

# Coaster Capital

## Coaster Multi-Strategy Fund

Information Memorandum  
28<sup>th</sup> March 2023

Issued by Quay Fund Services Limited  
ABN 84 616 465 671  
AFSL 494 886

Investment Manager: Coaster Capital Pty Ltd  
ACN 635 699 080  
AFS representative no 001279156

## IMPORTANT INFORMATION

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This Information Memorandum (**Memorandum**) dated 28<sup>th</sup> March 2023 is issued by Quay Fund Services Ltd (ABN 84 616 465 671, AFSL 494 886) (**Quay** or the **Trustee**) and relates to the offer of Units (**Offer**) in the Coaster Multi-Strategy Fund (**Fund**). The Fund is an Australian unregistered wholesale unit trust. Quay is the trustee of the Fund and has appointed Coaster Capital Pty Ltd (ACN 635 699 080) (**Investment Manager**), a corporate authorised representative (AFS representative number 001279156) of the Trustee, as investment manager of the Fund.

This Memorandum relates to the offer to subscribe for Units. The offer does not constitute an offer of Units in any jurisdiction in which, or to any person to whom, it would be unlawful to make such offer or invitation. No public offer of Units will be made. The offer and subscription of Units may be prohibited in certain jurisdictions and to persons outside of Australia. Refer to Section 10 for further information. This Memorandum and the offer contained within this Memorandum is only available if you are, and by accepting this Memorandum you are representing that you are, a Wholesale Client. This Memorandum is not a prospectus or product disclosure document under the Corporations Act and is not required to be and has not been, lodged with ASIC under the Corporations Act. Any person who receives or reads this Memorandum should not consider it as a recommendation to purchase Units. The investment objectives, needs or financial position of any person have not been taken into account in preparing this Memorandum. The Memorandum is general in nature and is not to be considered as financial, legal or tax advice. Before making an investment decision on the basis of this Memorandum, you should consider whether investing in the Fund is suitable for your individual circumstances and seek advice from your qualified financial, tax and other professional advisers. No persons other than the Trustee have caused or authorised the issue of this Memorandum.

The Offer is not available in the United States (**US**) or to US persons (as defined in the relevant US securities law).

Some of the statements made in this Memorandum constitute forward-looking statements. These statements relate to future financial and other performance or anticipated plans and are identified by words such as “may,” “will,” “should,” “expect,” “could,” “scheduled,” “plan,” “intend,” “anticipate,” “believe,” “estimate,” “potential,” “propose” and “continue” or negative variants of such terms. You should read these statements carefully because they discuss our future expectations and plans. We believe that it is important to communicate these expectations and plans to you; however, these statements are only estimates of future performance. Actual performance or events may not meet such expectations or estimates and may, in fact, differ materially. In evaluating these forward-looking statements, you should consider various factors and uncertainties, including the factors discussed under Section 6 “Risks of Investing in the Fund” in this Memorandum and any cautionary or qualifying statements and/or disclaimers made along with such forward-looking statements. Such factors may cause our actual results or events to differ materially from those expressed in the forward- looking statements made in this Memorandum.

Although we believe that the expectations reflected in the forward-looking statements made herein are reasonable, we cannot and do not guarantee future results, levels of activity, performance or achievements. Moreover, we do not assume any responsibility for the accuracy and completeness of such forward-looking statements in the future. We do not plan and, subject to applicable law, undertake no obligation to update any of the forward-looking statements made herein after the date of this Memorandum in order to conform such statements to our actual results.

To the maximum extent permitted by law, neither the Investment Manager nor any of its related parties, officers, directors, advisers or associates provide any representations or warranties in relation to this Memorandum or the Fund and disclaim all responsibility in relation to the Memorandum and the Fund. The Investment Manager makes no representation or warranty as to the accuracy or truth of the contents of this Memorandum. No person has been authorised to make representations or give any information with respect to the Fund except for the information contained herein. Neither the Trustee, Investment Manager nor any other person gives any assurance as to the performance of the Fund nor do they guarantee the repayment of capital from the Fund. Investments in the Fund are not deposits with or liabilities of the Trustee, Investment Manager nor any associated company. Investments in the Fund are subject to investment and other risks, including possible delays in repayment and loss of income and capital invested. Recipients of this Memorandum should

ensure they are fully aware of all these risks before investing in the Fund. Please see Section 6 for further details on the risks of investing in the Fund.

The Trustee and Investment Manager reserve the right to modify, withdraw, reject or cancel any offering made pursuant to this Memorandum this includes the right to close the offer at any time, accept late subscriptions, increase or decrease the size or timing of the offer in its sole discretion.

No cooling-off regime applies to the offer contained in this Memorandum. No information or representations in connection with the offer of Units, which is not contained in this Memorandum, should be relied upon in making an investment decision about the offer.

This Memorandum and the Trust Deed supersede all previous representations and communications (including investor presentations) in respect of the Fund and the offer in this Memorandum. To the extent of any inconsistency between this Memorandum and the Trust Deed, the Trust Deed prevails.

Information in this Memorandum, as well as the terms and conditions of the offer or the Fund, may be updated from time to time. Whilst this Memorandum is current as at its specified date of issue and the Investment Manager has no obligation to update the contents of this Memorandum, updated information may be made available on the Coaster Capital website ([www.coastercapital.com.au](http://www.coastercapital.com.au)) or by notice from the Investment Manager. Fees and costs stated in this Memorandum are exclusive of GST. All dollar amounts are in respect of Australian dollars (unless specified otherwise).

Capitalised terms used in this Memorandum have meanings given in Section 11 'Glossary', unless the context requires otherwise.

By accepting this Memorandum you are:

- a) representing that you are a Wholesale Client; and
- b) agreeing to keep this Memorandum and its contents confidential and not to provide it to other persons other than your advisers provided they also maintain such confidentiality

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## 1. ABOUT COASTER MULTI-STRATEGY FUND

<b>Fund</b>	<p>The Fund is an open-ended Australian domiciled unregistered unit trust. The Fund intends to issue different classes of Units (<b>Class</b>) with interests and rights differing from each other Class. Each Class will be exposed to different investment strategies, liquidity and maturity profiles via investment in separate sub trusts. The Sub funds are:</p> <ul style="list-style-type: none"> <li>• Arrow Fund;</li> <li>• Dorado Fund; and</li> </ul> <p>(each a <b>Sub-fund</b> and together, the <b>Sub-funds</b>).</p> <p>The investments of each Class into the Sub-fund referable to that Class will form a separate pool of Fund assets. For the avoidance of doubt, no Class will constitute a separate trust and each Unit represents an undivided beneficial interest in the property of the Fund as a whole as set out in the Trust Deed.</p> <p>Investors gain exposure to the investment strategies of each Sub-fund by subscribing for Units in the Class referable to the relevant Sub-fund. Further details of the Classes and Sub-funds are set out in Section 4 of this Memorandum.</p>
<b>Investment Manager</b>	Coaster Capital Pty Ltd (ACN 635 699 080), a corporate authorised representative (AFS representative number 001279156) of Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494 886).
<b>Trustee</b>	Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494 886).
<b>Eligible Investors</b>	The Fund is only open to Wholesale Clients.
<b>Management Fee</b>	Refer to Section 4 for information on the Management Fee for each class
<b>Distributions</b>	Annually after 30 June each year. Unitholders may elect to receive all or some of the distributions in cash or elect to reinvest them in the Fund - refer to Section 9.
<b>Valuation</b>	Units will generally be priced monthly.
<b>Minimum Investment</b>	\$50,000 in respect of a Class.
<b>Minimum Redemption</b>	\$50,000 in respect of a Class.

The above overview is a non-exhaustive high-level summary of the key features of the Fund. The overview is qualified by the other sections of this Memorandum, Trust Deed and the Sub-fund Profiles. The Memorandum should be read in its entirety before deciding to invest in the Fund.

## 2. INVESTMENT MANAGER

The Investment Manager of the Fund is Coaster Capital Pty Ltd (**Coaster Capital**), an Australian based investment manager, which is a corporate authorised representative (AFS representative number 001279156) of Quay Fund Services Ltd (ABN 84 616 465 671, AFSL 494 886).

### Executive Team

The executive team of the Investment Manager is:

#### **Charlie Brown - Portfolio Manager, Co-CEO and Executive Director**

Prior to Coaster Capital, Charlie was an owner and Portfolio Manager at KIS Capital Partners, a private funds management business, which managed approximately \$300 million in funds under management for Australian and overseas investors.

Charlie also worked in sell-side roles at major Australian institutions, where he advised institutions, hedge funds and high-net worth clients.

As a portfolio manager and investment committee member, Charlie brings to Coaster Capital an extensive knowledge of the Australian financial markets and Australian listed companies.

#### **Sam Brandenburg - Portfolio Manager, Co-CEO and Executive Director**

Sam has been involved with financial markets at BB Capital, a private family office, since 2005. At BB Capital, Sam was a Portfolio Manager and Resource Sector Analyst. Sam has extensive experience with financing both listed and unlisted resource companies.

Sam holds a degree in Civil Engineering and prior to BB Capital spent 10 years in project management delivering major building and civil infrastructure projects. Sam has also consulted to resource companies and government departments during the business case stage.

#### **Alnoor Premji – Chief Operating Officer (COO) and Executive Director**

Alnoor has over 25 years in senior finance roles with both local and international experience covering accounting, operations, risk, integration, M&A, profit turnaround and change management. Alnoor held senior roles at BNP Paribas including the Deputy CEO of BNP Paribas Investment Partners Australia where he was responsible for finance, operations, risk and compliance; as well as the Deputy CEO of BNP Paribas in New York, and COO and the Deputy CEO of Shinhan BNP Paribas AMC in Seoul, South Korea. Alnoor is a registered member of CPA Australia and has a Master of Applied Finance.

