



## **Information Memorandum**

August 2023

Access the best funds globally

## Contents

1.	Important Notice .....	3
2.	Fund at a Glance .....	5
3.	About Pacific Equity Partners .....	7
4.	How the Fund Invests .....	7
5.	Risks of Investing.....	9
6.	Investing in the Fund .....	11
7.	Withdrawing from the Fund.....	13
8.	Distribution.....	14
9.	Fees and Other Costs.....	14
10.	Taxation .....	16
11.	Keeping You Informed and Contacting Us.....	18
12.	Other Important Information.....	19
13.	Glossary.....	21
14.	Application Form.....	22

## 1. Important Notice

This information memorandum (**Information Memorandum, IM**) is prepared and issued by PEP Gateway Investors Administration Pty Limited (ACN 655 815 768) (**Trustee**) as the trustee of PEP Gateway (the **Fund**). Units in the Fund are issued pursuant to an intermediary authorisation arrangement for the purposes of section 911A(2)(b) of the *Corporations Act 2001 (Cth)* between the Trustee and Pacific Equity Partners Investors Administration Pty Ltd (ACN 161 245 263, AFSL no. 454251).

PEP Gateway Management Pty Limited (ACN 655 960 795) is the investment manager of the Fund (**Investment Manager**). The Investment Manager has been appointed as the corporate authorised representative of Pacific Equity Partners Pty Limited (ACN 082 283 949, AFSL no. 247259).

You should read this IM in its entirety before making a decision about whether to invest in the Fund. This IM sets out general information about the Fund for the recipient of this IM (**Recipient**) to consider in making a decision as to whether the Recipient should acquire an interest in the Fund.

### Date

This IM is dated August 2023 (**IM Date**). Its delivery at any time after the IM Date does not imply that the information contained in it is accurate, timely and complete at any time subsequent to the IM Date.

### Glossary

Certain words and expressions used in this IM are defined in Section 13 (*Glossary*).

### General advice warning

The information contained in this IM is general information only and is not personal financial product advice. This IM has been prepared without taking into account the objectives, financial situation or needs of any particular person. Investors should not construe the contents of this IM as tax or investment advice. Investors are strongly encouraged to undertake their own due diligence in relation to the Fund before making an investment. In addition, Investors should read this IM in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this IM.

### Conditions of receipt

This IM is not made available generally to the public but rather is supplied personally to the Recipient on the conditions set out below, which are taken to be accepted and agreed by the Recipient as evidenced by the retention by the Recipient of this IM, in part consideration of the supply of this IM. If these conditions are not acceptable, this IM must be returned immediately.

### Eligible investors

The Offer is only open to persons who are 'wholesale clients' within the meaning of that term under the *Corporations Act 2001 (Cth)* receiving this IM within Australia and to persons who are 'wholesale investors' within the meaning of that term under the *Financial Markets Conduct Act 2013 (FMCA)* receiving this IM within New Zealand, and who accept the conditions of receipt of this IM.

### Disclosure document status

This IM is intended to provide potential Investors with information only and does not constitute a Product Disclosure Statement or disclosure document as defined under the *Corporations Act 2001 (Cth)* or under equivalent provisions of the FMCA.

This IM has not been, and is not required to be, lodged with the Australian Securities and Investments Commission (**ASIC**) or any other government body in Australia or New Zealand.

### Restrictions on distribution

The Offer is an offer which is available to persons receiving this IM within Australia and New Zealand but does not constitute an offer of interests in the Fund in any jurisdiction where, or to any persons to whom, it would be unlawful to make the Offer.

This IM does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than Units. It is the responsibility of any person located in a jurisdiction other than Australia or New Zealand to ensure compliance with all laws of any country relevant to the Offer. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of any relevant laws and that all approvals and consents have been obtained.

### Investors to undertake own due diligence

Information contained in this IM has been provided to Investors to assist them to make an assessment of whether or not to invest in the Fund. In relation to the information contained in this IM, none of the Trustee or the Investment Manager, or their officers, employees, related parties, associates, consultants, advisers and agents, warrant or represent that:

- all information which is relevant to the Offer or to the acquisition of Units has been provided in this IM; or
- all information provided under this IM is accurate, correct or complete or does not contain misleading or deceptive statements.

