



Information Memorandum Altor Alpha Fund

For the offer of up to 35,000,000 fully paid ordinary units in the capital of the Altor Alpha Fund at an issue price of \$1.00 per unit

The Trustee of Altor Alpha Fund is Altor Capital Management Pty Ltd ACN 616 053 653. Altor Alpha Fund is managed by Altor Alpha Funds Management Pty Ltd ACN 628 563 280, a Corporate Authorised Representative of AC AFSL Pty Ltd ACN 609 644 822 (AFSL No. Number 495647)

Corporate Directory

Fund Manager

Altor Alpha Funds Management Pty Ltd

ACN 628 563 280

Corporate Authorized Representative of AC AFSL Pty Ltd

(AFSL Representative Number – 001268417)

Trustee

Altor Capital Management Pty Ltd

ACN 616 053 653

Corporate Authorized Representative of AC AFSL Pty Ltd

(AFSL Representative Number – 001268609)

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Important Notice

Altor Alpha Funds Management Pty Ltd ACN 628 563 280 (Manager), an authorised representative of AC AFSL Pty Ltd ACN 609 644 822, AFSL No. 495647 (Licensee), has prepared this Information Memorandum to assist certain identified persons who qualify as wholesale clients within the meaning of the Corporations Act 2001 (Cth) (Corporations Act) to consider applying for units in the Altor Alpha Fund (Fund or Trust) as detailed in this memorandum. The trustee of the Fund is Altor Capital Management Pty Ltd ACN 616 053 653 (Trustee) who is the issuer of the units in the Fund (Units).

This Information Memorandum is supplied to you, the recipient, on the conditions set out below. By continuing to read this Information Memorandum, you are taken to agree to these conditions and give the warranties which are stated to be given by each recipient. If you do not agree to these conditions, please return this information to the Manager and destroy all copies (including electronic copies) of this Information Memorandum.

The information in this Information Memorandum is provided only as a matter of interest. It does not amount to a recommendation, either expressly or by implication, with respect to an investment in, acquisition of or issuance of interests in the Fund. The information contained in this Information Memorandum is general information only and does not take into account your individual objectives, financial situation or needs. You should assess whether the information is appropriate for you and consider talking to an appropriately qualified financial adviser before making an investment decision.

This Information Memorandum does not constitute a securities recommendation or financial product advice. None of the Manager, the Trustee or the Licensee is a taxation, legal, accounting or other professional advisor and you should consult appropriate professional advisors on any taxation, legal, stamp duty and accounting implications of making an investment in the Fund. Further, the content within this document is not an offer or solicitation to enter into any agreement of any kind or intended to have that effect.

This Information Memorandum does not purport to contain all of the information that may be required to evaluate an investment in the Fund and, before acting in reliance on the information in this Information Memorandum, investors should check its accuracy, reliability and completeness and obtain independent and specific advice from appropriate experts.

None of the Manager, the Trustee, the Licensee or their respective advisers, related bodies corporate and associated entities, shareholders, directors, partners, officers and employees (together, the Altor Parties) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Information Memorandum or subsequently provided by any of the Altor Parties including, without limitation, any historical financial information, the estimates and projections, and any other financial information, and nothing contained in this Information Memorandum is, or may be relied upon as, a promise or representation, whether as to the past or the future.

No person is authorised to give any information or to make any representation in connection with the Fund that is not contained in this Information Memorandum. Any information or representation not contained in this Information Memorandum may not be relied upon as having been authorised by the Manager, the Trustee or the Licensee in connection with the Fund.

Any investment in the Fund is subject to investment risk, including possible delays in payment and loss of income and capital invested. None of the Altor Parties guarantees any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital. Past performance should not be relied upon as an indication or guarantee of future performance.

The financial performance estimates detailed in this Information Memorandum have been prepared on the basis of certain assumptions which are set out elsewhere in this document. The estimates do not constitute any warranty, representation or guarantee that the Issuer will return a certain level of performance: the estimates are only indications based on a given set of assumptions about future circumstances. Various factors may affect the Manager's ability to meet these financial performance estimates. Whilst care has been taken preparing the estimates

set out in this Information Memorandum, you should be mindful of the potential impact of such factors as changing domestic and international economic conditions, fluctuations in interest rates, changes to property market conditions, inflation, potential legislative changes and the other risk factors set out elsewhere in this document on the Manager's ability to meet these estimates. A non-exhaustive summary of the key risks associated with the Fund is set out in the 'Risk Factors' section of this document.

This Information Memorandum has been provided to you by the Manager for the sole purpose of considering making an investment in the Fund, on the express condition that the contents will be regarded and treated as strictly confidential. This Information Memorandum may not be reproduced or used in whole, or in part, for any purpose other than that for which is permitted by the Manager in writing.

The contents of this Information Memorandum which are not public knowledge are confidential and must not be disclosed by you to any person, except your employees and consultants on a need to know basis and subject to their treating it as strictly confidential.

No Representation or Warranties

To the fullest extent permitted by law none of Altor Parties:

- represents or warrants (expressly or impliedly) that the information herein is complete, true and correct and not misleading or likely to be misleading or deceptive and you should make your own enquiries to ascertain the accuracy of any information upon which you intend to rely;
- are responsible or in any circumstances liable (whether at law, in equity, under statute or otherwise) for any statement made or anything contained in or arising out of the Information Memorandum, including without limitation, any errors, misrepresentations or omissions.

No person other than the Manager has been authorised to give any information (other than as contained in this Information Memorandum), or make any representation or warranty in connection with this Information Memorandum or any potential investment in the Fund on behalf of the Trustee and any such information, representation or warranty should not be relied on as having been authorised by the Trustee.

This Information Memorandum has been prepared by the Manager based on information and facts available to it as at January 1st, 2019. All references to monetary amounts in this Information Memorandum are in Australian dollars.

No party shall have any responsibility to update this Information Memorandum in any respect. By reading this Information Memorandum you warrant that you are a wholesale client (as that term is defined in the Corporations Act. If you are unsure whether you are qualify as a wholesale client you should consult an appropriately qualified professional adviser before taking any action in relation to this Information Memorandum or choosing to make an investment in the Fund.

This Information Memorandum has not been, nor is it required to be lodged with ASIC, and does not contain information that may be expected to be found in a prospectus, product disclosure statement or other regulated offer document. You should read this Information Memorandum carefully before making any decision on whether to invest in the Fund. You cannot invest in the Units unless you complete the online Application Form, which can be accessed using the link provided within this Information Memorandum.

This offer is available to persons receiving the Information Memorandum within Australia. None of the Altor Parties represents that this Information Memorandum may be lawfully offered, in compliance with any applicable legislation or other requirements in any other jurisdiction, or pursuant to an exemption available under another jurisdiction, or assume any responsibility for facilitating any such distribution or offering. This Information Memorandum is not to be distributed in, and no offer of any securities is to be made in countries other than Australia. The distribution of this Information Memorandum in other jurisdictions may be restricted by law and therefore persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Contents

▶ Letter from the Managing Director	5
▶ 1. Details of the Offer	9
▶ 2. Legal Information	13
▶ 3. Overview of Altor Alpha Fund	16
▶ 4. Investment Strategy	22
▶ 5. Management of Altor Alpha Fund	26
▶ 6. Risk Factors	29
▶ 7. Summary of Management Agreement	35
▶ 8. Summary of Trust Deed	37
▶ 9. Fees and Expenses	43
▶ Glossary	46
▶ Application	48



Indicative Timetable

Opening Date of Offer 1st January 2019

Closing Date of offer 30th June 2019

The above dates are indicative only and may vary. The Trustee reserves the right to extend the Closing Date of the Offer or close the Offer early without notice.



Letter from the Managing Director

Letter from the Managing Director



Harley Dalton

Dear Investor,

It is with great pleasure I invite you to join me as a unitholder in the Altor Alpha Fund (Fund) managed by Altor Alpha Funds Management Pty Ltd (Manager). The Fund is predominantly focused on finding special investment opportunities outside the ASX300 that generate superior returns. The Fund will invest capital via a multi-strategy mandate seeking investment opportunities that offer commensurate returns for the risks involved.

I was the founder, director and CEO of DNR Capital up to 2014, one of Australia's leading and recognised ASX200 Australian equities fund managers. I grew that business from its inception to have in excess of AUD \$1billion in assets under management prior to exiting.

After extensive time in capital markets, I believe there is considerably greater value-add from an asset manager operating in the small-cap and micro-cap markets.