### 3. Trustee and Sub Fund Trustees

Quay Fund Services Limited is the Trustee of the Coaster Multi-Strategy Fund. Quay has been established as an independent provider of responsible entity and trustee services to fund managers. Quay's principals have extensive experience in operating registered and unregistered managed investment schemes.

#### **John Ballhausen (Founder)**

John was the former managing director of Rimcorp Property Limited (ABN 64 100 029 776) which was the responsible entity for three registered schemes with over \$100 million in funds under management. He has been a key person and/or a responsible manager on several Australian financial services licences.

#### **Simon Lindsay (Founder)**

Simon was the former managing director of Aurora Funds Management (ABN 69 092 626 885) which was the responsible entity for five registered schemes with over \$600 million in funds under management. He has also been a key person and/or a responsible manager on several Australian financial services licences.

Further biographical details are available on Quay's website [www.quayfund.com.au](http://www.quayfund.com.au).

The Trustee holds Australian Financial Services License number 494 886 issued by ASIC, which authorises it to operate the Fund. Quay's responsibilities and obligations as the Fund's trustee are governed by the Fund's Trust Deed, the Corporations Act and general trust law. As trustee, Quay is responsible for the management of the Fund and is required to act in the best interest of Investors. Quay has appointed Coaster Capital to act as the investment manager of the Fund. The Trustee is able to terminate the Investment Manager's appointment under the Management Agreement at any time in circumstances, including but not limited to:

- fraud, misconduct, dishonesty or gross negligence on the part of the Investment Manager;
- where the Investment Manager enters into receivership, liquidation, ceases to conduct business sells the business or is legally unable to operate as an Investment Manager; or
- where the Investment Manager is in breach of any representations or warranties to the Trustee.

Coaster Capital is authorised to manage the assets of the Fund and the Sub-Funds under Quay's AFSL, pursuant to a corporate authorised representative agreement between Quay and the Investment Manager.

Neither the Trustee nor the Investment Manager guarantees the performance of the Fund or the return of capital or income. Your investment in the Fund is subject to investment risks. This could involve delays in repayment and loss of income or the principal invested. Please refer to Section 6 "Risks of Investing in the Fund" for further details.

Quay's primary functions will be to;

- establish the Coaster Multi-Strategy Fund and issue this Memorandum
- execute the Management Agreement with Coaster Capital Pty Ltd
- appoint Coaster Capital Pty Ltd as a corporate authorised representative of Quay
- appoint Coaster ABC Services Pty Ltd, Coaster Small Cap Services Pty Ltd, and GLILS Services Pty Ltd as corporate authorised representatives of Quay
- execute the Administration Agreement with Apex Fund Services Limited
- hold Coaster Multi-Strategy Fund's interests in the Sub Fund's on behalf of the investors
- appoint the Fund's auditor

- oversee compliance with the Management Agreement and corporate authorised representative agreements and external service provider agreements

Coaster ABC Services Pty Ltd is the trustee for the Arrow Fund. Coaster ABC Services' primary functions will be to;

- establish the Arrow Fund
- appoint Morgan Stanley & Co International PLC (**Morgan Stanley**) to provide custody and prime broker services
- establish execution broking accounts for the Arrow Fund
- appoint Attentus Fund Solutions to provide back and middle office services to the Arrow Fund
- oversee compliance with the Arrow Fund investment strategy
- maintain compliance with the corporate authorised representative agreement with Quay

Coaster Small Cap Services Pty Ltd is the trustee for the Dorado Fund. Coaster Small Cap Services' primary functions will be to;

- establish the Dorado Fund
- appoint Morgan Stanley to provide custody and prime broker services
- establish execution broking accounts for the Dorado Fund
- appoint Attentus Fund Solutions to provide back and middle office services to the Dorado Fund
- oversee compliance with the Dorado Fund investment strategy
- maintain compliance with the corporate authorised representative agreement with Quay

## 4. The Sub funds

### Arrow Fund (Class A Units)

<b>Sub-fund</b>	Arrow Fund
<b>Structure</b>	An Australian domiciled unregistered unit trust.  A subscription for Class A Units in the Fund will be referable to an investment in the Arrow Fund.
<b>Investment Manager</b>	Coaster Capital Pty Ltd (ACN 635 699 080), a corporate authorised representative (AFS representative number 001279156) of Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494886).
<b>Trustee</b>	Coaster ABC Services Pty Ltd (ACN 636 895 746), a corporate authorised representative (AFS representative number 001279159) of Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494886).
<b>Features</b>	The Arrow Fund will take a medium-frequency, active, catalyst and event-driven, benchmark independent approach towards long and short trading of companies with a focus on Australian mid-to-large cap stocks.
<b>Benefits</b>	Potential for capital growth in a diversified investment strategy. The strategy will be managed by a portfolio manager with significant investment expertise.
<b>Investment Objective</b>	The Investment Manager will seek to deliver positive absolute returns while seeking to preserve capital. The Investment Manager may not be successful in meeting this objective.  Neither the repayment of capital nor any particular rate of capital or income return is guaranteed.
<b>Investment Philosophy</b>	The Investment Manager relies on the experience of its portfolio manager Charlie Brown, to anticipate or react to catalysts which will lead to movements in equity markets and related instruments. Catalysts may be company earnings announcements, changes in economic conditions, brokerage upgrades/downgrades, management changes and regulatory change.  The Arrow Fund can invest in any listed securities with a focus on Australian securities for its investment universe. The Arrow Fund will purchase securities it believes will increase in value and short sell securities it believes will fall in value. The investment philosophy is entirely discretionary and relies upon the Investment Manager's skills to produce returns for investors.
<b>Investment Strategy</b>	The Investment Manager's geographic focus is Australia. The Investment Manager may take exposures outside of Australia to the extent that the exposure is intended to mitigate risk or enhance return from factors external to the Australian market.  Whilst the Investment Manager's primary strategy is focused on long/short Australian equities, the ability to retain discretionary powers to allocate funds across a number of other investment strategies and asset classes is reserved. These strategies may include, but not be limited to: convertible bond investments, portfolio hedging, equity related arbitrage and special situations (e.g. merger arbitrage, rights offerings, participation in international public offerings and placements, etc.).
<b>Suggested Investment Period</b>	At least 2 years.
<b>Management Fee</b>	2% per annum (plus GST) of the Net Asset Value of the Class, calculated monthly and payable monthly in arrears.
<b>Performance Fee</b>	In respect of a Unit, 20% per year of the increase in Net Asset Value (NAV) per Unit above the Benchmark Performance, subject to the High Water Mark.

	The first performance fee calculation period ends on 30 June 2020 and is calculated semi-annually thereafter. This fee is paid to the Investment Manager.
<b>Benchmark Performance</b>	Reserve Bank of Australia cash rate – refer to Section 7.
<b>Key Risks</b>	<p>Investments in funds with high levels of portfolio turnover are inherently risky. Trades will be made based on the experience and judgement of the portfolio manager and may be executed without a high level of stock-specific research.</p> <p>Arrow Fund will usually have net market exposures of between +50% to -50%, and potentially have gross exposures of between 25% and 150% but will not exceed an exposure two times the Net Asset Value of the Fund. The Fund will have a high volatility and return target.</p> <p>Long and short exposure to a single name may be as high as 10%. Futures may be used to reduce net exposures. Short selling carries with it risks of significant losses.</p> <p><b>See Section 6 ‘Risks of Investing in the Fund’ for further details.</b></p>
<b>Applications</b>	Monthly
<b>Redemptions</b>	Monthly, with 30 days notice, subject to possible suspensions in certain situations – refer to Section 9.

## DORADO FUND (Class B Units)

<b>Sub-fund</b>	Dorado Fund
<b>Structure</b>	<p>An Australian domiciled unregistered unit trust.</p> <p>A subscription for Class B Units in the Fund will be referable to an investment in the Dorado Fund.</p>
<b>Investment Manager</b>	Coaster Capital Pty Ltd (ACN 635 699 080), a corporate authorised representative (AFS representative number 001279156) of Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494 886).
<b>Trustee</b>	Coaster Small Cap Services Pty Ltd (ACN 636 895 693), a corporate authorised representative (AFS representative number 001279158) of Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494 886).
<b>Features</b>	The Dorado Fund will offer exposure to a concentrated portfolio of listed equities, which will be actively managed and fundamentally researched, with a focus towards smaller companies in the mining sector. The Investment Manager takes an active, research-driven and benchmark independent approach to investing.
<b>Benefits</b>	Potential for significant long-term capital growth which aims to generate returns that are superior to benchmark returns. The investment strategy is backed with a high level of independent, company specific research.
<b>Investment Objective</b>	<p>The Investment Manager will seek to deliver positive absolute returns while seeking to preserve capital.</p> <p>The Investment Manager may not be successful in meeting this objective. Neither the repayment of capital nor any particular rate of capital or income return is guaranteed.</p>
<b>Investment Philosophy</b>	<p>Greater opportunities for alpha exist outside of the S&amp;P/ASX 200 as small cap stocks are typically less researched than larger cap stocks.</p> <p>The Investment Manager intends to invest in companies, in the Investment Manager's view:</p> <ul style="list-style-type: none"> <li>• that have sound business practices</li> <li>• with promising or proven resources</li> <li>• with experienced management teams</li> <li>• which are trading at significant discounts to valuation and take short positions where these elements are absent.</li> </ul> <p>The combination of qualitative and quantitative research, including on-site evaluation of potential and concurrent investment is indispensable to investment in small cap resource companies.</p>
<b>Investment Strategy</b>	<p>The Investment Manager's geographic focus is Australia. The Investment Manager may take exposures outside of this region to the extent that the exposure is intended to mitigate risk or enhance return from factors external to the Australian market.</p> <p>Whilst the Investment Manager's primary strategy is focused on long/short Australian equities, the ability to retain discretionary powers to allocate funds across a number of other investment strategies and asset classes is reserved.</p> <p>These strategies may include convertible bond investments, portfolio hedging, equity related arbitrage and special situations (e.g. merger arbitrage, rights offerings, participation in international public offerings and placements, etc.).</p>