Whilst the Trustee has undertaken due diligence in relation to the Fund and the information which has been presented in this IM, it is possible that, due to factors such as the passage of time or the uncertainty in forecast details, the

information contained in this IM may be inaccurate at the date of release of this IM or at a later time.

Except where expressly disclosed, the information contained in this IM has not been independently verified or independently audited. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Trustee or Investment Manager and their associates or advisers as to the accuracy or completeness of any part of this IM, nor will they have any responsibility to update or supplement this IM.

To the maximum extent permitted under the law, the Trustee and the Investment Manager disclaim any liability arising from any information provided in this IM, including any errors or omissions.

### **No performance guarantee**

None of the Trustee or the Investment Manager or their officers, employees, related parties, associates, consultants, advisers and agents, or any other person, guarantees the performance or success of the Fund, the repayment of capital invested in the Fund by an Investor, any particular rate of return on investments in the Fund or (where information about tax is provided) any particular tax treatment.

Where this IM sets out any past performance in respect of the Fund, the Fund's strategy, or other funds or investment vehicles operated or managed by the Trustee or Investment Manager, Investors must not interpret that information as a representation about the future performance of the Fund. Past performance is not a reliable indicator of future performance. There can be no assurance that the Fund will achieve results that are comparable to the track record of the Trustee or the Investment Manager, or that the Fund's investment objectives will be achieved.

### **Forward-looking statements**

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

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

Due to various risks and uncertainties, including those set out in Section 5 (*Risks of Investing*), actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements.

The forward-looking statements included in this IM involve subjective judgment and analysis and are subject to

uncertainties, risks and contingencies, many of which are outside the control of, or are unknown to, the Trustee and Investment Manager. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned to not place undue reliance on any forward-looking statements.

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

### **Currency**

In this IM any reference to currency, 'A\$', '\$', 'AUD', or 'dollars' is to Australian dollars, unless otherwise indicated.

### **Confidentiality**

The contents of this IM are confidential. Neither this IM nor any other information provided by the Trustee or Investment Manager may be disclosed to any other party, except for the purpose of obtaining independent advice in connection with the consideration of an investment in the Fund, or used for any purpose other than the consideration of an investment in the Fund, unless the express prior written consent of the Trustee is obtained. Any reproduction of all or part of this IM is strictly prohibited without the written consent of the Trustee, and may only be reproduced in accordance with that consent. In the event that the Recipient does not participate in the Fund, this IM, along with all related materials, must be returned to the Trustee immediately on demand.

## 2. Fund at a Glance

Item	Summary	Further Information
<b>Fund Details</b>		
<b>Fund Name</b>	PEP Gateway (the <b>Fund</b> ).	
<b>Trustee</b>	PEP Gateway Investors Administration Pty Limited (ACN 655 815 768).	
<b>Licensee</b>	Pacific Equity Partners Investors Administration Pty Ltd (ACN 161 245 263, AFSL Number 454251).	
<b>Investment Manager</b>	PEP Gateway Management Pty Limited (ACN 655 960 795).	
<b>Investment Details</b>		
<b>Investment Strategy</b>	<p>The Fund's investment objective is to provide capital growth over the medium and long term through a diversified portfolio of high quality global private equity investments, including exposure to some of the world's best private equity funds and fund managers.</p> <p>The Fund targets those investment opportunities considered most attractive at a given point in time while delivering diversification including across strategy, asset class, geography, vintage and industry sector.</p> <p>Through the Fund, Investors have the opportunity to invest in global private equity assets that may otherwise be difficult for individuals to access.</p>	Section 4
<b>Benefits of Investing in the Fund</b>	<p>Investing in the Fund offers Investors a range of benefits, including:</p> <ul style="list-style-type: none"> <li>• Access to attractive global private equity investments which may not otherwise be readily available to individuals;</li> <li>• Diversification, including across strategy, asset class, geography, vintage and industry sector;</li> <li>• Greater liquidity than is generally associated with private equity investments; and</li> <li>• Investment expertise of Pacific Equity Partners, one of Australia's leading private markets firms.</li> </ul>	Section 4
<b>Risks</b>	All investments are subject to risk. The significant risks associated with an investment in the Fund are discussed in Section 5.	Section 5
<b>Distributions</b>	The Fund will distribute any net income on an annual basis.	Section 8
<b>Currency Hedging</b>	Unhedged	Section 4
<b>Borrowing</b>	The Fund is permitted to borrow up to 25% of its assets, including to fund investments, meet redemptions or pay fees and expenses.	Section 4
<b>Entering and Exiting the Fund</b>		
<b>Suggested Minimum Investment Timeframe</b>	5-7 years.	
<b>Minimum Initial Investment</b>	\$100,000	Section 6
<b>Minimum Additional Investment</b>	\$10,000	Section 6

