('TOFA') rules may apply to certain "financial arrangements" held by the fund. This means that returns on certain financial arrangements may be recognised on an accruals basis, rather than a realisation basis.

The Goods and Services tax (GST) is not applied to the application for or redemption of units. However, GST generally applies to the Fund's management fees and expenses. The Fund is entitled to claim Reduced Input Tax Credits at the prescribed percentage from the ATO for part of the GST paid.

An Investor is not required to quote their Tax File Number ('TFN') or Australian Business Number ('ABN'). However, if the Unit Holder is an Australian resident for taxation purposes and a TFN or ABN is not provided, or an exemption is not claimed, we are required to withhold tax at the highest marginal rate, plus the Medicare levy, from Fund distributions.

### Cooling off period

No cooling off period applies to units offered under this IM as you must be a Wholesale Client to invest in the Fund.

### Unit Holder's liability

The Trust Deed for the Fund provides that unless there is a separate agreement with a Unit Holder, no Unit Holder can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. As a result, it is expected that Unit Holders will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested in court and so it is not possible to give an absolute assurance that a Unit Holder's liability will be limited in all circumstances.

In general, the liability of a Unit Holder is limited to the amount (if any) which remains unpaid in relation to their subscription for Units in the Fund and certain amounts in respect of tax. The Trustee is permitted to deduct certain amounts owed to the Trustee from amounts payable to Unit Holders.

### Non-listing of Units

The Units of the Fund are not listed on any stock

exchange and no application will be made to list the Units of the Fund on any stock exchange.

### Termination of the Fund

The Trustee may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Fund's Trust Deed. The Fund may otherwise terminate if required by law. Notice will be provided to Unit Holders advising of the Fund's termination. Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unit Holders according to the number of Units they hold in the Fund.

### Our legal relationship with you

You will receive Units in the Fund when you invest. Subject to the rights, obligations and liabilities of any unit class, each Unit represents an equal proportionate beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular assets or property of the Fund.

The Trustee's responsibilities and obligations, as the trustee of the Fund, are governed by the Trust Deed of the Fund as well as indirectly by general trust law. The Trust Deed contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Trustee and Unit Holders.

Some of the provisions of the Trust Deed are discussed elsewhere in this IM. Other provisions relate to a Unit Holder's rights under the Trust Deed, and include:

- a Unit Holder's right to share in any Fund income, and how we calculate it;
- what you are entitled to receive when you withdraw or if the Fund is wound up;
- a Unit Holder's right to redeem from the Fund - subject to the times when we can cease processing redemptions - such as if the Fund becomes 'illiquid';
- the nature of the Units - identical rights attach to all Units within a class; and
- a Unit holder's rights to attend and vote at meetings.

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

- how we calculate Unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Trust Deed - generally we can only amend the Trust Deed where we reasonably believe that the changes will not adversely affect Unit Holders' rights. Otherwise the Trust Deed can only be amended if approved at a meeting of Unit Holders;
- when we can retire as the Trustee of the Fund;
- when we can be removed as the Trustee of the Fund; and

## Other Important Information

---

- our broad powers to invest, borrow money and generally manage the Fund - we do not currently intend to borrow funds to acquire assets for the Fund, although this is permitted under the Trust Deed of the Fund.

The Trust Deed also deals with our liabilities in relation to the Fund and when we can be reimbursed out of the Fund's assets, for example:

- we are not liable for acting in reliance and good faith on professional advice;
- we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Fund.

Our responsibilities and obligations as the Trustee of the Fund are governed by the Trust Deed as well as under general trust law, which generally require that we:

- act in the best interests of Unit Holders and, if there is a conflict between Unit Holders' interests and our own, give priority to Unit Holders;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly; and
- ensure payments from the Fund's property are made in accordance with the Trust Deed.
- holders' interests.

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

### Indemnity

PURE, as the Trustee of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Trustee. The Trustee may retain and pay out any monies in its hands all sums necessary to affect this indemnity.

### Related party transactions

The Trustee and its associates are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Fund or with any company or body in which the Fund is invested or who provides services to the Fund. Any such transactions will be on arms-length commercial terms. The Trustee and its associates are also permitted to hold Units in the Fund in any capacity.

### Privacy Statement

The Privacy Act 1988 (Privacy Act) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. We may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal

and regulatory obligations (including under the Corporations Act, the AML Legislation and tax related legislation).

### Direct Investors

You must ensure that all personal information which you provide to us is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise us of the changes in writing. If you do not provide the information requested we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

By completing the Application Form, you agree to us:

- collecting, holding and using your personal information to process your application as well as administering and managing the Fund. This includes managing data, monitoring, auditing and evaluating the Fund, communicating with you and dealing with any complaints or enquiries;
- disclosing your personal information to other members of our corporate group or to third parties in Australia or offshore which provide services in connection with the Fund, for example:
  - financial advisers or dealer groups, their service providers and/or any joint holder of an investment; and
  - the Unit Registry, Fund Administrator, auditors, or those that provide mailing or printing services.