Large company investing is crowded, competitive and access to information is vast. Investors today have a variety of low-cost instruments such as exchange traded funds, listed investment companies and quality fund managers at their disposal. All of these products and corresponding investment infrastructure is predominantly focused on the top 300 companies listed on the ASX.

Australia has a unique investment landscape. There is a plethora of innovation and entrepreneurship; However, our private capital markets are still very immature. This means emerging growth companies come to public markets (i.e. ASX) to raise funds.

Currently, there are just under 2,300 companies listed on the ASX. Incredibly, 1,586 of these companies are under a \$200m market cap, 1,375 companies are under a \$100m market cap and 1147 companies under a \$50m market cap. It is on these companies that the Altor Alpha Fund is laser focused. (Factset 30/10/2018)

After working intimately with the Altor Alpha Fund management team for many years, I believe there is a genuine value-add, solid investment process and compelling opportunities in this sector.

We have been pleased with the performance to date that has built the foundation for the establishment of this Fund. The Manager and investment team has an existing 18 month track record of significant outperformance overseeing personal and external money in the Altor Founders Fund. David McNamee has extensive experience in the sector during his time as the Associate Portfolio Manager at one of Australia's leading micro-cap funds and as an investment adviser with Bell Potter Securities. I am excited to overlay my experience and learnings with what I believe is a compelling team and product.

The investment team will co-invest alongside our clients to solidify strong alignment with our unitholder's interests.

Changing Market Environment

Technology and innovation is changing everything about our everyday lives and reshaping how business transactions take place. Many of the largest and most influential companies in the world today were only established during the past 30 years.

Large traditional companies with rigid structures, profit margins and low innovation spend have experienced difficulties operating in this environment. Many of these companies have focused on cost reduction strategies to compete, and subsequently have been slow to incorporate new technologies.

Arguably, much of the recent capital appreciation in traditional companies can be attributed to cheap debt and/or financial engineering, acquisitions and cost reductions.

While large corporations can leverage their balance sheets off the low interest rate environment, capital remains scarce for companies with a high risk-return profile particularly in Australia. The public markets have been a source of less sophisticated capital from retail and high net worth parties, meaning that private capital markets are still maturing.

There are tremendous investment opportunities that exist in the emerging growth sector outside of the ASX300. Many of these companies are at the forefront of innovation, technologies and industries. These companies are nimble forward-thinking and therefore first to move into sectors with large and positive macro-economic trends.

The Altor Alpha Fund is well placed to capitalise on these special investment opportunities.

Active Fund Manager:

Experience and history tells us that cheap capital will not last forever and early signs of inflation and capacity constraints in the United States are appearing. Limited access to capital will bring volatility and tougher times for investors over the next few years. I believe we have the right structure and experience in the investment team to capitalise on value opportunities during this period.

Altor Alpha Funds Management is an active fund manager that seeks investment opportunities offering commensurate returns for the risks undertaken. The flexible, multi-strategy mandate allows for opportunities to be pursued across a range of sectors and across a variety of investment structures.

We undertake extensive due diligence in understanding the investments we deploy capital in and look at opportunities which exhibit the following:

- A near term catalyst;
- Strong business moat
- Strong macroeconomic thematic;
- An experienced management team;
- Superior earnings or revenue growth momentum and;
- Attractive valuation

Altor Alpha Funds Management is catalyst driven to avoid value traps and to track execution by management. We co-invest in the fund with our investors and are committed to delivering on absolute returns each year.

We believe the risk of investing in large conventional companies will continue to increase as disruptive technologies erode traditional markets. The fund will not invest in standard industry plays and is not beholden to index-tracking, maintaining “relative performance” or portfolio weightings.

We believe the investment management team should remain flexible to assess value in all sectors. The Fund should also have the ability capture as much of the return from early investments that are successful.

Diverse Sector Exposure

The flexible mandate of the Fund affords investors access to a large universe of investment opportunities, in a variety of sectors, and across a variety of investment structures. This allows the Fund to manage the risk of the portfolio more effectively.

Mispricing – Asymmetric Information

Companies in the small-cap and micro-cap space are typically in their earlier growth cycle and have significantly less broker coverage compared to those within the ASX300. In our view, a large majority of the investor base fall into the category of retail and high-net worth shareholders who are not actively engaged, have shorter investment time horizons and are impatient. We believe inefficient pricing exists more frequently in this market and leads to opportunities for a disciplined and detailed investor.

Access to Management/Ability to Influence

With little interest from professional investors the fund management team is able to have greater access to company management. This allows the investment team to conduct deeper analysis of a business. The opportunity therefore exists to be actively engaged with the management, provide strategic direction, capital market advice and introduce the company to potential partners or clients.

Experienced Investment Team:

Our investment team has investment experience spanning over 40 years cumulatively with a multi-disciplinary skill-set across investment banking, wealth management, private equity, venture capital, operations, business management and strategy. The wealth of experience allows the team to effectively understand the dynamics of companies and the issues they face over their investment life cycles. Further details regarding the investment team are set out below in section 5.

As aforementioned, The Manager has a strong existing performance track record over an 18 month period, the investment team has extensive track record in the sector and I have a track record with building quality product businesses.

The global relationships the team have established with other corporate advisers and stockbrokers allows the Fund to gain access to exclusive opportunities like private placements, pre-IPO and capital raisings. The team has extensive deal flow from Canada, United States, Hong Kong and Australia.

We look forward to welcoming you to the Fund and joining us in finding opportunities aimed at delivering superior returns.

Yours sincerely,

Harley Dalton

Managing Director



1. Details of the Offer

This section is not intended to provide full information for investors intending to apply for Units pursuant to this Information Memorandum . This Information Memorandum should be read and considered in its entirety.

The performance of Altor Alpha Fund is not guaranteed by the Trustee, the Manager or any adviser to the Fund.

1.1 The Fund

Altor Alpha Fund is an unregulated unit trust that will operate as a diversified investment trust with a multi-strategy mandate. The Fund will seek investment opportunities which offer commensurate returns for the risks involved and will invest across a broad range of sectors. Further details about the proposed use of funds can be found in section 1.7.

Investments will be made either via a direct injection of new capital into investee companies or via direct share purchases on listed share markets.

1.2 The Opportunity

The Trustee is seeking subscriptions for up to a maximum of 35,000,000 Units at A\$1.00 each to raise up to A\$35,000,000 (before costs). The Trustee reserves the right to change the targeted amount to be raised and/or the period during which it will accept subscriptions at its sole discretion.

1.3 Applications

Applications for Units must be for a minimum of \$50,000 and thereafter in multiples of \$10,000. Applicants must transfer the funds via online remittance methods that are explained in the online Application Form.

The Trustee reserves the right to close any of the Offers early.

1.4 Allotment

Allotment of Units under the Initial Offer will take place as soon as practicable prior to allotment, all application monies shall be held by the Trustee on bare trust. The Directors reserve the right to allot Units in full for any application or to allot any lesser number or decline any application. Where the number of Units allotted is less than the number applied for, or where the allotment is made, the surplus monies will be returned to the applicant within seven (7) days of the allotment date. No interest will be paid on any monies returned to applicants.

1.5 Term and Exit strategy

Due to the nature of the investments being undertaken, The Manager intends to invest the funds and retain the portfolio for an approximate five-year term (Term).

Investors will have the ability to redeem their Units prior to the expiration of the Term via a quarterly redemption process. This will be handled in conjunction with a fund administration provider.

The Trustee has the right to determine if it is necessary or desirable for the protection of the Trust or in the interests of Unitholders (as a whole) to reject a withdrawal request or to generally suspend withdrawals for any period it determines is reasonably necessary and in find the best interest of all Unitholders.

1.6 Distribution Policy

It is the intention of the Trustee to make regular distributions of Trust profits in the form of annual distribution payments. The amount of the distributions paid by Altor Alpha Fund will be at the discretion of the Directors and will take into account:

- ▶ Investment performance in the relevant period
- ▶ Market conditions
- ▶ Any dividends paid by investee companies
- ▶ The Trust's financial position at the time

It is the intention of the Fund to make distributions where possible.