<b>Suggested Investment Period</b>	At least 5 years.
<b>Management Fee</b>	2% per annum (plus GST) of the Net Asset Value of the Class, calculated monthly and payable monthly in arrears.
<b>Performance Fee</b>	<p>In respect of a Unit, 20% per year of the increase in NAV per Unit above the Benchmark Performance, subject to the High Water Mark.</p> <p>The first performance fee calculation period begins on 30 June 2020 and is calculated semi-annually thereafter. This fee is paid to the Investment Manager.</p>
<b>Benchmark Performance</b>	Reserve Bank of Australia cash rate – refer to Section 7.
<b>Key Risks</b>	<p>Investments in small cap stocks carry a high level of inherent risk. In addition, the Dorado Fund will focus on the resources sector.</p> <p>The concentrated nature, and the underlying stock investments are expected to generate a higher level of volatility of investment returns. In addition, the targeted net exposure of the Dorado Fund may range widely from -25% to +100% of the Net Asset Value of the Fund, with single name exposure as high as +20%, or as short as -10% of the Net Asset Value of the Fund.</p> <p>Due to the illiquid nature of stocks to which the Fund may have exposure to, limits on subscriptions and redemptions are more likely to be imposed on Class B Units. The Dorado Fund is also expected to generate returns with significant volatility.</p> <p><b>See Section 6 "Risks of Investing in the Fund" for further details.</b></p>
<b>Applications</b>	Monthly.
<b>Redemptions</b>	Monthly with 90 days notice, subject to possible suspensions in certain situations – refer to Section 9.

## 5. INVESTMENT STRATEGIES

### Overview

The Coaster Multi-Strategy Fund offers investors access, via the Sub-funds, to portfolios which the Investment Manager believes will generate positive absolute returns to Unitholders. Investors may gain access to the investment strategy of the:

- Arrow Fund, as set out in Section 4, by subscribing for Class A Units in the Fund;
- Dorado Fund, as set out in Section 4, by subscribing for Class B Units in the Fund; or

The Investment Manager may not be successful in meeting this objective. Neither the repayment of capital nor any particular rate of capital or income return is guaranteed.

The Investment Objective, Investment Philosophy and other features of each Sub-fund can be found in the Sub-fund Profiles in Section 4.

### Strategy Execution - Long/Short Equities

The Sub-funds may purchase equities, units and trade in OTC and listed derivatives on equities, units trackers, funds and indices, with the view of generating short to medium term gains from trades.

Should the Investment Manager form an opinion that an asset will fall, or underperform another security, each respective Sub-fund will also have the ability to “short sell” equities, units, trusts, trackers and funds, and trade in OTC and listed derivatives on equities, units, trackers, funds and indices. The use of short selling will enable each Sub-fund to profit from the underperformance of a stock, or other assets or instrument, and to hedge directional exposure of the portfolio.

The Investment Manager will have the discretion to expand this strategy to include companies listed on international exchanges outside of Australia.

When considering an exposure in an equity, or related instrument in the long/short equities strategy, the following factors may form part of the investment decision:

- Earnings and earnings sustainability
- Balance sheet composition and refinancing requirements
- Stock valuation in comparison to peer group and in historic terms
- Dividend policy and the sustainability of these policies
- Regulatory and operational environment
- Corporate finance activity
- Quality of management
- Price action and volume technical indicators
- Costs to maintain a short position in a stock and current short positioning
- Expected investor reaction to news flow (such as announced vs. expected earnings)
- Other exposures to the industry and market within the portfolio

This list is not exhaustive and subject to change.

### Strategy Execution - Other Strategies

When considering an exposure in an investment strategy that is not purely Long /Short Equities, the following factors may form part of the investment decision.

## Convertible Bonds

The Investment Manager may trade convertible bonds when they identify terms and conditions within the prospectus that may affect the value of the bond or offer the Investment Manager an effective way of trading or hedging the shares of a given company.

## Portfolio Hedging

Susceptibility of the portfolio to extraneous factors may be mitigated through the use of index futures, options, baskets of stocks, or similar strategies that reduce the portfolio's exposure to market movements.

## Equity Related Arbitrage

Where one of the underlying securities in the Investment Manager's investible universe is interchangeable with another security or instrument, the Investment Manager may trade those instruments when the prices between them imply value may be realised by either holding, trading or arbitraging between them.

## Special Situations

- For merger related deals - expected time scale, regulatory hurdles, expected shareholder reaction.
- For rights offering - the terms of the rights.
- For international public offerings and placements - corner stone investors and investor demand.

This list is not exhaustive and subject to change. Other factors specific to the strategy may be considered.

## Leverage and Currency

The Sub-funds may invest in, or have exposure to, investments denominated in non-Australian currencies. The Investment Manager may choose to hedge some or substantially all of the foreign currency exposure of a Sub-fund using a number of financial instruments in Australian or foreign markets. This will not however remove all foreign currency exposure. Please see Section 6 for more information on foreign currency risk. A Sub-fund may gain exposure to investments by way of leverage provided that the aggregate of the long market value and short market value positions of the Fund must not exceed four times the Net Asset Value of the Fund.

## Risk Management

The Investment Manager is focused on risk management and seeks to mitigate market risk through asset diversification and risk limits set according to prevailing market conditions. High-end risk, portfolio and order management systems will be employed in executing each of the Sub-fund's strategies.

## Assets

A Sub-fund may from time to time have exposure to the following financial products:

- Listed equities, investment trusts, trackers and funds;
- Listed futures and options (predominantly on listed equities, trusts, trackers, funds and indices but on occasion on other assets);
- OTC futures and options (predominantly on listed equities, trusts, trackers, funds and indices but on occasion on other assets);
- Certificates representing equity or asset economic ownership (or negative economic ownership with regards to short certificates);
- OTC swaps representing equity or asset economic ownership (or negative economic ownership with regard to short

swaps) this includes credit default swaps;

- Bonds and notes including convertible bonds; and
- Foreign exchange and related instruments (such as forwards, swaps both deliverable and non-deliverable etc.).

The Sub-funds will not have exposure in unlisted equities apart from where these have no meaningful value (e.g. where a spin off occurs from a listed equity and the spin off has not yet listed, the spin off exposure can be retained) or where a listing is expected within a reasonable time.

The Sub-funds will not trade in physical commodities but on occasion may have exposure to physical commodities via listed or OTC derivatives.

Each Sub-fund may from time to time obtain some or all of its investment exposure via derivatives such as OTC total return swaps and portfolio swaps. Refer to 'Derivatives' below for further information.

### Underwriting and Sub-underwriting

The Investment Manager may from time to time identify compelling investment opportunities that are offered by issuers such as underwriting or sub-underwriting arrangements. The Investment Manager may make such investments not for the purposes of providing underwriting but rather for the purposes of investing consistently with the investment strategy of a Sub-fund. The trustee of the relevant Sub-fund or Investment Manager may earn a fee for services it provides in relation to the underwriting (e.g. arranger fee). Any such fees earned by the Investment Manager will reduce the fees it receives from the Fund or relevant Sub-fund (as the context requires) in the fee calculation periods.

### Derivatives

A Sub-fund may from time to time obtain some or all of its investment exposure via derivatives such as OTC total return swaps and portfolio swaps for the purposes of obtaining administrative, cost and other efficiencies. The following paragraphs provide a high level and non-exhaustive summary of some of the features of these types of arrangements. Each arrangement will be different, can be complex. This information should not be taken to be indicative of all such swap arrangements nor exhaustive of their features and terms.

The Sub-funds may enter into swap arrangements with counterparties that are generally large financial institutions. In selecting such counterparties the Investment Manager will consider a number of factors including their credit rating, ability to provide exposure to the desired reference assets, cost and efficiency.

Under these swaps, the Sub-funds will generally be required to post an amount of cash and or asset collateral with the counterparty. In return the counterparty will generally be required to give the Sub-fund investment exposure to a specified portfolio or basket of reference assets which are consistent with the Sub-fund's investment strategy and objective. The counterparty may set conditions on the composition of such portfolio.

Generally speaking if the reference portfolio increases in value the counterparty will be required to pay the Sub-fund the amount of the increase less expenses and other amounts owing by the Sub-fund to the counterparty (e.g. cost of borrowings).

The Investment Manager will seek to manage counterparty default risk through the choice of counterparties with a standard, industry accepted credit rating.

The counterparty will generally have extensive rights to terminate the swap in situations such as where there is an event of default or the term has expired. It is expected that the relevant Sub-fund will terminate and roll its swap arrangements on a frequent basis (e.g. monthly). These default events include failure by a Sub-fund to pay an amount to the counterparty or other persons, the Investment Manager losing key persons, the Investment Manager ceasing to be the trustee of the relevant Sub-fund, if the Net Asset Value of the Sub-fund falls by specified amounts or the Investment Manager ceases to hold appropriate licences or corporate authorisations. Some of these events may not be within the control of the Investment Manager. The closing out of

swaps may result in losses to the relevant Sub-fund and a loss of investment exposure.

Swap arrangements may allow the Sub-fund and counterparty to set-off amounts owing to each other.

Refer to Section 6 for further information relating to the risks of swap arrangements and Section 8 in respect of taxation aspects.