<b>Minimum Withdrawal</b>	\$10,000	Section 7
<b>Applications</b>	Monthly, subject to the limitations detailed herein.	Section 6
<b>Withdrawals</b>	Monthly, subject to the limitations detailed herein.	Section 7
<b>Fund Valuations</b>		
<b>Valuations</b>	Monthly	Section 12
<b>Unit Pricing</b>	Monthly	Section 12
<b>Fees and Other Costs</b>		
<b>Management Fee</b>	1.65% p.a. (including GST net of RITC) of the Fund's net assets.	Section 9
<b>Performance Fee</b>	15% (including GST net of RITC) of performance, subject to a high water mark and an 8.0% p.a. hurdle.	Section 9
<b>Entry and Exit Fees</b>	Nil	
<b>Buy / Sell Spread</b>	No buy spread applies. No sell spread currently applies or is typically expected to apply, however a sell spread may be applied in certain circumstances such as during periods of market volatility.	Section 9

### 3. About Pacific Equity Partners

#### One of Australia's leading private markets firms

Founded in 1998, Pacific Equity Partners (PEP) is one of Australia's leading and most established private markets firms. PEP provides a range of private equity and private credit solutions to institutional and wholesale individual investors globally.

#### Compelling track record

PEP has a history of generating solid returns for its investors and, as at the date of this IM, has delivered a median net IRR of 23% across its mature private equity funds. The firm has received a number of awards from industry bodies in recognition of its achievements, including Private Equity Firm of the Year and has been ranked as one of the world's most consistently performing private equity firms by Preqin. PEP seeks to deliver reliable and attractive returns for investors across each of its products.

#### Privileged access

Over its many years as a successful private markets investor, PEP has developed deep experience and extensive networks across industry, government, advisors and the global investment community. PEP's experience and networks provide the firm with privileged access and insight in sourcing and evaluating investment opportunities.

### 4. How the Fund Invests

#### Investment Strategy

The Fund's investment objective is to provide capital growth over the medium and long term through a diversified portfolio of high quality global private equity investments, including exposure to some of the world's best private equity funds and fund managers.

The Fund targets those investments opportunities considered most attractive at a given point in time while delivering diversification including across strategy, asset class, geography, vintage and industry sector.

Through the Fund, Investors have the opportunity to invest in global private equity assets that may otherwise be difficult for individuals to access.

#### The Fund's Investments

Private equity is a term commonly used for privately negotiated investments that are typically made in non-public companies. Private equity investments can follow a variety of strategies, including without limitation, acquiring controlling investments in mature companies ("Buyouts") or making investments in businesses that are early stage or otherwise have high growth potential ("Venture/Growth Equity").

The Fund may gain exposure to private equity through a number of different asset classes, including without limitation:

- **Primary investments.** Primary investments are interests or investments in newly established private equity funds. Private equity funds are comingled, professionally managed investment vehicles that typically acquire diversified private equity portfolios within a defined strategy. Primary investors subscribe for interests during an initial fundraising period and their capital commitments are then used to fund investments in a number of individual operating companies (usually ten to thirty) during a defined investment period (usually four to six years). Cash is returned by a private equity fund to its investors as the private equity fund exits its investments over the fund's life which is typically defined as ten to twelve years.
- **Secondary investments.** Secondary investments are interests in existing private equity funds that are acquired in privately negotiated transactions, usually after the end of the private equity fund's fundraising period.
- **Direct investments or co-investments.** Direct investments generally involve taking an interest in securities issued by an operating company and are typically made alongside a private equity fund or other lead investor. The investment horizon for direct investments can vary, but such investments are usually exited within two to six years. In the context of private equity fund investors, direct investments are also often referred to as co-investments.