1.7 Use of funds

- a) The majority of Unitholder funds will be used to invest into identified opportunities. Investment opportunities will be based on a broad set of principles, including:
 - (i) Investing in micro, small and mid-capitalisation companies;
 - (ii) Early stage unlisted opportunities where the company's intention is a listing within 18 - 24 months;
 - (iii) Taking advantage of corporate transactions (takeovers, mergers, capital raisings, activism and sell-downs);
 - (iv) Investing in companies where securities are being issued or sold below the current market price or intrinsic valuations;
 - (v) Invest based on large macro thematic (interest rate moves, emerging markets etc.);
 - (vi) Invest in a range of structures including equity, hybrids, options and term debt; and
 - (vii) Going short indices .
- b) Funds will also be used to attend to the Trust's administration expenses including, accounting, transaction fees, fund administration, auditing and legal fees. For further information regarding the administration expenses please refer to section 7.



2. Legal Information

2.1 Applications outside Australia

This Information Memorandum does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any persons whom, it would not be lawful to make such an offer or issue this Information Memorandum. The distribution of the Information Memorandum in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Information Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Units pursuant to this Information Memorandum. The return of a completed online Application Form will be taken by the Trust to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

2.2 Underwriter

The Offer is not underwritten.

2.3 Commission on Application Forms

The Manager reserves the right to pay a commission to any AFS Licensee in respect of valid applications lodged and accepted by the Fund and bearing the stamp of the AFS Licensee. Payments will be subject to the receipt of a proper tax invoice from the AFS Licensee.

2.4 Unit Certificates

The Fund will be issuing Unit certificates or holding statements to Unitholders.

2.5 Risk Factors

Prospective investors in the Trust should be aware that subscribing for the securities the subject of this Information Memorandum involves a number of risks. These risks are set out in Section 6.0 of this Information Memorandum and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Trust.

The risk factors set out in Section 6.0, and other general risks applicable to all other investments in listed and unlisted securities not specifically referred to, may in the future affect the value of the Units. Accordingly, an investment in the Trust should be considered speculative.

2.6 Privacy Statement

If you complete an Application Form, you are providing personal information to the Trust. The Trust collects, holds and will use that information to assess your application, service your needs as a Unitholder and to facilitate payments and corporate communications to you as a Unitholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies; including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses; and the Share Registry.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), and the Corporations Act. You should note that if you do not provide the information required on the Application Form, the Trustee may not be able to accept or process your application.

2.7 Taxation Implications

The Trustee, its advisers and its Directors and officers do not accept any responsibility or liability for any taxation consequences. As a result, investors should also consult their own professional tax advisers in connection with subscribing for Units under this Information Memorandum.



3. Overview of Altor Alpha Fund

The Altor Alpha Fund is an unregistered managed investment scheme structured as a unit trust. It is a boutique fund predominantly focused on finding special investment opportunities outside the ASX300 that generate superior returns. The Fund will invest capital via a multi-strategy mandate seeking investment opportunities that offer commensurate returns for the risks involved. The Fund will invest across a broad range of sectors.

Fundamentally, the Fund believes there is currently a lack of sophistication in the small and micro-cap market around assessing and monitoring these opportunities. A significant majority of the capital in both primary and secondary markets comes from retail and high-net worth individuals. These investors are generally time-sensitive and have shorter investment time horizons. In our view, they have limited access to management and external independent experts to develop an in depth understanding of the investment.

Diversification is critical to manage risk within this sector. Liquidity constraints, management execution timeline delays and unforeseen circumstances are some of the ongoing concerns that the Fund is always mindful of. The Fund is focused on ensuring there is immense upside potential for the corresponding risk. The Fund is committed to having a quality portfolio of risk/reward investments with a perceived significant expected value.



Objective

Investing in special opportunities outside the ASX300 that generate superior returns



Strategy

Multi-strategy with high risk profile mandate allowing investment across a broad range of sectors and structures



Investment Team

Experienced investment team with a diverse range of capabilities across funds management, private equity, corporate advisory and strategic management



Proprietary Investment Process

Rigorous investment and due diligence processes in place to understand catalysts and risk-return profile



Proven Track Record

Proven track record in funds management and investing in smaller companies



Strong Network

Strong relationships with boutique corporate advisors and stockbrokers across Australia allows access to exclusive opportunities

To manage this diversification of investments it takes a great deal of time, research and understanding from a committed investment team. The investment team between them have over 40 years of investment experience across a range of industry sectors. The management have a noteworthy track record of investment returns and ethics within the financial industry.

The Fund is a genuinely active fund manager with an investment team that has a disciplined and proven investment approach particularly regarding smaller market capitalisation companies.

The Fund is catalyst driven to avoid value traps and to track execution by management. We co-invest in the Fund with our investors and are committed to delivering on absolute returns each year.

The Fund will selectively invest in small companies that display:

- A near-term catalyst;
- Strong business moat;
- Strong macroeconomic thematic;
- An experienced management team;
- Superior earnings or revenue growth momentum; and
- Attractive valuation and perceived downside protection

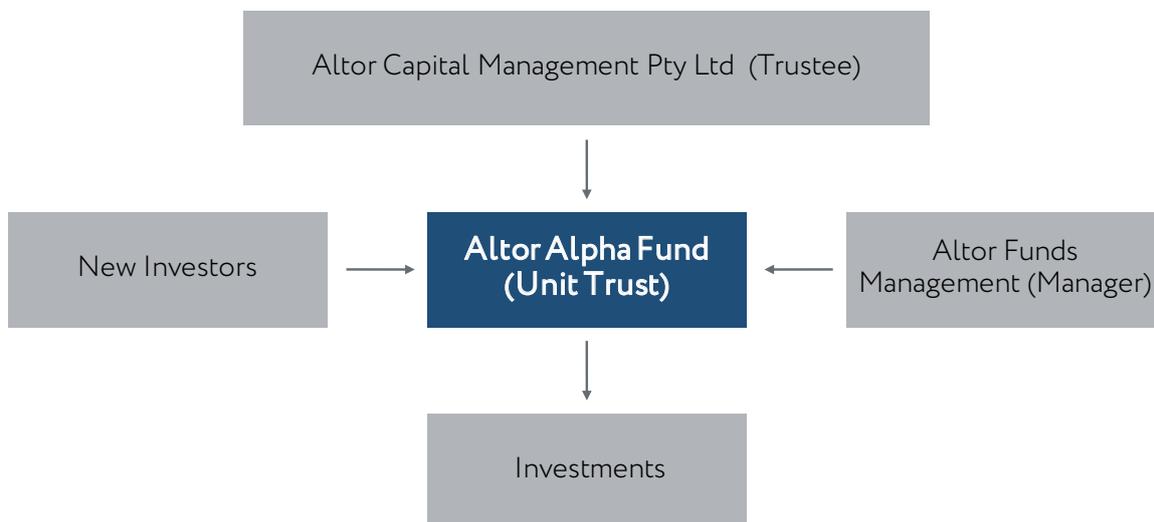
Given the vast experience of management, market and liquidity risks in this sector are well understood. Therefore, when market conditions inevitably become tougher the Fund needs to have flexibility to seek value opportunities in different places or different structures. This is reflected by the multi-strategy mandate.

Management have vast experience across a range of capital market structures including hybrids, debt, equity and other alternate methods. All of these investment options can provide lower volatility and better protection for the Fund during more difficult market conditions.

Investment opportunities will be based on a broad set of principles, including:

- investing in micro, small and mid-capitalisation companies;
- taking advantage of corporate transactions (takeovers, mergers, capital raisings, activism and selldowns);
- investing in companies where securities are being issued or sold below the current market price or intrinsic valuations;
- invest based on large macro thematic (interest rate moves, emerging markets);
- invest in a range of structures including equity, hybrids, options and term debt; and
- going short indices as a hedge against broader negative market movements

The following diagram represents the structure of the Trust:



3.1 Why the Small and Micro-Cap Sector?

Small companies are overlooked by large investment groups even if they represent exceptional growth opportunities. Simply, the commercial value, lower liquidity and volatility is not viable for large business.

There are almost 2,300 companies currently listed on the ASX and generally speaking only the largest 400 are monitored comprehensively by the leading broking firms, analysts and traditional fund managers. This means there are hundreds of potential opportunities that go largely undetected by the bigger investment institutions.

In fact, 1586 companies on the ASX are under a \$200m market cap, 1,375 companies are under a \$100m market cap and there are still 1,147 companies under a \$50m market cap. (Factset 30/10/2018)

The microcap sector of the ASX retains a number of characteristics that leads to exceptional investment opportunities for organised, experienced and nimble capital investors like Altor Alpha Funds Management.