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## 6. RISKS OF INVESTING IN THE FUND

An investment in the Fund to gain exposure to a Sub-fund involves substantial risks. There is no guarantee that the investment objectives of the Fund or underlying Sub-fund will be achieved, that its investment strategies will be able to be successfully implemented or that investors will receive any return on their investment. Investors may lose some or all of their investment in the Fund. Set out below is a summary of some of the key risks involved in investing in the Fund.

Potential investors should carefully read this section and consider the following risks when determining whether to invest. The summary is not exhaustive. Investors should undertake their own enquiries and obtain appropriate advice. The Fund may also invest into other funds, which means investors in the Fund will be exposed to the risks of the Sub-funds which are likely to be similar to the risks described below. Please refer to Section 4 “The Sub-funds” for further details on the risks specific to the Sub-funds.

### Risks related to the Sub-funds and the Fund

#### General investment risk

The Fund may invest in speculative investments with increased levels of investment risk. The value of the Fund’s investments may fall or fluctuate widely, which will affect the value of Units. Changes in economic, political or market conditions or the regulatory environment may adversely impact the Fund and its investments. In addition, other factors may affect particular investments (i.e. interest rates, exchange rates) and consequently the value of Units may fall or the distributions from the Fund may be lower than expected or there may be no distributions. There are no assurances that the Investment Manager will anticipate these developments and neither the Trustee, Investment Manager, nor any other person guarantees the performance of the Fund.

#### Failure of investment strategies

The Investment Manager may in its discretion adopt the investment, trading and risk management strategies and methods it determines are most appropriate in the market circumstances. However, there can be no assurance that these strategies will be successful and a Unitholder may lose all or a substantial proportion of its investment in the Fund. The Investment Manager may employ additional strategies or change strategies of the Fund and any Sub-fund following an assessment of market and other conditions and investment opportunities available to the Fund and the Sub-funds. This may involve direct or indirect exposure to financial products other than those set out in this Memorandum.

#### Market risk

The Fund may be exposed to certain markets that are subject to inefficiency, volatility, unpredictability and/or political instability, all of which could cause loss of capital.

#### Diversification risk

The Investment Manager intends to diversify the Fund’s investments via the underlying Sub-funds in a manner consistent with the investment strategy relating to the relevant Sub-fund. However, in some circumstances the investments of the Fund or any Sub-fund may be concentrated in a small number of investments, which may result in greater volatility and losses for Unitholders.

#### Absence of secondary market

There will be no public market for Units. Investors will generally only be able to dispose of their Units by means of redemption on the relevant redemption day at the Redemption Price, subject to notice periods, restrictions and suspension as described in Section 9. The risk of any decline in the NAV per Unit during the period from the date of notice of redemption until the redemption day will be borne by the investor requesting the redemption.

#### Leverage

The Fund, Sub-funds or other Underlying Funds may use leverage to increase investment exposure or invest in financial products

such as swaps which provide the net effect of leverage. Investment losses may be magnified by the use of leverage, resulting in greater losses to investors of the Fund. The Fund, Sub-funds and Underlying Funds may also be subject to borrowing costs which may reduce returns. Margin calls by lenders may result in losses through the forced sale of investments. Refer Section 5 for further information on leverage.

### Interest rate risk

Interest rate fluctuations may affect the income derived or value of certain investments of the Fund, and Sub-funds and the costs of the Fund or Sub-funds implementing its investment strategies. For example, an increase in interest rates may result in the market value of fixed interest investments to fall. Alternatively, a reduction in interest rates may result in a decrease in income on one investment but increase in the value of another investment. During declining interest rate environments it may not be possible to invest at the same interest rates as the investments that are maturing. Accordingly, new investments may be made at the lower prevailing rates.

### Currency risk

The Fund, and Sub-funds may have either direct or indirect exposure to assets denominated in foreign currencies. The value of these investments may be subject to currency fluctuations between the Australian dollar and the currency in which the investment is denominated, which may cause the value of the Fund and the Sub-funds to fall.

The Investment Manager will evaluate the foreign exchange exposure of the Fund and Sub-funds and may undertake hedging transactions that aim to minimise the impact of any substantial movements in exchange rates on the value of the Fund and Sub-funds' assets. However, there is no assurance that the hedging strategy will be successful or that currency risks will be mitigated. It may not be possible or practicable to hedge successfully against currency exposure in all circumstances. The cost of hedging is an expense that is borne by the Fund and the Sub-funds.

### Foreign investment risk

The Fund and Sub-funds are likely, through its investments, to have either direct or indirect exposure to foreign investment risks not usually associated with investing in Australia or other developed markets, including:

- Political risks, such as difficulty in repatriating funds to Australia, adverse government policy (such as nationalisation of assets) and social, political and economic instability;
- Difficulty enforcing rights in foreign legal jurisdictions;
- The possibility of unforeseen taxes being imposed; and
- Financial reporting, general disclosure in relation to and regulation of investments of the Fund, which may be less rigorous than under Australian standards.

The Fund and Sub-funds may have either direct or indirect exposure to currencies and securities of emerging markets (or markets that do not have a long history of operating within a market-oriented economy) and thereby have exposure to risks not usually associated with investing in developed markets. These factors may affect the level and volatility of securities prices and the liquidity of investments and may negatively affect the value and/or liquidity of the investments held by the Fund and Sub-funds. Regulatory controls and corporate governance of companies in some developing countries may provide little or no protection for the Fund, and Sub-funds or Unitholders. Anti-fraud and anti-insider trading legislation may be ineffective. The concept of fiduciary duty by officers and directors to shareholders is also limited when compared to such concepts in developed markets. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution and minority shareholder protections may also be limited. This could have a material adverse effect on return from these investments.

### Use of sophisticated financial products

The Fund and Sub-funds will have either direct or indirect exposure to financial products such as derivatives, foreign exchange contracts and options. These products may be used to manage foreign exchange risk, generate investment returns or to offset the risks of other investments of the Fund and Sub-funds. These products are complex and their use has the potential to cause losses that are large in proportion to the money invested in them. Further, they may not successfully hedge any or all risk exposure

of the Fund and Sub-funds or its underlying investments. Such products may have embedded leverage or may provide increased exposure relative to the investment amount giving the effect of significant leverage and potentially magnifying losses. The cost of using such financial products may also reduce returns. There are a number of other risks related to these arrangements discussed elsewhere than in this Section.

### Valuation risk

There is no assurance that the calculation of the Net Asset Value described in Section 9 will reflect the actual realised value of assets of the Fund or Sub-funds. For example, illiquid investments may not be readily or accurately valued or may be based on estimates which may be inaccurate. In certain circumstances, valuations may be suspended where assets cannot be valued or would yield a valuation which would, in the opinion of the Investment Manager, be to the detriment of Unitholders. Derivatives held by the Fund or Sub-funds are often valued by the counterparty to such arrangements and their valuations are often binding on the Fund or Sub-funds. Errors or unfavourable valuation practices of such persons could adversely affect the Fund or Sub-funds.

Applications, redemptions and fees payable are based on these valuations. See Section 9 for further information on how investments and Unit prices are calculated.

### Liquidity risk

There is no assurance that redemption proceeds or distributions will be distributed in a timely manner. The Fund may be restricted in its ability to realise its investments or redeem from a Sub-fund or other Underlying Funds to meet redemption requests by Unitholders or to pay expenses or fees. Ultimately this may delay the payment of proceeds to Unitholders.

### Redemption risk

Where substantial Fund investments must be realised to fund a redemption request, the Redemption Price will generally be calculated on the value of the actual proceeds received from those realised investments. This value may differ from the estimated or quoted value of Units in a Class. See Section 9 for further information on how Application Prices and Redemption Prices are calculated. Where the Fund cannot sell its investments in a timely manner, there may be substantial delays in the payment of redemption proceeds, or in certain circumstances, the Fund may suspend redemptions. In particular, the Fund liquidity will be adversely affected where a counterparty to the Fund's investments defaults on its payment obligations to the Fund. Insolvency of such a counterparty may inhibit the ability of the Fund to pay redemption proceeds or may cause significant delays in doing so.

The Fund may be required to suspend redemptions for a variety of reasons, including where there are significant market disruptions, a counterparty defaults or if it is in the best interests of the Fund's investors. The ability of the Fund to process redemption requests and payout redemptions may additionally be dependent upon the Sub-funds and any other Underlying Funds in the Fund's portfolio and their ability to sell their underlying investments which may also be subject to delays and suspension of redemptions.

### Investment Manager and key person risk

The performance of the Fund is reliant upon the Investment Manager and the development and implementation of its investment strategies. The strategies are speculative and execution of the strategies may not be possible in all circumstances. There is also a risk that key members of the Investment Manager may leave and not be able to be replaced which could adversely affect the Fund and Sub-funds (e.g. through triggering the termination of derivative arrangements) and the ability of the Investment Manager to successfully achieve the investment objectives of the Fund.

### Legal, regulatory and tax risk

Regulation and tax that apply to the Trustee, Investment Manager, the Fund, Sub-funds and their investments may change (or tax laws may be interpreted by a tax authority or court in a different manner to which they have been interpreted and applied by the Trustee, Investment Manager or the Fund) and this may impact on the investment returns and nature of the investments in the Fund (for example, the ability to trade investments internationally and use leverage). The Trustee or Investment Manager may sometime in the future be required to obtain registrations or authorisations to undertake the investment program of the Fund in

foreign jurisdictions.

If those registrations or authorisations are not obtained or withdrawn, the ability of the Investment Manager to execute the investment strategies of the Fund or Sub-funds may be adversely affected.

#### Documentation risk

Certain investments of the Fund or Sub-funds (for example, derivatives) may be governed by complex documents, the interpretation of which may be disputed and their enforceability challenged.