- **Listed private equity.** Listed private equity comprises investments in listed entities that invest in private equity transactions or private equity funds or that earn fees and/or carried interest from the same. Listed private equity may also include investments in listed companies where a private equity fund holds significant influence.

The Fund may gain such exposures directly, or indirectly through interposed vehicles. The Fund may also invest up to 20% of its assets in other opportunistic investments (which may or may not be in the nature of private equity style investments) and hold cash and fixed income assets.

### Asset Selection

The Fund leverages PEP's deep experience and networks in sourcing and selecting high quality investments for the Fund.

The Fund targets those investment opportunities that are deemed most attractive at a given point in time, including consideration of the following:

- investment risk and return profile;
- portfolio diversification (including across strategy, asset class, geography, vintage and industry sector); and
- maintaining sufficient liquidity.

Rigorous due diligence is undertaken prior to selecting investments for the Fund. Once investments have been made, they continue to be closely monitored as part of the Fund's ongoing portfolio management activities.

### Benefits of Investing in the Fund

Investing in the Fund offers Investors a range of benefits, including:

- Access to attractive global private equity investments which may not otherwise be readily available to individuals;
- Diversification, including across strategy, asset class, geography, vintage and industry sector;
- Greater liquidity than is generally associated with private equity investments; and
- Investment expertise of PEP, one of Australia's leading private markets firms.

### Diversification

The Fund aims to invest in a diversified portfolio, including across strategy, asset class, geography, vintage and industry sector.

The Fund will not invest more than 20% of its assets in any single investment (assessed at the time of investment).

### Currency Hedging

The Fund does not hedge its exposure to currency fluctuations.

### Borrowing

The Fund is permitted to borrow up to 25% of its assets, including to fund investments, meet redemptions or pay fees and expenses.

### Derivatives

The Fund may utilise derivatives for risk management purposes or to gain exposure to target assets where consistent with the Fund's objectives. Such derivatives may include without limitation forward contracts, futures, swaps and options.

### Short selling

The Fund does not currently intend to engage in short selling, however the Fund is permitted to short sell securities with value of up to 10% of its assets (assessed at the time of investment).

### Conflict Management

The Fund may invest in, or co-invest with, other PEP funds as permitted by the Fund's Trust Deed. Procedures, including in relation to deal allocation, have been established to resolve conflicts of interest that may arise directly or indirectly in such circumstances.

### Environmental, Social and Governance (ESG) Considerations

PEP acknowledges the importance of investing in a responsible and ethical manner and believes such practices are a factor in generating sustainable returns.

PEP is a signatory to the United Nations Principles of Responsible Investment (**UNPRI**), an initiative developed by an international group of institutional investors, reflecting the increasing significance of ESG issues to investment practices. The UNPRI promote understanding of the investment implications of ESG factors and incorporating these factors into investment decisions.

As a signatory to UNPRI, PEP takes ESG considerations into account through its due diligence and portfolio management processes.

### Changes to Investment Strategy

The Trustee reserves the right to change the Fund's investment strategy from time to time. Any changes to the investment strategy will be notified to Investors in accordance with the law.



## 5. Risks of Investing

All investments are subject to risk. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The risk factors below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, your investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance. Neither the Trustee, nor the Investment Manager guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. You may lose money by investing in the Fund and your investment in the Fund may not meet your objectives. Future returns may differ from past returns. In addition, neither the Trustee, nor the Investment Manager offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

The main risk factors which may affect the returns of the Fund include, but are not limited to:

### Risks Arising from the Nature of Private Equity Investments

Private equity investments typically display uncertainties which may not exist to the same extent in other investments. Private equity investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or are faced with restructuring, etc. Any forecast of future growth in value may therefore be subject to greater uncertainties than is the case with other investments. Further, unlisted private equity investments do not typically display the same degree of liquidity or transparency often found in other investments (e.g. listed securities). In addition, unlisted private equity investments are often valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities.