Impatience:

Small traders and private investors who dominate this sector often possess a very short time horizon and can often be unwilling to wait for value to be realized. Due to liquidity constraints this can cause large price volatility.



Lack of rigorous financial analysis and sophistication:

A lack of formal analysis of microcaps leads to an information void which leads to excessive risk aversion and mispricing of company's shares.



Transaction driven:

This sector is also driven by brokers who are remunerated according to volume of transactions so there is often constant switching from one small company to another with little attention paid to underlying fundamentals.



Supply and Demand:

Share price movements in smaller companies are more volatile due to liquidity constraints.



Cutting edge technologies and industries:

Small companies are often at the forefront of growth industries and provide early exposure to first mover advantages in these new industries.



Strategy

- ▶ Predominantly under \$50m market cap
- ▶ Seeking a realistic multiple x return potential
- ▶ Clear catalysts for a revaluation
- ▶ Looking for undervalued and misunderstood sectors and companies
- ▶ Very few professional and dedicated investors in the market segment

3.2 Technology disrupting traditional businesses

Technology is changing everything about our daily lives and reshaping how business transactions take place. A number of the largest and most influential companies in the world were only established over the past 30 years. Large traditional companies with rigid structures, profit margins and low innovation spend have found it a very difficult operating environment.

Many of these companies have focused on cost reductions to compete and have been very slow to incorporate innovation. It can be argued that much of the recent share price growth in these traditional companies can be attributed to cheap debt and/or financial engineering, acquisitions and cost reductions.

In today's world, the rate of change is the greatest it has ever been driven by exponential computing power growth, artificial intelligence and adoption of technological devices by the wider population. We believe investors and share prices in traditional companies do not account for the emergence and rapid adoption of new and better technologies.

Investors are becoming more aware of this risk and having a diversified allocation to this sector is therefore important.

3.3 Information Void

A feature of investing in small companies is that by default these companies tend to be involved in new industries, technologies or fields that involve the application of specialised technical knowledge.

To analyse these companies it then requires not only financial modeling of probable outcomes and market knowledge, but also specific technical knowledge. It is rare for private investors to possess all the requisite skill sets to properly analyse these companies and if they were to approach expert consultants it would be very costly.

More importantly, it takes years of experience in capital markets to understand and evaluate what the market is looking for and how the market may react to different announcements and milestones.

At Altor Alpha Funds Management, we combine our extensive financial market knowledge and our valuation skills with independent experts within our network. Thus, we aim to fill the information void with high quality analysis which allows us to place a valuation on companies that normally swing widely in price because the market is unsure of what they are worth.

A close-up photograph of a person's hands holding binoculars. The binoculars are dark blue or black, and the lenses are reflecting a warm, orange and red sunset sky. The person's hands are visible, and they are wearing a dark watch on their left wrist. The background is a clear, light blue sky. The overall mood is one of focus and looking forward.

4. Investment Strategy

Before making the decision to invest its capital in a particular company, the Fund conducts investigations of both a quantitative and qualitative nature. This includes financial analysis, industry analysis and in-depth people analysis which is a review of directors and senior management.

The investment management team has a number of investment due diligence phases that have been built over extensive learnings and time in capital markets (including a number of investment cycles).

The investment management team use a number of fundamental and technical filters to seek out potential opportunities into an initial phase.

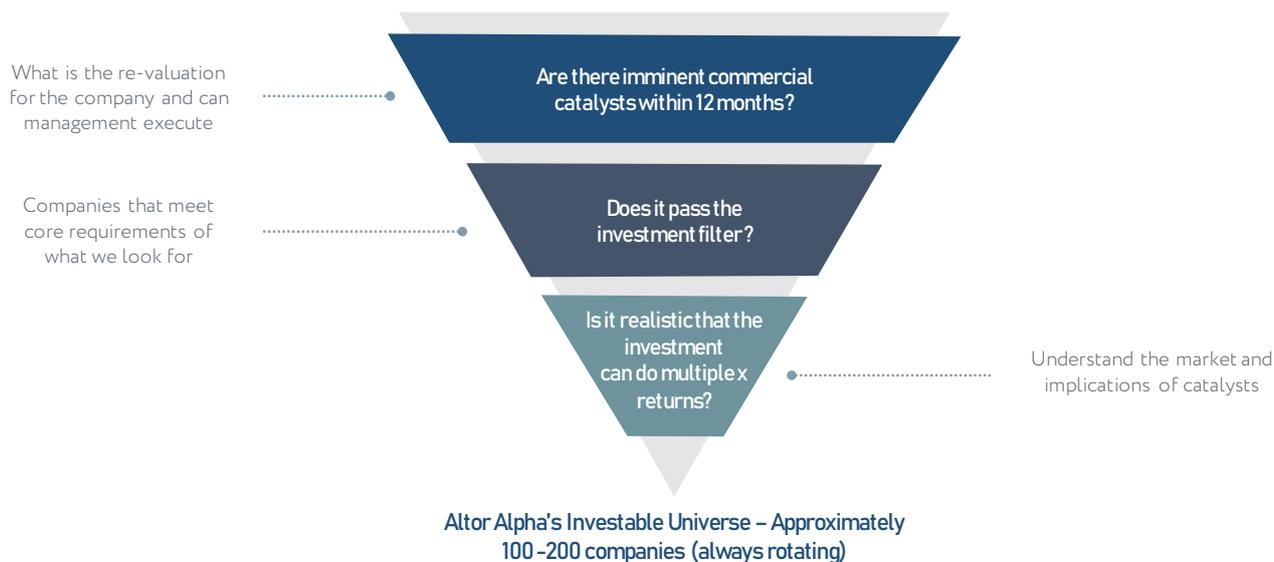
Other opportunities are generated by deal flow from our excellent network of specialist small company corporate advisers and stockbrokers from across Australia. We have built strong relationships with a number of these advisers to ensure quality allocations in the deal flow.

Once we have run an initial phase review on the companies, they are then subjected to a strict financial analysis process to ensure they meet certain financial health criteria.

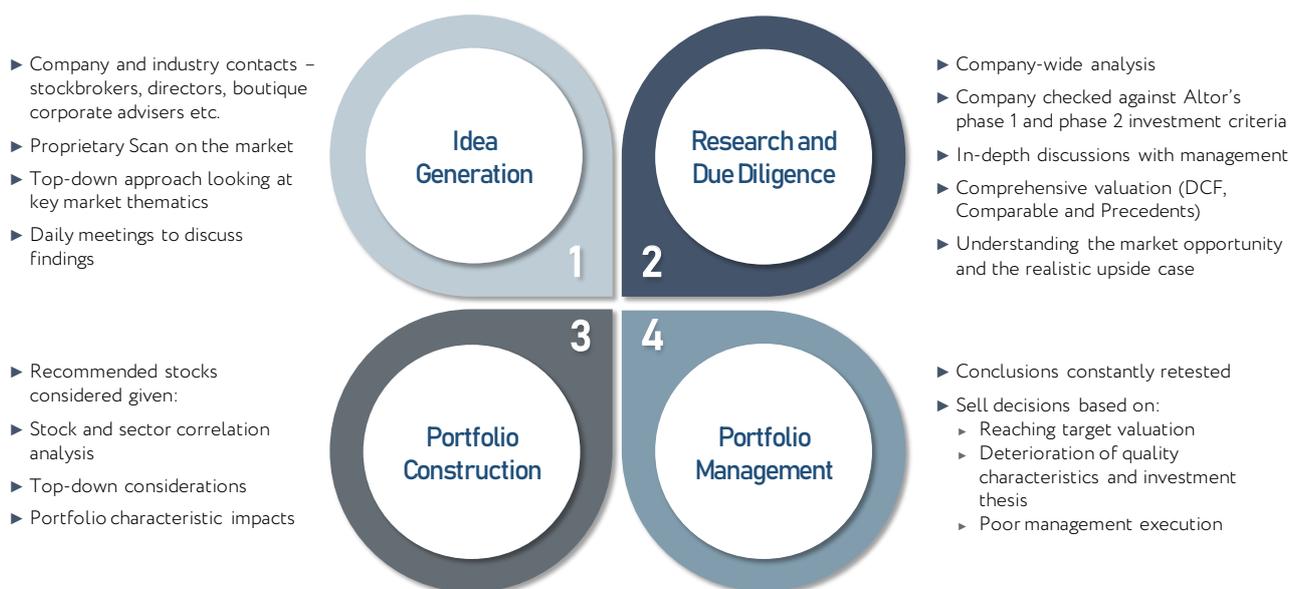
The investment management team typically meet with the directors or senior management of each company. Their track records are then examined and we will do channel checks within our trusted network to verify.