#### Counterparty and service provider risk

The Fund or Sub-funds may transact with a counterparty, for example in transactions undertaken to hedge adverse currency exchange movements or for portfolio swaps. Additionally, some of the assets of the Fund or Sub-funds may be held by or lent to service providers and other such persons. Where these persons become insolvent the Fund or Sub-funds will generally rank equally with general unsecured creditors of such persons. The failure of such counterparties (such as through their insolvency or administration) could cause significant losses to the Fund or Sub-funds and could cause delays in the repatriation (where possible) of the Fund's or Sub-fund's assets and the payment of redemptions.

The Investment Manager will, where practicable, typically seek counterparties and service providers who are reputable and have a reasonable expectation of not defaulting (for example, low credit risk), although these risks cannot be eliminated. Service providers to the Fund or Sub-funds may from time to time also hold security over the assets so that they rank ahead of Unitholders in recovering assets.

Counterparties to the Fund's or Sub-fund's investments may also under the terms of those investments be able to exercise discretions (e.g. relating to valuations and terminating the investment), which may be exercised adversely to the interests of the Fund and Sub-funds.

#### Taxation risk

Taxation laws are complex and may adversely affect an investment in the Fund or Sub-funds or the tax treatment of investment returns where a tax authority or court determines to apply the laws differently to the manner in which those laws were interpreted and applied by the Fund or Sub-funds or explained in this Memorandum.

Changes to tax law, interpretation or practice could adversely affect the tax treatment of an investment in the Fund and Sub-funds and the tax treatment of the Fund's investments. Investors should obtain their own tax advice in relation to an investment in the Fund.

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## 7. FEES AND COSTS

The fees and costs set out below are applicable for investments in the Fund as at the date of this Memorandum. The Investment Manager will give prior written notice of any variation of fees or costs charged.

Fees are disclosed exclusive of GST. The Trustee or the Investment Manager may be paid fees directly from the Fund and a part or wholly owned subsidiary of the Trustee or the Investment Manager if such is established.

The Trustee or the Investment Manager may each accept lower fees or defer payment of fees for any period. The Investment Manager may pay investors from its own resources any amount in its discretion by way of offset or rebate of fees. Any deferral will in no way affect the Trustee's or the Investment Manager's right to receive the applicable fees.

### Management Fee

The Fund will pay the Investment Manager a Management Fee, in respect of a Class, monthly in arrears equal to 2% per annum (plus GST) for all classes of Units.

### Performance Fee and High Water Mark

The Fund will charge a Performance Fee, in respect of each Class, of 20% for all classes of Units. The Performance Fee will be calculated and accrue monthly and is payable half yearly to the Investment Manager from the Fund.

The Performance Fee is paid only where the NAV per Unit adjusted for distributions exceeds the Benchmark Performance, and the Performance Fee is only payable in respect of performance above the Benchmark Performance. The Benchmark Performance is calculated monthly on the basis of NAV per Unit at the beginning of the month and is adjusted for distributions made on, and the re-organisation of, such Units in the relevant Class.

The Performance Fee is calculated separately with respect to each series of Units in respect of a Class. For example, if a series of Units in respect of a Class experienced an increase over the relevant High Water Mark and Benchmark Performance for the relevant calculation period, but a different series of Units in a Class issued after the commencement of that period did not, then a Performance Fee would be charged to the former series only. Each time a Performance Fee is payable, a High Water Mark is calculated. The High Water Mark is the previous highest NAV per Unit immediately after payment of a Performance Fee with respect to the Units in the relevant Class (or if none has been paid, the initial issue price of the Units in that Class). The application of the High Water Mark seeks to ensure that until any previous losses per Unit incurred by the Fund (in respect of a Class) have been recovered, the Investment Manager does not earn, or earns a reduced, Performance Fee.

Additions and withdrawals of assets attributable to subscriptions and redemptions of Units will be taken into account in the calculation of the Performance Fee.

Performance Fees will also accrue where Units in respect of a Class are redeemed at any time other than the last Business Day of a calendar month. The Investment Manager may, but does not currently intend to, determine that the Performance Fee will be calculated on a 'whole of fund' basis in respect of a Class and will not be calculated separately in relation to each separate Unit on issue.

### Expenses

All costs or general expenses incurred (or to be incurred) in respect of a Class by the Trustee or the Investment Manager in connection with the management of the Fund and the offer are payable out of the Class Pool in respect of that Class. The Investment Manager is responsible for providing all office personnel, office space and office facilities required for the performance of their services. The Fund and the Sub-funds bear all other expenses incidental to its operations, including, but not limited to, fees payable to the Fund's and the Sub-funds' service providers (e.g. trustee, prime broker (if any), administrator and custodian); taxes imposed on the Trustee, Fund or Sub-funds or the Investment Manager; governmental charges and duties; the Fund's or the Sub-funds' advisers (e.g. legal, accounting and audit); printing and distributing the Memorandum, subscription materials, marketing

materials and any reports and notices to investors or prospective investors.

The Fund may also incur unanticipated expenses arising from its business, such as litigation and indemnification expenses. The Unit price of a Class or series will reflect expenses, costs and liabilities (including Management Fees and Performance Fees) that have accrued in respect of that Class or series over the relevant period but have not been paid. If some or all of such amounts are not payable at the end of the period, the NAV (and therefore the Unit prices) would be expected to increase. Similarly, if the accrued amount is less than the actual amount payable at the end of the period, the NAV (and therefore the Unit prices) would be expected to decrease.

#### Fees waiver and deferral

The Trustee or Investment Manager may, in their sole discretion, elect to defer receipt of any fees from time to time. Any such deferral will in no way affect the right to receive any fees payable. The Trustee or Investment Manager may also rebate or waive all or part of any fees applicable to Units for certain Unitholders and/or pay all or part of such fees to third parties for services related to the placement of Units.

#### Soft Commissions

The Investment Manager may execute transactions or arrange for the execution of transactions through brokers and other counterparties to the Fund with whom they have “soft commission” arrangements. The benefits provided under such arrangements will generally assist the Investment Manager in the provision of investment services to the Fund. Specifically, the Investment Manager may receive a benefit based on certain metrics such as the number of trades executed or leverage obtained through the respective broker or counterparty. Benefits received by the Investment Manager may take the form of, among other things, research services, quotation services, news wire services, portfolio risk and trade analysis software systems, special execution and clearance capabilities, which may be used by the Investment Manager in connection with the Fund and its other activities and clients. The Investment Manager is entitled to retain, and is not accountable in any way to the Fund nor any Unitholders.

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## 8. TAX CONSIDERATIONS

### 8.1 Introduction

The following is a general summary of the main Australian tax implications of investing in the Fund for Australian and foreign resident taxpayers.

The comments outlined in this summary are for 'wholesale client' Investors including complying superannuation funds, natural persons, companies and trusts who hold their interests in the Fund on capital account.

The tax treatment may vary according to individual circumstances and Investors are advised to seek their own tax advice in respect of their investment in the Fund. Tax liabilities are the responsibility of each Investor. The Trustee is not responsible for taxation or penalties incurred by Investors.

The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office generally accepted as at the date of this Memorandum.

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

### 8.2 Taxation Position of the Fund

The Fund is an Australian resident trust for Australian tax purposes. The Trustee intends to limit the investment activities of the Fund to ensure that the Fund is treated as a 'flow through' entity for the purposes of Australian tax.

The Fund should not generally pay tax on its earnings.

### 8.3 Taxation Position of Australian resident Investors

Investors are entitled to their proportionate share of the income of the Fund for a relevant accounting period.

Investors will be allocated a share of the taxable income of the Fund in proportion to their entitlement to the income of the Fund. The Investor's share of the taxable income of the Fund should be included in their tax return in the year in which the income was earned by the Fund. This includes income that has been reinvested or for which the entitlement has arisen but is not yet received.

Income of the Fund may include income from the sale of shares, receipts of dividends, and gains from the realisation of options and derivatives. The tax implications for Investors will be dependent on the components of the distributions. The annual tax statement will identify the components of their distributions.

Distributions from the Fund may include non-assessable amounts including a return of capital. Such amounts are not taxable as income to Investors when distributed but rather will reduce the cost base of the Units held in the Fund for the purposes of determining the capital gains tax liability on the disposal of the Units.

These adjustments could result in either an increased capital gain or a reduced capital loss when Units are subsequently disposed of (refer to the comments below).

## REDEMPTION OR DISPOSAL OF UNITS

Investors may be liable for tax on capital gains realised on the redemption or disposal of Units.

The Redemption Price of a Unit may include an entitlement to distributable income of the Fund. The entitlement to distributable income may affect the amount of net capital gain realised on disposal of an Investor's Unit.

## ATTRIBUTION MANAGED INVESTMENT TRUSTS

The new Attribution Management Investment Trust (**AMIT**) regime can apply to certain Managed Investment Trusts (**MITs**) which elect into the regime. The regime can apply from 1 July 2016 although there was an optional early start date of 1 July 2015.

The AMIT rules contain a number of provisions that impact on the taxation treatment of the Fund. The key features of the new tax system include:

- the ability to treat separate classes of units as separate trusts for tax purposes;
- an attribution model for determining member tax liabilities, which allows amounts to retain their tax character as they flow through a MIT to its unitholders;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Although a decision has not yet been made when, and if, the Trustee will elect for the Fund to be an AMIT, the Trustee has amended the Fund's constitution to facilitate the Fund, and the separate classes of units, operating under the new AMIT regime. The Trustee will monitor the potential impact of the AMIT rules on the Fund in order to determine if it should elect into the regime. The comments in this section on 'Tax Considerations' are made on the basis that the Trustee has not elected into the AMIT regime

### 8.4 Tax Position of Foreign Investors

Where the distribution to foreign investors includes Australian sourced interest, dividends or royalties, these components will be subject to a final withholding tax. Australian sourced interest income is subject to 10% interest withholding tax. Australian sourced dividends (to the extent they are unfranked) are subject to 30% dividend withholding tax which may be reduced where the Investor is a tax resident of a country that has concluded a Double Tax Treaty with Australia. There is no withholding tax on franked dividends.