### Liquidity Risk

Unlisted private equity investments are typically less liquid than other investments (e.g. listed securities). Securities or other financial assets that the Fund may invest into may be difficult to readily sell without a substantial discount to market value, particularly during periods of market volatility.

Net withdrawals in each calendar quarter are limited to 5% of the number of Units outstanding at the end of the preceding quarter, unless the Investment Manager advises the Trustee to apply a higher percentage limit. The Trustee may further limit net withdrawals to less than 5% of Units in each calendar quarter where the Fund ceases to be liquid or where the Trustee believes facilitating a higher level of redemptions would unfairly prejudice other Investors. In addition, the Trustee may suspend or refuse withdrawals

where the Trustee believes such action is in the best interests of Investors. Scenarios where withdrawals may be suspended or denied include, for example, where the calculation of the Net Asset Value has been suspended, where the Fund ceases to be liquid or where the Trustee believes accepting the withdrawal would unfairly prejudice other Investors.

### Identification & Availability of Investment Opportunities

The success of the Fund depends on the identification and availability of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside of the Investment Manager's control.

### Investment Selection Risk

Investments are selected for the Fund in accordance with the approach outlined in Section 4 (*How the Fund Invests*). However, there is a risk that the Fund's investments may not perform in line with the Investment Manager's expectations.

### Investment Specific Risk

There may be instances where an investment made by the Fund falls in price because of investment specific factors (for example, where a company's major product is subject to a product recall). The value of investments can vary because of factors including, but not limited to, changes to management, product distribution, investor confidence, internal operations or the company's business environment.

### Leverage Risk

Private equity investments (including private equity funds and underlying operating companies), may employ significant leverage independent of the Fund. The Fund may also employ leverage. Leverage generally magnifies both the opportunities for gain as well as the risk of loss from an equity investment.

### Currency Risk

Units in the Fund are denominated in Australian dollars. However, investments of the Fund are likely to often be denominated in other currencies. Movements in the exchange rate between the Australian Dollar and other currencies may cause the value of these investments to fluctuate when expressed in Australian Dollars. The Fund does not hedge its exposure to currency fluctuations.

### Derivatives

The Fund, or a fund in which the Fund invests, may utilise derivatives for risk management purposes or to gain exposure to target assets. The use of derivatives involves special risks, including: (i) derivatives may magnify the potential loss or gain relative to an investment in the underlying security, (ii) a derivative counterparty may default on their financial or contractual obligations, and (iii) in the case of hedging transactions, the value of the derivative may not be perfectly correlated with the value of the investment or securities being hedged.

### Risks in Relation to the Fund Satisfying Capital Calls

Investments into private equity funds may involve commitments by the Fund to make capital contributions from time to time as they are called by the underlying fund managers. If the Fund does not meet its obligations to make capital contributions as they fall due, whether because of a lack of resources resulting from over-commitments, mismanagement of the Fund's liquidity or any other reason, the Fund may be subject to significant penalties under the terms of such investments, which could have a material adverse effect on the value of those investments and/or subject the Fund to a liability in connection with those investments.

### Non-Controlling Investments

Investments made by the Fund may be in funds or other assets or securities controlled and/or managed by third parties. In these instances, such third parties may make decisions that the Investment Manager does not agree with and/or that do not serve the Fund's interests. As a result, the performance of the Fund may depend significantly on the investment and other decisions made by third parties, which could have an indirect, adverse impact on returns to Investors in the Fund.

### Performance Fee Risk

The existence of a performance fee may create an incentive for the Investment Manager to select more speculative investments for the Fund than it would in the absence of a performance fee.

### Settlement Risk

The Fund may make investments which are settled outside of established clearing systems, including for example (i) investments made in unlisted companies, (ii) investments which are only based on agreements and for which the investor has no security as proof of the investment, or (iii) investments in securities where the delivery of securities does not occur at the same time as payment of the purchase price. In addition, the settlement of investments or dividends and/or realisations may be more difficult or become impossible because of circumstances which are not within the power of the Investment Manager, including for example, technical problems, sovereign restrictions or acts of God.