Only after conducting appropriate financial and qualitative analysis will the Fund begin accumulating shares in a particular company. We then closely monitor the company to ensure it is adhering to its stated objectives and timeframes.

Listed Australian Micro Cap Companies (under \$200m) +1500 companies



The investment management team will remain actively engaged in helping and providing strategic, financial and capital markets advice to investee company management. The team will actively seek to introduce them to merger opportunities, potential capital raising partners, and complimentary opportunities that may assist them to grow faster.



4.1 Portfolio

To mitigate risk and with consideration to specific company risk and liquidity factors it is envisaged that the Fund will have a diversified suite of holdings in a wide range of industries and sectors. It is anticipated the portfolio will hold between 30-60 positions once fully established.

4.2 Monitoring Process

Once an investment has been made, it is monitored in two ways:

- i) **Technically:** This is monitoring the trading activity in the companies’ shares using price and volume data which is then inputted into various technical indicators. These indicators provide information on trend strength, increasing volume and potential trend changes.
- ii) **Fundamentally:** Regular contact is maintained with directors of each company, and ASX announcements and releases to the market are scrutinized as soon as they become available. In addition, the industry each company is involved in is monitored for new competition, deteriorating conditions, or other negative dynamics.

4.3 Financial Analysis Undertaken

- i) **Balance sheet Analysis:** Ensuring the investee company has enough cash and other liquid assets to sustain its business plan and how the company intends to fund its operations in the future. The level of debt, if any, is important and unless the company has a sustainable cash flow, we avoid small companies with any significant non-convertible debt.
- ii) **Cash Flow analysis:** Analysis of cash flow statements to bolster the reliability of the Profit and Loss statements to identify that the company is generating cash profits as opposed to accounting profits.
- iii) **Calculation of any discount to net asset backing:** In some cases, the share price of companies can trade below the net asset backing of the company. These assets are usually cash, property, plant and equipment and even royalty streams and license fees. In these cases, little or no value is being ascribed to the actual operations of the company. These situations often represent excellent low risk opportunities.
- iv) **The discount to a conservative capitalised earnings model:** If the company is earnings positive, we can calculate a fair value based on standard valuation techniques. If the share price is trading at a significant discount to this valuation, we will generally look to accumulate shares in the company.
- v) **Special Situations:** A recapitalisation of a distressed business, reverse merger or acquisition of an unlisted asset at below market multiples.

4.4 Ownership Structure

The Fund looks at who the major shareholders of a particular company are and how committed they are to the upside going forward. This is crucial to understanding the alignment of the management with shareholders. It will also be determined if directors and management hold large parcels of shares, and if there is a fractious relationship between any major shareholders and directors.

4.5 Portfolio Risk Management

The investment management team seeks to mitigate risk in a number of ways:

1. Direct and regular contact with directors, management as well as conducting onsite visits.
2. Performing significant financial analysis to ensure operations are well funded.
3. Ensuring we always buy at or below current valuation or asset backing and avoid paying a premium for not yet delivered blue-sky.
4. No single company on entry will represent more than 20% of total company assets.
5. Diversifying among a large number of small companies reducing overall risk to the Fund.
6. Use a number of investment structures that reduce volatility and risk



5. Management of Altor Alpha Fund

The Manager of Altor Alpha Fund is Altor Alpha Funds Management Pty Ltd ACN 628 563 280

The Manager's directors, Mr Harley Dalton, Mr David McNamee and Mr Ben Harrison, have extensive experience in capital markets. Further information on the background of management can be found in section 5.1 below.

The Manager and investment team has an existing 18 month track record of significant outperformance overseeing personal and external money in the Altor Founders Fund.

David McNamee has extensive experience in the sector during his time as the Associate Portfolio Manager at one of Australia's leading micro-cap funds and as an investment adviser with Bell Potter Securities.

Harley Dalton has significant reputation and track record building quality investment product businesses including DNR Capital; one of Australia's most prestigious active large-cap equity fund managers.

The Manager also draws upon the expertise of its network of independent experts when formulating investment decisions on companies that require industry specific technical analysis, for example mineral exploration, biotechnology, information technology.

5.1 Directors & Investment Committee



Mr Harley Dalton – Managing Director

Harley has over 20 years' experience in investments and the funds management industry. His key background and capabilities include leadership, strategy, negotiation and operational management. He has been actively involved in taking a number of businesses to public listing in the Australian share market, providing capital raising, structuring, debt, equity, and board composition advice in this process.

Harley was the founder, director and CEO of DNR Capital, one of Australia's leading and recognised Australian equities fund managers. He grew the business from start up to circa AUD \$1billion in assets under management prior to his exit. DNR Capital manages money on behalf of retail, wholesale and institutional clients both domestically and internationally.

Prior to founding DNR Capital, Harley worked for Hartley Poynton Stockbroking.

Harley has a Bachelor of Science from Griffith University, a Graduate Diploma in Applied Finance and Investment and is a member of The Australian Institute of Company Directors.



Mr David McNamee – Director & Portfolio Manager

David has extensive experience in private wealth management and investing in capital markets. David commenced his career as an Investment Adviser with Bell Potter Securities where he was involved in a number of early-stage listed and unlisted investment opportunities.

Before establishing Altor Alpha Funds Management David was a Director and Associate Manager of Scintilla Strategic Investments Limited, an unlisted public investment company that manages funds on behalf of high net worth investors. During this role, David was focused on small and micro-cap investment opportunities on the ASX. During David's time at Scintilla, the fund achieved enviable outperformance and its best performance to date over its 10-year track record.

David is actively involved in advising, mentoring and investing in a number of early stage companies.

David holds a Bachelor of Economics from The University of Queensland majoring in International Trade and Finance. He has completed Tier 1 qualifications in Securities & Managed Investments, Superannuation and Margin Lending from Deakin University.



Mr Benjamin Harrison – Director & Head of Investment Committee

Ben has extensive experience in advising and investing in companies.

He commenced his career as a project manager for a large international engineering consulting firm working on a number of infrastructure projects in Australia and Southeast Asia.

He later moved into investment banking, initially as an equities analyst for Wilsons then moving into corporate advisory where over a 5 year period he executed over \$2.0 billion in capital market transactions and \$5.5 billion of public M&A transactions.

Ben is active in the debt capital and private equity sectors in Australia. He is currently Chief Investment Officer for Altor Capital and holds board and advisory roles for a number of companies.

Ben has a Bachelor of Science and a Masters in Applied Finance and Investment.

A hand is shown pulling a wooden block from a tall, narrow tower of Jenga blocks. The tower is made of light-colored wooden blocks stacked in a traditional Jenga pattern. The hand is positioned on the right side of the frame, with fingers gripping the block. The background is a blurred indoor setting with a window and some furniture. The overall lighting is soft and slightly dim, creating a focused and delicate atmosphere.

6. Risk Factors

6.1 Introduction

An investment in the Altor Alpha Fund is subject to risk factors of both a specific and general nature. Individually, or in combination, these risk factors might affect the future performance of the Fund, and correspondingly, the value of an investment in the Trust.

Prospective investors should consider the risk factors described below, together with information contained elsewhere in the Information Memorandum, before deciding whether to apply for Units.

An investment in the Altor Alpha Fund should be considered speculative and high-risk. The following is not intended to be an exhaustive list of the risk factors to which the Trust is exposed. Before deciding to invest in the Trust, prospective investors should read this entire Information Memorandum and seek professional advice from their lawyer, accountant, stockbroker or other professional adviser.

6.2 Fund Specific Risk Factors:

Concentration Risk:

The Fund may invest a very high percentage of its assets in a limited number of securities. Consequently, the value of the Fund and its investment may be more adversely affected by any single adverse business, economic, political or regulatory event than investments in a more diversified portfolio.

Counterparty default

The Trustee and the Manager will engage with a number of third parties in the operation of the Fund. A default on the part of one of these counterparties (e.g. a service provider (e.g. fund administrator, accountant, auditor) or counterparty to a sale/purchase contract) could cause the Fund to suffer loss or negatively impact the value of the Fund's investments.

Currency Risk

The Fund will be denominated in Australian dollars which may appreciate or depreciate against an investor's base currency of investment.