Where the distribution includes other income including gains on the sale of shares or realisation of derivatives, the tax liability for the foreign Investors is contingent on whether the Fund is a Managed Investment Trust (**MIT**).

Where the Fund qualifies as a MIT and the foreign investor is a resident of an information exchange country, the Fund is required to withhold a final tax on all Fund distributions (except distributions of interest, dividends, and royalties) at the current rate of 15%.

Where the Fund does not qualify as a MIT, the Trustee will withhold tax (excluding withholding tax on interest, dividends, and royalties) at the Investor's marginal tax rate on behalf of the foreign resident based on the foreign resident's proportional share of the Fund's income. This withholding is not a final tax and the foreign Investor may file an Australian tax return and is entitled to claim a credit for the tax withheld by the Fund.

## 8.5 Foreign Account Tax Compliance Act

The United States Hiring Incentives to Restore Employment Act (the HIRE Act) was signed into US law in March 2010 creating a new withholding regime referred to as the Foreign Account Tax Compliance Act (**FATCA**).

In order for the Fund to avoid US withholding under FATCA (i.e. a tax of thirty percent (30%) on certain payments) made with respect to certain actual and deemed US investments, the Fund will be required to register with the US Internal Revenue Service (**IRS**) and agree to identify and report certain of its direct and indirect US account holders (including debt holders and equity holders). As the Fund is subject to rules under an Intergovernmental Agreement (**IGA**), the Fund will implement these FATCA provisions under local law and information will be provided to the Australian tax office (**ATO**) who will then provide it to the IRS.

To comply with our obligations under FATCA, investors in the Fund will be required to provide to the Trustee, information which identifies any direct and indirect US ownership as well as information that may certify other FATCA compliance or non-US status. The Trustee will be required to provide information about the Fund's direct and indirect US investors as defined by the FATCA regulations, to the ATO, which may share this information with the IRS. Such information may include, inter alia, the name, address and taxpayer identification number of certain US Persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest, including amounts paid or credited by the Fund to such investor.

Investors should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

## 8.6 Common Reporting Standard (CRS)

CRS is a set of rules developed by the Organisation for Economic Co-operation and Development (**OECD**). More than 80 jurisdictions, including Australia, have signed the CRS Multilateral Competent Authority Agreement and have enacted provisions to require CRS. These rules require certain financial institutions in participating jurisdictions to identify reportable accounts and collect documentation. These financial institutions are required to report certain information on accounts to their relevant local tax authorities.

From 1st July 2017, Australian financial institutions are required to document and identify reportable accounts and report certain information with respect to the reportable accounts to the ATO. The ATO may then choose to exchange this information with foreign tax authorities in the relevant participating countries.

As a result, in order to comply with the CRS obligations, we may request certain information from you.

All information reported under these laws is handled in the strictest confidence by the ATO and foreign tax authorities. National laws, administrative practices, and binding international treaties protect your information.

## 8.7 Goods and Services Tax (GST)

The issue and redemption of Units are not subject to GST. However, certain fees and expenses incurred by the Fund, such as fees charged by the Trustee, will attract GST at the rate of 10%. Given the nature of the activities of the Fund, it is possible that the Fund will be entitled to either a full input tax credit or 75% reduced input tax credit for the GST charged on these fees and expenses. All fees and expenses are quoted exclusive of GST.

## 8.8 Quoting a Tax File Number (TFN), TFN Exemption or Australian Business Number (ABN)

Collection of an Investor's TFN is authorised and its use and disclosure strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). Investors may quote a TFN or claim a TFN exemption in relation to their investment in the Fund when completing their Application Form. Investors may quote an ABN instead of a TFN if they are making this investment in the course of an enterprise carried out by them.

If an Investor chooses not to quote a TFN, TFN exemption or ABN, the Trustee will be required to deduct tax at the prescribed rate from that Investor's income distributions. At the date of the Memorandum, this was the highest marginal rate plus Medicare levy.

## 8.9 Social Security

Investing in the Fund may affect an Investor's entitlement to social security, as their investment may be included in the income and assets tests of Centrelink and the Department of Veterans' Affairs. Investors should obtain professional advice concerning the particular social security implications for their circumstances.

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## 9. AN INVESTMENT IN THE FUND

### 9.1 Applications

Applications will generally be processed monthly. Applications must be received by the Administrator before 2.00pm AEST on the last Business Day of the relevant month to be eligible for processing using that month's Application Price unless otherwise agreed by the Trustee upon the advice of the Investment Manager. The number of Units issued to investors is determined by dividing the investment amount by the relevant Application Price – refer to Section 9.2 below.

The Trustee may, upon the advice of the Investment Manager, reject applications or issue fewer Units than requested.

Any interest accrued on application monies received will accrue to the benefit of the Fund. If an application is rejected or fewer Units issued than subscribed for, application monies or the returned portion of the application monies will be returned without any interest.

Investors may gain access to the investment strategy of the:

- Arrow Fund, as set out in Section 4, by subscribing for Class A Units in the Fund;
- Dorado Fund, as set out in Section 4, by subscribing for Class B Units in the Fund; and

### 9.2 Application Price

The number of Units issued to investors is determined by dividing the investment amount by the relevant Application Price. The Application Price is equal to the NAV per Unit of the relevant Class adjusted for any transaction and operation costs (e.g. brokerage and stamp duties, taxes and other charges and expenses applicable from buying Fund investments).

### 9.3 Initial and addition application to the Fund

Investors may make an initial application for Units in a Class subject to the minimum initial investment amount of \$50,000 for that Class or an additional application subject to the minimum additional investment amount of \$50,000 for that Class; or any such other amount determined by the Investment Manager. Additional Units will be issued at the Application Price to be determined at the time of issue.

Applications will generally be processed monthly. The application and cleared application monies must be received by the Administrator before 2.00pm AEST on the last Business Day of the relevant month to be eligible for processing using that month's Application Price unless otherwise agreed by the Trustee upon the advice of the Investment Manager. The Trustee, upon the advice of the Investment Manager, may from time to time allow additional dates for accepting applications. Additional investments may be made by obtaining an Application Form from the Investment Manager by telephoning +61 7 3039 0000.

The Trustee may, upon the advice of the Investment Manager, reject or decline to accept applications or additional applications in whole or in part and may close the Fund to further investment where it believes the Fund has reached capacity. If the Trustee makes further offers of Units to new investors they will generally be issued at the then Net Asset Value of the existing Units in the relevant Class and series (if any).

### 9.4 Redemption

Unitholders may make a redemption request by giving a written notice to the Administrator. The minimum redemption amount is \$50,000 in respect of a Class unless otherwise approved by the Trustee upon the advice of the Investment Manager. Redemptions will generally be processed on the last Business Day of each calendar month ("**Redemption Valuation Date**").

Redemption requests from the Class A Units must be received by the Administrator thirty (30) days before a Redemption Valuation Date for the request to be processed on that date.

Redemption requests from the Class B Units must be received by the Administrator ninety (90) days before a Redemption Valuation Date for the request to be processed on that date.

Where a Unitholder redeems its Units, the Trustee will determine the amount of Trust net income that is properly referable to those redeemed Units. Where income is referable to redeemed Units, the redemption proceeds will comprise capital and income in proportions less any transaction costs determined by the Trustee pursuant to the Trust Deed and the Trustee will notify the Unitholder of such composition.

Processing of redemptions may be deferred or redemptions may be suspended – refer to Sections 9.5 and 9.6. A redemption request lodged during a period of suspension is deemed to be lodged immediately after the end of the suspension period.

### 9.5 Redemption Price

Redemption proceeds will equal the number of Units being redeemed multiplied by the applicable Redemption Price for the relevant class of units. The Redemption Price is the NAV per Unit as at the time of the redemption, adjusted for any transaction and operation costs such as brokerage and stamp duties, taxes and other charges and expenses applicable from selling the Fund's investments.

Each of the sub funds' trust deeds provide that the sub-trustees may take up to 120 days from the Redemption Valuation Date as at which the relevant Redemption Price is calculated until payment of redemption proceeds or such longer period as the sub-trustee may determine. The Investment Manager expects that this should not take longer than 45 to 50 days, however, in unusual circumstances, payment of redemption proceeds may take longer. Please refer to Section 9.6 below and see Section 6 for more information on 'Liquidity risk' and 'Redemption risk'.

### 9.6 Suspension of redemptions or withdrawal of large investment amounts

No redemptions, or payment of redemptions proceeds, will be permitted where the calculation of the Net Asset

Value or withdrawals are suspended. Withdrawals may be suspended including where:

- a. It is impracticable or impossible to calculate the NAV, for example, because of financial market disruptions or closures;
- b. The payment of redemption proceeds involves realising 5% or more (by value) of the Fund's assets which would, in the opinion of the Investment Manager, result in the Unitholders bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of Units held;
- c. The Trustee reasonably considers it to be in the interests of Unitholders, or it is otherwise permitted by law; or
- d. Where the Trustee receives redemption requests of an aggregate value that in its reasonable estimate exceeds 5% (by value) of the Fund's assets.

Where Sub-fund investments must be realised to fund a redemption request, the Redemption Price will generally be calculated on the basis of the value of the actual proceeds received from those realised investments. If the realisation prices of assets which fund redemptions are less than what is reflected in the NAV on the redemption day, then the Redemption Price will be adjusted downward.