### Counterparty Risk

The Fund will rely on its counterparties performing their obligations in accordance with any agreement or contract. Any default or performance failure by another party, including insolvency or inability to meet other obligations, may expose the Fund to reduced performance and/or a loss of capital.

### Interest Rate Risk

Changes in official interest rates can directly and indirectly impact (negatively or positively) on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and thus

the valuation of stocks. For example, rising interest rates can have a negative impact on an entity's value as increased borrowing costs may cause earnings to decline. As a result, the entity's security price may fall.

### Market Risk

Changes in legal and economic policy, political events, technology failure, pandemics, health crises, changes in interest rates, changes in economic cycles, investor sentiment and social climate can all directly or indirectly create an environment that may influence (negatively or positively) the value of an investment in the Fund. In addition, a downwards move in the general level of the equity market can have a negative influence on the performance of the Fund.

### Cybersecurity Risk

Details of the Fund's Investors and holdings are held electronically. There is a risk of financial loss, disruption or damage from either internal or external, accidental or malicious conduct targeting either the Trustee, the Investment Manager, or any of their agents or service providers resulting in unauthorised access to digital systems, networks or devices for the purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption.

### Fund Risk

As with all managed funds, there are risks particular to the Fund, including that:

- the Trustee or Investment Manager may be replaced;
- the investment team may change;
- investing in the Fund may result in a different outcome to investing directly because of the application of tax laws to the Fund, income or capital gains accrued in the Fund, the deduction of fees and expenses, and the impact of investments into and withdrawals out of the Fund by other Investors;
- fees and expenses could change;
- an investment in the Fund may lead to more volatile returns than investing in a fund with a more diversified portfolio; and
- the Fund may be terminated.

The value of an investment in the Fund and the Fund's performance may be adversely impacted as a result of the above risks.

### Business and Legal Risks

In some jurisdictions in which the Fund may invest, the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally.

In addition, the laws and regulations in any jurisdiction where the Fund is invested or operates may change from time to time. Any change in applicable laws and regulations could affect the value of the investments held by and the performance of the Fund.

### **Tax Risks**

The Fund, and the funds in which it may invest, may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Fund.

## **6. Investing in the Fund**

### **Eligible Investors**

Applications to invest in the Fund can only be made by persons and entities who satisfy the requirements to be considered a 'wholesale client' as that term is defined in section 761G and section 761GA of the Corporations Act, or who are 'wholesale investors' within the meaning of that term under the FMCA. Persons and entities who satisfy the relevant criteria may include:

- individual and joint investors 18 years of age or over;
- partnerships;
- companies;
- trusts; or
- superannuation funds.

### **Initial Investments**

You can make an investment into the Fund by completing the Application Form attached to this IM or available online at [www.pep.com.au](http://www.pep.com.au) and paying the application money by direct credit or BPAY.

The minimum initial investment amount is \$100,000.

Applications can be made on any day, however the Fund is priced, and applications are processed, on a monthly basis. Only applications received together with the application money and required identification documents by the 18th calendar day of the month will be processed in that month. Where the 18th calendar day of the month is a Saturday, Sunday or a New South Wales public holiday, applications must be received by the Business Day prior to that day. The Trustee reserves the right to accept applications after this date. Applications which are accepted will receive the Unit Price determined for the last calendar day of that particular month. Confirmations will typically be provided to Investors on or around the 20th Business Day the following month.

The application price will vary as the market value of assets in the Fund rises or falls.

### **Online Application**

The Application Form is available online at [www.pep.com.au](http://www.pep.com.au). Online applicants will be asked to pay their application money via direct credit or BPAY (instructions provided online).

### **Additional Investment**

The minimum additional investment amount is \$10,000. You may make additional investments into the Fund during the application timeframe outlined above. This can be done by completing the online Application Form and forwarding payment via direct credit or BPAY, or by written notification via mail or email, in which case payment details will be provided to applicants separately.

Any additional investments will be deemed to have been made on the terms of the current IM.

### **Other Terms and Conditions**

No interest is paid on application monies. Any interest earned on application monies will be credited to the Fund.

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

The minimum initial and additional investment amounts are determined by the Trustee and can be altered at any time.

### **Cooling Off Rights**

No cooling-off rights apply to an investment in the Fund.