Force Majeure

Force majeure events: including acts of God, fire, flood, earthquakes, war, acts of terrorism, and labour strikes may adversely affect the normal operations of financial markets or the activities of the Trustee or Manager and consequently may have a negative impact on the value of an interest in the Fund or its investments.

Fund Risk:

Risks particular to the Fund include that the Fund could terminate, Altor Alpha Funds Management could be replaced as Manager and its investment professionals could change. There is also a risk that investing via the Fund may give different results as opposed to investing directly due to income or capital gains accrued in the Fund and the consequences of contributions and redemptions by other investors.

Incentivised Fee Structure

While the incentivised fee structure is designed to align management's interests with investors (through the performance of the Altor Alpha Fund), investors should be aware that investments made on behalf of the Trust may be riskier or more speculative than in the absence of this incentivised structure.

Investment Selection Risk:

Some investments chosen will not perform as well as other investments in terms of capital return or income.

Licensing

Managing the Trust's investment portfolio on an ongoing basis in the manner described in this Information Memorandum and in accord with current legislation depends on the Manager's ability to maintain their position as a Corporate Authorised representative of a current AFSL holder and continued solvency requirements.

Liquidity Risk

If the Fund has a low cash balance, or had problems selling its listed investments, access to cash could be delayed. Similarly, if there is an interruption of regular trading on the securities exchange or for a particular asset of the Fund, there may be delays in processing redemption requests.

Low Cash Position

If the Fund has a low cash balance, this could hamper or delay the ability of the Fund to pay distributions.

Management Expectations

Potential Investors should be aware that it is not expected that every investment made by the Manager will prove to be profitable for the Trust.

Management Risk

The Fund's success in substantially growing its assets is highly dependent on the ability of the Manager to execute its investment process outlined in Section 3.0. The Manager's ability to construct and monitor the Portfolio is dependent on the skills and experience of its investment Directors. If the Manager assigns or terminates the Management Agreement, the Fund's performance may be adversely affected.

Past Performance

The past performance of the three principles of the Manager is not necessarily a guide to the future performance of the Trust.

Political & Legal Risks

The value of the Fund's assets may be affected by uncertainties, including political and economic developments and changes in laws and regulations in Australia or overseas which effect managed funds or the Fund's investments.

Significant Redemptions Risk

A risk exists that a significant number of requests for redemption of Units in the Fund will be received. In such an event, it may not be possible to liquidate some of the Fund's investments at the time that such redemptions are requested, or it may be possible to do so only at prices which do not reflect the true value of such investments, resulting in an adverse effect on the return to investors.

Taxation Change Risk

Any change in taxation policy may impact the distributions to Unit holders, as well as, the taxation treatment of those distributions.

Volatility Risk

Volatility in the prices of the underlying assets of the Fund can result in fluctuations in the unit price and/or amounts distributed to Unitholders.

6.3 General Risk Factors:

6.3.1 Share Market Investments

Investing in listed securities carries many inherent general risks. The price of shares quoted on the ASX, may rise or fall and trade at prices below or above purchase price thus affecting the NTA of the company.

There is also no assurance that when the Fund wants to exit a holding there is an active trading market in those shares.

6.3.2 General Economic Conditions

The Fund's investment performance may be influenced by a number of general economic and business conditions which are beyond its control. These include but are not limited to the consumer price index (inflation), fluctuations in commodity prices, exchange rates, interest rates and fiscal and monetary policy regimes. A prolonged downturn in general economic conditions would be expected to have an adverse impact on the Fund's investment performance.

6.3.3 Industry Risk

There are a number of industry risk factors that are outside the control of the Manager. These factors may include increased regulatory and compliance costs, and unforeseen changes to Government legislation which may impose additional costs on the company.

6.3.4 Taxation Considerations

There may be tax implications for investors arising from the allotment or purchase of shares, receipt of dividends and participation in any share buyback or disposal of shares. Applicants should seek advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

6.3.5 Investor Considerations

Any investment into the Fund should be regarded as a long term proposition and as with any general equity investment the investor should be aware that significant fluctuations can occur in the value of their investment.

6.3.6 Speculative Investment

The risks outlined above should not be construed as exhaustive. The above-mentioned risks and others not specifically referred to above may in the future have an adverse effect on the financial performance of the Fund and therefore the value of the securities offered under this Information Memorandum. The Units offered pursuant to this memorandum carry no guarantee with respect to returns of capital, market value of the investments or the payment of distributions.

An investment in the fund should be considered speculative and prospective investors should seek advice from their respective professional advisers before making a decision to invest.

6.3 General Risk Factors:

Company Specific Risk

An investment in a company may be affected by unexpected changes in that company's operations (such as changes in management, loss of a significant customer or contract) and business environment.

Currency Risk

Some investee companies may have significant operations in other countries, and if currencies change in value relative to the Australian dollar, the value of the investment may change.

Inflation Risk

Inflation risk is the risk that the prices of goods and services will rise faster than the value of the investments.

Interest Rate Risk

Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets. Interest rates may directly or indirectly affect a company's cost of borrowings.

Liquidity Risk

This is the risk that an investment in companies may not be easily converted into cash with little or no loss of capital and minimum delay. The market for small and micro cap companies generally has less liquidity than higher value larger capitalised companies. The market for securities in small and micro cap companies may from time to time become illiquid.

Market Risk

Market risk is the risk that prices of all listed securities fall. Markets are subject to a host of factors, including economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues. Market risk may have different impacts on each investment.

Microcap Company Risk

Shares in microcap companies may trade less frequently and in smaller volumes and may experience greater price volatility than larger companies. In times of heightened market volatility microcap companies could face an illiquid securities market, thereby limiting the ability of the Manager to divest positions. Microcap companies may also have more limited operating histories, markets, product lines or financial resources than larger companies. They may also depend heavily on key personnel.

Sector Risk

Sector risk is the risk a particular sector may be subject to sector wide problems of demand/supply imbalances due to certain events or shocks.

The risks outlined above should not be construed as exhaustive. The above-mentioned risks and others not specifically referred to above may in the future have an adverse effect on the financial performance of the Fund and therefore the value of the Units offered under this Information Memorandum. The Units offered pursuant to this memorandum carry no guarantee with respect to returns of capital, market value of the investee or the payment of distributions.

An investment in the fund should be considered speculative and high-risk. Prospective investors should seek advice from their respective professional advisers before making a decision to invest.



7. Summary of Management Agreement

7.1 Management Agreement

7.1.1 Term

The Trustee appoints the Manager, and the Manager accepts that appointment, to:

- (a) promote, administer, invest and manage the Assets; and
- (b) provide the Services, on the terms set out in the Investment Management Agreement (IMA), for the Term.

7.1.2 Termination

The term of the Trust ends on the earliest date to occur of:

- (a) the date specified by the Trustee in a notice to Unitholders as the Trust termination date; or
- (b) the date on which the Trust terminates under another provision of the Trust Deed, the Applicable Standards or at law.

7.1.3 Termination for default

Either party may terminate the IMA immediately or on a date otherwise specified by written notice to the other party if:

- (a) that other party (Defaulting Party):
 - (i) commits a material breach of this document which is not remediable, or (where the breach is capable of remedy) is not remedied within 60 days after being required by notice to do so; or
 - (ii) is the subject of an Insolvency Event; or
- (b) the Trust is wound up

7.1.4 Termination by Manager

The Manager may terminate the IMA immediately or on a date otherwise specified by written notice to the Trustee if the Trustee ceases to be the Trustee of the Trust.

7.1.5 Consequence of Termination

Termination of this document does not affect any accrued rights or liabilities of the parties.



8. Summary of Trust Deed

8.1 Application for Units

8.1.2 Applications

- (a) Subject to the Applicable Standards, a person wishing to subscribe for a Unit must complete an application in a form acceptable to the Trustee (Application Form) and lodge it with the Trustee in the manner determined by the Trustee
- (b) Any Application Form must be accompanied by the relevant Application Money.
- (c) If the application for Units arises as part of a reinvestment then the Application Form and Application Money are taken to have been received at the time the relevant distribution is made.
- (d) Application Money must be paid by electronic transfer into an account nominated by the Trustee (or by any other method the Trustee accepts).