## 9.7 Valuations

### NET ASSET VALUE (NAV)

The NAV of a Class will be equal to the value of the total assets less the total liabilities referable to that Class.

A separate account will be established in the books of the Fund for each Class of Units to which amounts that are referable to that Class will be allocated. Likewise, if the Fund issues a series of Units, in respect of a Class, separate series accounts will be maintained in the books of the Fund to which amounts referable to that series will be allocated.

The Investment Manager may use its discretion to determine the most appropriate method of valuing the assets of the Fund. The Investment Manager may also rely upon the value determined by an independent valuer or the valuations supplied by third parties, the accuracy of which may not be verifiable. There is no assurance that the calculation of the Net Asset Value described will reflect the actual realised value of assets of the Fund.

The Investment Manager may make such modifications to the means of calculating the Net Asset Value as it may from time to time consider reasonable to ensure that such changes accord with good accounting practice.

Situations involving uncertainties as to the valuation of positions may have an adverse effect on the Fund's net assets if the Investment Manager's judgements regarding appropriate valuations should prove incorrect. Valuations may also be suspended where the Fund's assets cannot be valued or would yield a valuation, which would be, in the opinion of the Trustee, to the detriment of Unitholders.

### NAV PER UNIT

The NAV per Unit is the Net Asset Value of the Class or series (i.e. total value of the property less liabilities each attributable to that Class or series), divided by the number of Units in that Class or series as at that Valuation Day (rounded to six decimal places).

This is used to determine the Application Price and Redemption Price (refer Section 9.2 and 9.5) for Units. The Trustee has delegated the calculation of the Net Asset Value to the Administrator.

### SERIES ACCOUNTING

The Sub-funds use series accounting to ensure that Unitholders that enter the Sub-funds at different times fairly incur the Performance Fee referable to the performance of their own Units.

Units issued under this Memorandum comprise Class A Units and Class B Units. The first tranche of Units issued in respect of a Class under this Memorandum will comprise master series Units for that Class ("Master Series"). Subsequently issued Units in the relevant Class will generally be issued in separate series unless otherwise determined by the Sub-funds. Units issued in a series will have income and capital entitlements that may differ from

that of Units (of a Class) in each other series. Fund expenses will ordinarily be allocated pro rata across all Units regardless of the Class or series to which they comprise except where an expense is disproportionately or (only) referable to a certain Class or series (as applicable). The Sub-funds may from time to time issue additional Units (including in separate series or Classes) to new or existing investors.

## 9.8 Transfers

Units may not be sold, transferred or otherwise disposed of, directly or indirectly, without the prior written consent of the Trustee (which may be granted, on certain terms and conditions, or delayed or withheld in its sole and absolute discretion).

Transfer requests should be made in writing to the Administrator. The Trustee may require prescribed transfer documentation to be completed by the transferor including without limitation the completion of an Application Form. Any Units sold or transferred without such consent may be compulsorily redeemed by the Trustee in its absolute discretion.

## 9.9 Distributions

The distribution policy of the Sub-funds is to distribute (when available) as soon as practicable after each 30 June (or otherwise as determined by the Trustee) the income of the Sub-funds less expenses.

Where a Unitholder redeems its Units, the Trustee will determine the amount of Fund net income that is properly referable to those redeemed Units. Where income is referable to redeemed Units, the redemption proceeds will comprise capital and income in proportions determined by the Trustee pursuant to the Trust Deed and the Trustee will notify the Unitholder of such composition.

For Unitholders who remain invested at a distribution date the Trustee will calculate distributions on a per Class and per series basis. This distribution will be based on the Trust's remaining net income for that tax year (after taking into account income distributed as redemption proceeds as described above). If the Trust has no distributable income (after taking into account redemptions) distributions will not be made to remaining Unitholders.

Unitholders may elect to have their distributions paid to their nominated bank account by completing the relevant section of the Application Form or notifying the Investment Manager in writing 30 days before 30 June. Where no such election is made, or Unitholders so request the Investment Manager in writing, distributions will be automatically reinvested into the Fund. Units issued on reinvestment of distributions will generally be issued at the next applicable Application Price after the distribution entitlement arises. The Trustee may, from time to time, distribute additional amounts where the Trustee believes it is appropriate.

Distributions may be made up of both income and capital.

## 10. ADDITIONAL INFORMATION

### 10.1 Trust Deed

The Fund is an unregistered managed investment scheme governed by the Trust Deed. The Trust Deed addresses matters such as valuation methods applying to Unit pricing, redemptions and applications, the issue and transfer of Units, Unitholder meetings and Unitholders' and the Trustee's rights, liabilities and indemnities.

A summary of the Trust Deed is set out below. It is not intended to be exhaustive and is qualified in its entirety by the Trust Deed. Please contact the Investment Manager to obtain a copy of the Trust Deed.

#### PERIOD AND TERMINATION OF THE FUND

The life of the Fund is 80 years less one day, unless terminated earlier by the Trustee pursuant to the Trust Deed.

#### CLASSES OF UNITS

The Fund may issue different Classes of Units from time to time:

- Class A Units will be issued to investors seeking exposure to the investment strategy of the Arrow Fund.
- Class B Units will be issued to investors seeking exposure to the Dorado Fund.

#### COMPULSORY WITHDRAWAL

The Trustee may, in its absolute discretion and upon a minimum of three days' notice, withdraw all or a portion of a Unitholder's investment in the Fund in the following circumstances:

- Units are held in breach of prohibitions contained in the Trust Deed;
- Units are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the fund in any material respect;
- The Fund is uneconomical to operate;
- The Unitholder made a misrepresentation in acquiring Units;
- The Unitholder is a registered holder of Units having an aggregate value of less than \$50,000; or
- The Unitholder's continued participation may cause the Trustee, Investment Manager or any other Unitholder to violate any law or cause any litigation to be commenced or threatened against the, Trustee, Investment Manager or any other Unitholder.

#### TRUSTEE

Quay Fund Services Ltd (ABN 84 616 465 671; AFSL 494 886) is the trustee of the Fund.

#### TRUSTEE'S INDEMNITY AND LIABILITY

The Trustee is entitled to be indemnified from the Fund for any amounts properly incurred in acting as trustee of the Fund, subject to the Trust Deed and the law. Subject to the law, the Trustee is not liable to investors for any losses in any way relating to the Fund except to the extent of any fraud, gross negligence or breach of trust involving a failure to show the required degree of care and diligence by the Trustee ("Material Misconduct").

The Trustee's liability is, subject to the law, limited to its ability to be indemnified out of the assets of the Fund except to the extent that such indemnity is reduced by any Material Misconduct.

#### UNITHOLDERS' LIABILITY

The liability of Unitholders is limited to the value of their investments in the Fund and subject to the Trust Deed. The effectiveness of these provisions has not been conclusively determined by an Australian Court, and therefore no absolute assurance can be given that investors will be protected from liability to third parties.

Each Unit confers a proportional beneficial interest in the Fund and does not carry any entitlement to any particular part of the Fund’s assets or to partake in the management or operation of the Fund (other than through meetings of Unitholders).

#### AMENDING THE TRUST DEED

The Trust Deed may be modified, repealed or replaced in accordance with the provisions as set out in the Trust Deed. For example, the Trust Deed may be amended where the Trustee reasonably considers that it will not adversely affect Unitholders’ rights or if the change is approved by special resolution at a meeting of Unitholders.

### 10.2 Communicating and reporting

Investors will be provided with the reports set out in the table below. The Investment Manager may (but is under no obligation to) provide further information upon request.

REPORT	TIMING
Unit Price*	Monthly
Transaction statements	To each Unitholder in a Class within 30 days of the transaction
Income distribution and tax statements (including details of income entitlements)	To each Unitholder in a Class within 75 days of the end of the financial year

\*The above information may be provided through the Investment Manager’s website [www.coastercapital.com.au](http://www.coastercapital.com.au).

### 10.3 Further information

A non-exhaustive summary of some of the key terms of the offer and the Trust Deed has been set out in this Memorandum. For further information about the Fund or to obtain a copy of the Trust Deed please contact the Investment Manager.

### 10.4 Offer changes

The Trustee reserves the right to cancel the offer of Units, return application monies (without interest) for whatever reason or change the terms and conditions of the offer or Fund at any time. While the Trustee has no obligation to update the contents of this Memorandum, updated information may be made available on the Coaster Capital website ([www.coastercapital.com.au](http://www.coastercapital.com.au)) or by notice from the Investment Manager.

### 10.5 Conflicts of Interest

The Trustee, Investment Manager and any of their associates may from time to time:

- a. Represent or act for, or contract with, their affiliates and associates;
- b. Invest in and deal in any capacity with the same investments as that of the Fund or Sub-funds, on similar or different terms;
- c. Act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other

- business activities that may be in competition with the interests of Unitholders;
- d. Recommend that investments be purchased or sold on behalf of the Fund and Sub-funds, regardless of whether at the same time they may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to themselves or other clients;
  - e. Appoint any agents and use brokers, custodians and clearing houses and other persons, including related parties, for the purposes of it meeting their obligations and responsibilities in respect of the Fund and Sub-funds; and / or
  - f. Receive and retain profits or benefits of any nature, in connection with the Fund and Sub-funds, and may do so without being liable to account to the Fund, Sub-funds or Unitholders.