We take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

- using your personal information to offer PURE investment products or services that may be of interest to you unless you request us not to. We will not sell your personal information to other organisations to enable them to offer products or services to you;
- disclosing your personal information to other parties if you consent or if we believe that the law requires or permits us to do so, or to any person proposing to acquire an interest in our business, provided they agree to treat your information in accordance with the Privacy Act.

Under the Privacy Act, you may request access to any of your personal information that we hold. And contact us to make a request relating to the privacy of your personal information using the contact details provided in this IM. PURE's privacy policy can be found at [www.puream.com.au/privacy](http://www.puream.com.au/privacy).

## Other Important Information

---

### **Anti-money laundering, counter-terrorism financing**

PURE is required to collect certain customer identification information (and verify that information) in compliance with AML Legislation before it can issue Units to you. We may refuse to accept and Application Form or decline to issue Units to you until we have satisfactory concluded our customer identification procedures. PURE may also compulsorily redeem any Units, or may delay or refuse any request or transaction, including by suspending the issue or redemption of Units, if PURE believes that the request or transaction may cause us to contravene AML Legislation. PURE will incur no liability to you if it does so.

We may, from time to time, be required to contact you to request additional information for identification or verification purposes. By applying for Units, you agree to the following:

- you will supply, or procure the supply of, any documentation and other evidence and perform any acts to enable us to comply with AML Legislation at our reasonable request;
- if we suspect that you are in breach of AML Legislation applicable in Australia elsewhere, all we believe we are required to take action under AML Legislation or any applicable law in Australia or elsewhere, we may take any action we consider appropriate, including redeeming your Units and refusing or ceasing to provide you with services, in order to comply with any laws relating to AML Legislation or any request of the relevant regulatory authority; and
- we may, in our absolute discretion, with or without notice to you, disclose or otherwise report the details of any transaction or activity, or propose transaction or activity, in relation to the Fund (including any personal information as defined in the Privacy Act that you may have provided to us) to any reporting body authorised to accept reports under AML Legislation applicable in Australia or elsewhere.

# FATCA & CRS

---

## Foreign Account Tax Compliance Act ('FATCA')

In April 2014, the Australian Government signed an intergovernmental agreement ('IGA') with the United States of America ('U.S. '), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

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

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

## Common Reporting Standard ('CRS')

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

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. From 1 July 2017, Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

To comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

# Dictionary

---

**AML Legislation** - Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Financial Transaction Reports Act 1988 (Cth) and any similar legislation and regulations, as amended from time to time.

**Application Form** - The application form used by investors who wish to subscribe for Units in the Fund and accompanying this IM.

**ASIC** - Australian Securities and Investments Commission.

**ASX** - Australian Securities Exchange.

**business day** - A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney and Melbourne.

**buy/sell spread** - The buy spread is the difference between NAV price and the Issue Price. The sell spread is the difference between the NAV price and the Redemption Price of Units in the Fund. Collectively this is known as the Buy/Sell Spread. The Buy/Sell Spread for the Fund is 0.35% per application or redemption excluding GST.

**Corporations Act** - the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

**Distribution** - The amount that is paid to Unit Holders after the end of a distribution period. This generally includes any income and realised capital gains. The distribution period for the Fund is at the conclusion of every calendar quarter.

**Foundation investors or investors** - an investor in the Foundation class of units under this IM.

**Fund or Unit Trust** – PURE Income and Growth Fund

**Fund Administrator** - Apex Fund Services Pty Limited, (ACN 118 902 891 AFSL 303253).

**Funds under Management or FUM** - means funds under management in the Fund.

**Gross Asset Value or GAV**- the total value of assets of the Fund.

**GST** - Goods and Services Tax.

**High-Water Mark** - The highest unit price for each relevant class of units in which a performance fee has been crystallised.

**Hurdle** – 8% and after deduction of other fees and expenses

**Investment Manager or Trustee** - PURE Asset Management.

**Issue Price**: the NAV of the Fund as calculated, and divided by the number of Units on issue, on the Valuation Date plus the buy spread.

**Net Asset Value or NAV** - the value of assets of the Fund less the value of the liabilities of the Fund.

**portfolio** - all assets held by the Fund, including securities and cash.

**PURE Asset Management** - PURE Asset Management Limited (ACN 616 178 771)

**RBA cash rate** - overnight money market interest rate issued by the Reserve Bank of Australia.

**Redemption Price** - the NAV of the Fund as calculated, and divided by the number of Units on issue, on the Valuation Date less the sell spread.

**Redemption Request** - a written request by the Investors for redemption of some or all of the investors' Units.

**RITC** - Reduced Input Tax Credit. The Trustee will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

**Trust Deed** - The trust deed of the Fund which sets out the rights, responsibilities and beneficial interest of both Unit Holders and the Trustee in relation to the Fund.

**Unit** - A beneficial interest in the Fund.

**Unit Holder or investor** – a holder of Units in the Fund.

**Valuation Date** - the last business day of a month.

**Wholesale Client** - persons or entities defined as such under the Corporations Act.