Electronic funds transfer:

Bank	Westpac
Account Name	Altor Capital Management Pty Ltd ATF Altor Alpha Fund
BSB	034-065
Account No.	308116
Description	<Investor's Name>

- (e) Despite any other provision, every Application is deemed to contain an acknowledgment that:
 - (i) the Application is subject to the terms and conditions of this document; and
 - (ii) the Trustee gives no warranties and makes no representations about the Trust or the future value of Units, or any distributions payable on Units.
- (f) Subject to the Applicable Standards, Applications may not be withdrawn unless the Trustee agrees.

8.1.3 Application Money

All Application Money will be held by the Trustee (or its agent) on trust for the relevant Applicant. Upon the issue of Units that are the subject of an Application, the Application Money is vested in the Trustee (or its agent) and becomes the property of the Trust.

8.1.4 Discretion to accept or refuse

- (a) The Trustee may, subject to the Applicable Standards, reject any Application in whole or in part and is not required to give any reason for the rejection.
- (b) If an Application is rejected in whole or in part by the Trustee, the Trustee must promptly return the Application Money or proportional part of it to the applicant, less any costs, expenses or Taxes incurred by the Trustee.

8.1.5 Application price

- (a) For all Units issued prior to or pursuant to the first Closing, the Application Price for a single Unit is an amount determined by the Trustee in its absolute discretion. At all other times the Application Price will be a price calculated as follows:

$$\text{Application Price} = \text{NAV} / (\text{Units on Issue})$$

- (b) The Application Date for a Unit will be the last day of the month in which a Unitholder makes an application for a Unit so long as that date is not less than 3 days after the date the request is made, failing which the Application Date will be the last day of the following month.

8.1.6 Date Units issued

Except for Units issued prior to or pursuant to the first Closing, Units will be issued in respect of an Application on the Issue Date arising after:

- (a) the Trustee has accepted the Application; and
(b) the Trustee has received the Application Money in clear funds.

8.1.7 Number of Units issued

The number of Units issued in respect of an Application is calculated as follows:

$$\text{Number of Units issued} = (\text{Application Money received}) / (\text{Application Price of a Unit})$$

8.1.8 Certificates

- (a) The Trustee may issue certificates or other documentation for Units.
(b) Subject to the Applicable Standards, a certificate is not evidence of title to the Units.

8.2 Withdrawal

8.2.1 Withdrawal Price

The Withdrawal Date for a Unit will be the last day of the month in which a Unitholder makes a request to withdraw the Unit so long as that date is not less than 30 days after the date the request is made, failing which the Withdrawal Date will be the last day of the following month.

$$\text{Withdrawal Price} = (\text{NAV} \times 0.99) / (\text{Units on Issue})$$

8.2.2 Withdrawal request

A Unitholder may make a request for the withdrawal of some or all of their Units in a manner approved by the Trustee and the Trustee must:

- (a) redeem the Units the subject of the request with effect as at the Withdrawal Date applicable to the Units; and
- (b) pay to the relevant Unitholder the Withdrawal Price for each Unit that is redeemed within 30 days of the Withdrawal Date.

8.2.3 Compulsory withdrawal

The Trustee has the right in its sole discretion to compulsorily redeem at any time some or all of the Units in issue for any reason or no reason. The Trustee will give the effected Unitholders such notice of any compulsory redemption as the Trustee determines.

8.2.4 Money owed

If a Unitholder owes any money to the Trustee then the Trustee may deduct the money owing from the proceeds of a withdrawal which are otherwise due to the Unitholder.

8.2.5 Transfer of Assets to satisfy withdrawal

The Trustee may transfer Assets to a Unitholder rather than pay cash in satisfaction of all or part of a withdrawal requested pursuant to a withdrawal offer or in payment of a Distribution. These Assets along with any cash paid must be of equal value to the total amount due to the Unitholder pursuant to the withdrawal request or Distribution. If the Trustee requires then the costs involved in the transfer of these Assets must be paid by the Unitholder or deducted from the amount due to the Unitholder.

8.2.6 Suspending or rejecting withdrawal requests

- (a) The Trustee need not give effect to a withdrawal request:
 - (i) received between the date the Trust is terminated and the date the Trust is wound up;
 - (ii) in respect of Units having an aggregate Withdrawal Price of less than any minimum amount determined by the Trustee in its discretion from time to time (unless it relates to the remaining balance of a Unitholder's holding in the Trust); or
 - (iii) if the Trustee determines that it is necessary or desirable for the protection of the Trust or in the interests of Unitholders (as a whole) to reject a withdrawal request or to generally suspend withdrawals.
- (b) The Trustee need not give effect to a withdrawal request received during the Withdrawal Lockup Period.
- (c) If complying with a withdrawal request would result in the Unitholder holding Units with an aggregate Withdrawal Price of less than the current minimum holding amount as determined by the Trustee in its discretion from time to time then the Trustee may treat the request as relating to the remaining balance of the Unitholder's holding in the Trust
- (d) The Trustee is not obliged to pay any part of the Withdrawal Price out of its own funds.

8.3 Distribution of income and capital

8.3.1 Trustee to receive income

The Trustee will collect all income of the Trust.

8.3.2 Payment of Expenses

The Trustee must in each Distribution Period cause all Expenses to be paid, in the first instance out of the Income of the Trust and then, if the Income is insufficient, out of the balance of the Trust Fund.

8.3.3 Income of Trust

The decision of the Trustee about whether any item is income or capital is final.

8.3.4 Distributable income and Income

The Trustee must determine the distributable income and the Income of the Trust for each Financial Year.

8.3.5 Determination of distributable income

Unless the Trustee decides otherwise prior to the end of the Financial Year, distributable income is:

- (a) the Income for the Financial Year; and
- (b) any additional amount whether income or capital which the Trustee considers appropriate for distribution in the period.

8.3.6 Present entitlement

A person who at any time during the Financial Year is or has been a Unitholder, is presently entitled to the distributable income of the Trust for the Financial Year, in the proportion that the Income Distributions made to the Unitholder in respect of the Financial Year bear to the sum of the Income Distributions made to all persons who are or have been Unitholders at any time during the Financial Year.

8.3.7 Income Distributions

An Income Distribution for a Unitholder means the amount calculated by the Trustee as follows:

- (a) in respect of a Distribution Period ending on a Distribution Calculation Date other than 30 June in any year, an amount calculated as follows:

$$\frac{A \times B}{C}$$

where:

A = the number of Units held by the Unitholder at the end of the Distribution Period;

B = an estimate of the distributable income for the Distribution Period; and

C = the number of Units held by all Unitholders at the end of the Distribution Period;

- (b) in respect of a Distribution Period ending on 30 June in any year, an amount calculated as follows:

$$\frac{A \times B}{C}$$

C where:

A = the number of Units held by the Unitholder at the end of the Distribution Period;

B = the amount (if any) by which the distributable income for the Financial Year exceeds the aggregate of the estimates of distributable income calculated for the purpose of variable B in section 9.3.7(a) for the previous Distribution Periods of the Financial Year; and

C = the number of Units held by all Unitholders at the end of the Distribution Period.

8.3.8 Satisfaction of present entitlement

The present entitlement of a Unitholder to Income of the Trust for a Financial Year will be satisfied by the payment of the Income Distributions to the Unitholder in respect of the Financial Year.

8.3.9 Time for Distribution

Any Unitholder's Distribution the Trustee decides to distribute to Unitholders must be distributed no later than the applicable Distribution Date.

8.3.10 Distribution statements to be sent out

The Trustee must when required by the Applicable Standards, cause a distribution statement to be sent to the Unitholders at least once for each Financial Year, specifying a break-up between the income and capital amounts of the Distribution paid throughout the Financial Year.

8.4 Distribution reinvestment

8.4.1 Reinvestment facility

- (a) The Trustee will offer a reinvestment facility under which Unitholders may elect to reinvest all or a proportion of their Income Distribution in applications for further units.
- (b) The procedure for reinvestment of distributions is to be determined by the Trustee and notified to Unitholders as and when the facility is offered.

9. Fees and Expenses



9.1 Management Fee

In consideration for the Manager providing the Services, the Trustee must pay to the Manager a management fee equal to 1.5% per annum of the GAV of the Trust to be calculated monthly based on the value of the Assets on the last day of each Month and paid monthly in arrears on the first day of the following month.

9.2 Performance Fee

In consideration for the Manager providing the Services, the Trustee must pay to the Manager the Performance Fee in the manner and at the times set out below.