The Investment Manager has established internal policies and procedures to ensure that any conflicts of interest arising in relation to the Fund and Sub-funds are adequately identified and appropriately managed. Where the Investment Manager considers that a particular conflict of interest is likely to have a materially adverse effect on Unitholders it will seek to implement adequate arrangements to mitigate and prevent (where practicable) adverse effects on Unitholders. In certain cases, the Investment Manager may disclose the conflict of interest to Unitholders and obtain their consent for the Investment Manager (and other persons if relevant) to proceed in the context of that conflict of interest

## 10.6 Anti-Money Laundering and Counter Terrorism Financing

The Australian Government has enacted the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**), which applies to us. You should be aware that as part of our compliance with these laws, we must collect certain information about each investor (and any authorised nominee where applicable) and may require additional information to verify your identity and any underlying beneficial owner of a potential investor or an investor's units in a Fund and the source of any payment before providing services to you and from time to time.

Where we request such information from you, processing of applications or withdrawals may be delayed until the required information is received in a satisfactory form. The Trustee may reject any application where such documents are not provided to the Trustee prior to lodgement of, or accompanying, the application form.

A transaction may be delayed or refused where reasonable grounds are established that the transaction breaches the law or sanctions of Australia or any other country. Where such a transaction is delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result of compliance with the AML/CTF Act as it applies to this product.

We may require additional information from you to assist us in identification and verification processes, and may need to re-verify information.

You should also be aware that under legislation we are required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing you of such disclosure.

## 10.7 Jurisdictional information

Offers or the subscription of Units may be prohibited or regulated in certain jurisdictions and to certain persons. It is the responsibility of investors and persons receiving this document to carefully consider such regulation. Set out below is high level information on the regulation applying in some jurisdictions. This information is not exhaustive and investors should confirm the regulation applying in their relevant jurisdiction.

### SINGAPORE

This Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. You should

accordingly consider carefully whether the investment is suitable for you. Each investor agrees that this Memorandum and any other document or material

in connection with the offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than institutional investors (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore ("SFA")), accredited investors (as defined in Section 4A of the SFA), other relevant persons (as defined in Section 275 of the SFA), or any person pursuant to an offer that is made on terms that the Units are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets. Where Units are subscribed or purchased under Section 275 by a relevant person which is:

- A corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- A trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the interests pursuant to an offer made under Section 275 except:
- To an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- Where no consideration is or will be given for the transfer; or
- Where the transfer is by operation of law.

## HONG KONG

Warning: The contents of this Memorandum have neither been reviewed nor endorsed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice.

The Fund is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong (SFO) by the Securities and Futures Commission of Hong Kong (SFC). This Memorandum has not been reviewed or registered by the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance or any other regulatory authority in Hong Kong. No action has been taken to permit an offering of Units in Hong Kong. This Memorandum and the information contained in it may not be reproduced in any form or transferred to any person in Hong Kong.

Accordingly, no person shall issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the interests, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so by the securities laws of Hong Kong) other than with respect to the interests which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO (cap. 571) of Hong Kong and any rules made under that ordinance.

Prospective investors are advised to exercise caution in relation to the offering of Units. If they are in any doubt about any of the contents of this memorandum, they should obtain independent professional advice.

## NEW ZEALAND

This Memorandum is not a registered prospectus or an investment statement for the purposes of the Securities Act 1978 and does not contain all the information typically included in a registered prospectus or investment statement. This offer of Units does not constitute an “offer of securities to the public” for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. Units may only be offered to the public in New Zealand in accordance with the Securities Act 1978 and the securities Regulations 1983.

## Privacy policy

The Trustee or Investment Manager may collect, hold and use investors’ information in assessing applications for Units, administering investors’ accounts, providing investors with information about the Fund and related products and services or for other purposes permitted under the *Privacy Act 1998* (Cth) (**Privacy Act**). Tax and company law also require information to be collected in connection with an application. The Trustee or Investment Manager may disclose information about investors to any affiliates, related bodies corporate, agents and service providers provided that they do not use it for purposes other than that permitted under the Privacy Act. This information may be passed to another entity if required by law, and may be provided to authorised regulatory or law enforcement agencies. Under the Privacy Act, investors may request a copy of their personal information held by or on behalf of the Fund by using the contact details as set out in the corporate directory.

## 10.9 Service Providers

The Trustee or Sub Trustees has appointed:

- Apex Fund Services Limited to provide Administration;
- Apex Fund Services (Sydney) Pty Ltd to act as the Administrators Agent and provide registry services; and
- Morgan Stanley & Co International plc to provide custody and prime broking services.

## 10.10 Consents

- Apex Fund Services Limited as the administrator; and
- Morgan Stanley & Co International plc as the Sub Fund’s Custodian and Prime Broker,

who are each named in this Memorandum: have not authorised or caused the issue of this Memorandum; do not make or purport to make any statement in this Memorandum (or any statement on which a statement in this Memorandum is based) other than as specified; and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Memorandum other than the reference to their name in a statement or report included in this Memorandum with their consent as specified.

## 11. GLOSSARY

<b>Administrator</b>	Apex Fund Services Limited.
<b>Administrator's Agent</b>	Apex Fund Services (Sydney) Pty Ltd or such other person as may be appointed Administrator's Agent of the Fund from time to time.
<b>AFSL</b>	Australian Financial Services License.
<b>Application Form</b>	The application form included in or accompanying this Memorandum relating to the purchase of Units.
<b>Application Price</b>	The NAV per Unit in a Class applicable to the Units being issued, adjusted for any transaction and operational costs in respect of that Class (if any) and determined at the time of issue of Units in the relevant Class as calculated under the Trust Deed.
<b>Benchmark Performance</b>	<b>In respect of Class A and B Units</b> -the Reserve Bank of Australia cash rate determined and published monthly as at 12pm on the first day of that month.
<b>Business Day</b>	A day other than a Saturday or Sunday on which Australian banks are open for general banking business in Sydney, Australia.
<b>Class</b>	Refers to a class of Units of the Fund.
<b>Class A Unit</b>	A Unit issued in Class A and referable to the Arrow Fund.
<b>Class B Unit</b>	A Unit issued in Class B and referable to the Dorado Fund.
<b>Class Pool</b>	A separate pool of Fund Property referable to a Class.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Fund</b>	Coaster Multi-Strategy Fund.
<b>Fund Property</b>	All property, rights and income of the Fund including taxation credits attaching to income of the Trust.
<b>GST</b>	Has the meaning given to it in <i>A New Tax System (Goods and Services Tax) 1999</i> (Cth).
<b>High Water Mark</b>	This is the previous highest NAV per Unit in respect of a Class immediately after payment of a Performance Fee (or if none has been paid, the initial issue price of the Units in the relevant Class).
<b>Investment Manager</b>	Coaster Capital Pty Ltd ACN 635 699 080 as investment manager of the Fund and each Sub-fund, as the context requires.
<b>Investor</b>	A holder of Units in the Fund.
<b>Investment Objective</b>	Has the meaning provided in Section 4, as relevant.
<b>Investment Philosophy</b>	Has the meaning provided in Section 4, as relevant.

<b>Management Fee</b>	Has the meaning provided in Section 7.
<b>Management Agreement</b>	The management agreement between the Trustee and the Investment Manager.
<b>Net Asset Value or NAV</b>	The net asset value of the Fund, Class or series as provided in Section 9 and as the context requires.
<b>NAV per Unit</b>	Has the meaning provided in Section 9.7.
<b>OTC</b>	Over the counter.
<b>Performance Fee</b>	Has the meaning provided in Section 7.
<b>Redemption Price</b>	The Redemption Price is the NAV per Unit in a Class at the time of the redemption, adjusted for any transaction and operation costs in respect of that Class (if any) as calculated under the Trust Deed. See Section 8 for more details.
<b>Sub-funds</b>	Each of the Arrow Fund and Dorado Fund as the context requires.
<b>Trust Deed</b>	The Trust Deed establishing the Fund.
<b>Trust Deed</b>	Trust deed constituting Coaster Multi-Strategy Fund, as amended from time to time.
<b>Trustee</b>	Quay Fund Services Ltd ABN 84 616 465 671; AFSL 494 886, as trustee of the Fund.
<b>Underlying Funds</b>	Means trusts, companies or partnerships into which the Fund may invest and excludes the Sub-funds.
<b>Unit or Units</b>	A beneficial interest in the Fund and includes Class A Units and Class B Units.
<b>Unitholder or Unitholders</b>	Persons who are indicated on the register of holders as the holder of a Unit or Units in the Fund.
<b>Valuation Day</b>	The last day of each calendar month on which the Net Asset Value is calculated.
<b>Wholesale Client</b>	Has the meaning provided in the Corporations Act.

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## 12. CORPORATE DIRECTORY

Trustee	<p><b>Quay Fund Services Ltd</b>  Suite 3701, Lvl 37  1 Macquarie Place  Sydney NSW 2000  T: +61 2 8405 5672  E: <a href="mailto:enquiries@quayfund.com.au">enquiries@quayfund.com.au</a>  W: <a href="http://www.quayfund.com.au">www.quayfund.com.au</a></p>
Investment Manager	<p><b>Coaster Capital Pty Ltd</b>  Level 1, 60 James Street</p>

Fortitude Valley QLD 4006  
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E: [info@Coastercapital.com.au](mailto:info@Coastercapital.com.au)  
W: [www.Coastercapital.com.au](http://www.Coastercapital.com.au)

Auditor

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Ernst & Young Centre 680  
George Street  
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W: [www.ey.com.au](http://www.ey.com.au)

Legal counsel

**Minter Ellison**  
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T: (02) 9921 8888  
F: (02) 9921 8123  
W: [www.minterellison.com](http://www.minterellison.com)

Administrator

**Apex Fund Services Limited**  
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Hamilton HM11  
Bermuda

Custodian and  
Prime Broker

**Morgan Stanley & Co International PLC**  
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Administrator's  
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