For each Pricing Interval, the Trustee will calculate the Interim Performance Fee as follows:

$$\text{IPF} = [20\% \times (\text{Pt} + \text{Dt} - \text{HWMt})] \times \text{Ui}$$

Where:

IPF	means the Interim Performance Fee for the Pricing Interval.
BM	means the benchmark or the RBA Cash rate as published on https://www.rba.gov.au/statistics/cash-rate/
P_t	equals the Trust's NAV on the last day of the relevant Pricing Interval divided by the number of Units on issue on the last day of the relevant Pricing Interval.
P_{t-1}	equals the Trust's NAV on the last day of the immediately prior Pricing Interval divided by the number of Units on issue on the last day of the immediately prior Pricing Interval.
D_t	equals the aggregate dollar amount of distributable income declared during the relevant Pricing Interval (including amounts owing but not yet paid at the end of the Pricing Interval but disregarding whether these amounts are reinvested) being amounts which are excluded from the NAV used to calculate P _t at the end of the relevant Pricing Interval.
HWM_t	equals the greater of: a) $(1 + (\text{BM} + 4\%) / t) \times \text{P}_{t-1}$ b) $(1 + (\text{BM} + 4\%) / t) \times \text{HWM}_{t-1}$
HWM_{t-1}	HWM _t on the last day of the immediately prior Pricing Interval
t	equals 365 divided by the number of days forming part of the relevant Pricing Interval.
U_i	means the number of Units on issue at the end of the Pricing Interval.

- (a) If the sum of the results for each IPF during a Financial Year is a positive amount then that amount shall be the performance fee the Manager is entitled to be paid from the Assets of the Trust for that Financial Year and such fee will be immediately payable to the Manager.
- (b) If the sum of the results of each IPF is negative for a Financial Year then no performance fee is payable to the Manager.

- (c) The performance fee for a Financial Year accrues from month to month so that at the end of any Financial Year, the accrued performance fee is the sum of the calculations for each of the Pricing Intervals in the relevant Financial Year.
- (d) The Manager is to receive a performance fee equal to 20% of any positive return to Unitholders in excess of the benchmark + 4.00% per annum subject to a highwater mark.

9.3 Trustee Costs and Expenses

The Trustee agrees to cap its reimbursement for ordinary and recurring administration expenses (e.g. audit fees, accounting fees in relation to periodic tax returns, fund administration expenses) at \$50,000 per annum. For the avoidance of doubt, this cap will not apply to any one-off, unusual or unanticipated expenses of the Trustee (e.g. holding meetings of Unitholder, effecting amendments to this document, taking steps to enforce the rights of the Trust or terminating the Trust).

9.4 Manager may receive less fees

The Manager in its discretion may from time to time elect to receive less than the fees referred to in this section 8.

9.5. Indemnity

The Trust must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with, the Manager or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or any of its officers, employees or agents insofar as any loss, liability cost, charge or expense is caused by the negligence, default, fraud, or dishonesty of the Manager or its officers or employees or attorneys, agents, contractors, delegates, sub-delegates, or sub-agents. This obligation continues after the termination or expiry of the Management Agreement.

9.6 Manager Indemnity

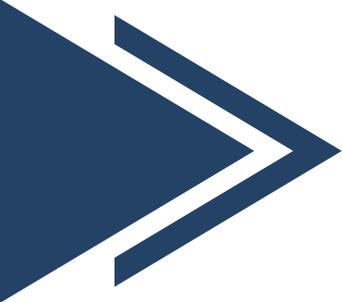
The Manager must indemnify the Trust against any losses or liabilities reasonably incurred by the Fund arising out of or in connection with, and any costs, charges and expenses incurred in connection with negligence, default, fraud, or dishonesty of the Manager or its officers or employees or attorneys, agents, contractors, delegates, sub-delegates, or sub-agents. This obligation continues after the termination or expiry of the Management Agreement.



Glossary

Application Form	Has the meaning set out in clause 8.1.2(a).
Application Money	Any form of valuable consideration received by the Trustee for a Unit.
Application Price	The price to be paid for a Unit determined in section 8.1
Applicable Standards	To the extent they apply to the Trust: (a) the Corporations Act including any regulations made under it, subject to any relief, exemption, declaration or modification granted or made by ASIC; (b) the Trust Deed; and (c) other relevant legislation including any regulations made under it.
ASIC	means the Australian Securities and Investments Commission and its successors
ASIC Policy	means regulatory guides, class orders and other explanatory material issued by ASIC.
Assets	has the meaning given to that term by the Trust Deed.
Business Day	means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland.
Closing	completion of the admission of one or more Unitholders to the Trust.
Consequential Loss	means any loss or damage not included in the categories of damage captured by the principle commonly known as the first limb of Hadley v Baxendale.
Corporations Act	means the Corporations Act 2001 (Cth).
Distribution	means a distribution of income or capital of the Trust under the Trust Deed.
Distribution Date	means for any Distribution Period, the date not more than 90 days after the end of that Distribution Period, or any other time required by the Applicable Standards or determined by the Trustee.
Distribution Calculation Date	means the last day of each Financial Year and any other days the Trustee designates.
Distribution Period	(a) for the first distribution, the period from the establishment of the Trust to the next Distribution Calculation Date; (b) for the last distribution, the period from the day after the preceding Distribution Calculation Date to the date of distribution on winding up of the Trust; and (c) in all other circumstances, the period from the day after the preceding Distribution Calculation Date to the next Distribution Calculation Date
Expenses	means all expenses, costs, losses and liabilities of the Trust (whether paid or unpaid, actual or contingent, present or future) including, all expenses, costs, losses, liabilities and Taxes incurred by the Trustee in establishing the Trust, administering the Trust, winding up the Trust or otherwise performing its obligations under this document or the Applicable Standards.
Financial Year	(a) the period commencing on the date the Trust is established and expiring on the next 30 June; (b) the period of twelve months ending on 30 June each year during the continuance of the Trust; and (c) any period between 1 July last occurring before the Trust is wound up and the date the Trust is wound up
Fund	means the Altor Alpha Fund
GAV	means the Trust's gross asset value, equal to the total value of the Assets calculated in accordance with the Trust Deed.
GST Act	means A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Income Distributions	in respect of a Unitholder and a Distribution Period, the amount calculated in respect of the Unitholder under section 8.3.
Information Memorandum	The document here-within outlining information about the Altor Alpha Fund
Issue Date	the date on which Units are issued which in respect of all Units issued after the first Closing must be the first day of a month.
Liabilities	means all liabilities of the Trust, including liabilities, duties and obligations of any nature, however arising, including penalties, fines and interests, and including those which are prospective or contingent and those, the amount of which for the time being, is not ascertained or ascertainable.
Loss	includes losses, damages, costs (including without limitation the reasonable fees, disbursements and other charges of counsel), expenses and liabilities, however arising but excludes Consequential Loss.
Manager	means Altor Alpha Funds Management Pty Ltd appointed by the Trustee to manage the Assets or, where no such party is appointed, the Trustee.
NAV	means the Trust's net asset value, equal to the total value of the Assets calculated in accordance with the Trust Deed less the Liabilities.
Performance Fee	means any fee payable in accordance with section 9.
Pricing Interval	means each period of one month beginning on the first day of a month and ending on the last day of a month.
Quarter	means each period of three months ending on 31 March, 30 June, 30 September or 31 December.
Tax	means a tax, levy, charge, impost, fee, deduction, withholding or duty of any nature, including stamp and transaction duty or any goods and services tax (including GST), value added tax or consumption tax, which is imposed or collected by a Government Agency, except where the context requires otherwise, including any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts.
Tax Act	means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth), as the case may be, as amended and a reference to any section of the 1936 Act includes a reference to the corresponding or rewritten section in the 1997 Act.
Term	means the period commencing on the date of this document and ending on the date this document is terminated in accordance with section 7.1.
Trust	means the trust created by the trust deed and known as the Altor Alpha Fund Trust.
Trustee	means Altor Capital Management Pty Ltd and any future trustee of the Trust appointed in accordance with the Trust Deed.
Trust Deed	means the trust deed constituting the Trust.
Unitholder	means the holder of at least one unit in the Trust.
Withdrawal Date	the date on which Units are redeemed in accordance with section 8.2.
Withdrawal Lockup Period	the period commencing on the date the Trust is established and ending 12 months later.



Application

All application monies to be sent via electronic funds transfer:

Bank	Westpac
Account Name	Altor Capital Management Pty Ltd ATF Altor Alpha Fund
BSB	034-065
Account No.	308116
Description	<Investor's Name>