### **Nominated Representative**

Subject to providing whatever information the Trustee requires, you may nominate a representative to give instructions regarding your investment in the Fund on your behalf. Your nominated representative will be able to exercise the same powers as you under the Fund's Trust Deed but will not be able to change the details of your nominated bank account. Changes to the details of your nominated bank account may only be made by you as the holder of Units in the Fund.

By nominating a representative, you agree to indemnify the Trustee against any liabilities arising out of the nomination of your representative. Upon nominating your representative, you will be provided with any additional terms and conditions governing the appointment of the representative which must be agreed to.

### **The Value of Your Investment**

Investors in the Fund are issued with Units, each of which represents a share of the value of the Fund's net assets. In order to calculate the value of your investment at any point in time, the number of Units held is multiplied by the prevailing Unit Price, which is updated on a monthly basis.

### **Risk**

Before making a decision about investing in the Fund, you should consider the risks of investing (see Section 5 (*Risks of Investing*)). The Fund is not capital guaranteed and the value of your investment in the Fund can rise and fall.

### **Changes to the IM**

It is important to read a current IM before making an investment decision, as information provided in an IM may change from time to time. The current IM is available online or by contacting the Investment Manager or Trustee.

### **Retaining This IM**

You should retain a copy of this IM and any replacement or supplementary IM, as you may need to refer to information about the Fund for ongoing investing.

## 7. Withdrawing from the Fund

### Accessing your money

Investors can withdraw their investment by written request to either:

PEP Gateway Investors Administration Pty Limited  
Level 31, 126 Phillip Street  
Sydney NSW 2000

Or

Email to [ir@pepgateway.com.au](mailto:ir@pepgateway.com.au)

The minimum withdrawal amount is \$10,000.

Withdrawal requests must be submitted by the 18th calendar day of any given month. Where the 18th calendar day of the month is a Saturday, Sunday or a New South Wales public holiday, withdrawal requests must be submitted by the Business Day prior to that day. Any withdrawal request received after that time will be deferred until the following month.

The Investment Manager intends to confirm and pay withdrawal requests by the 20th Business Day of the following month. However, the Fund's Trust Deed allows the Trustee up to 100 days to satisfy withdrawal requests, or such longer period as the Trustee determines, acting reasonably.

Net withdrawals in each calendar quarter are limited to 5% of the number of Units outstanding at the end of the preceding quarter, unless the Investment Manager advises the Trustee to apply a higher percentage limit. The Trustee may further limit net withdrawals to less than 5% of Units in each calendar quarter where the Fund ceases to be liquid or where the Trustee believes facilitating a higher level of redemptions would unfairly prejudice other Investors. In addition, the Trustee may suspend or refuse withdrawals where the Trustee believes such action is in the best interests of Investors. Scenarios where withdrawals may be suspended or denied include, for example, where the calculation of the Net Asset Value has been suspended, where the Fund ceases to be liquid or where the Trustee believes accepting the withdrawal would unfairly prejudice other Investors.

Where a withdrawal request is not fully satisfied in a given month, the remaining portion shall be cancelled. Investors seeking to withdraw further interests will need to submit a new withdrawal request.

### New Zealand Investors

Withdrawal requests received from New Zealand Investors must specify the withdrawal amount in Australian dollars or the number of Units to be withdrawn. The Trustee is unable to accept withdrawal amounts quoted in New Zealand dollars. Please note that the withdrawal amount paid to you will be in Australian dollars and may differ from the amount you receive in New Zealand dollars due to foreign exchange spreads and overseas transfer costs.

### Withdrawal price

The withdrawal price of a Unit in the Fund is based on the Net Asset Value for the Fund divided by the number of Units on issue in the Fund as at the end of the calendar month in which a valid withdrawal request has been made. Where a sell spread applies, this shall be deducted from the Investor's withdrawal proceeds (see Section 9 (*Fees and Other Costs*) for further details).

### Minimum investment balance

The Trustee has the right to fully redeem an Investor in the Fund whose investment falls below \$10,000 or such other minimum amount as the Trustee may notify to Investors from time to time.

### Large withdrawals

In some circumstances, where an Investor makes a large withdrawal request (being 5% or more of the Units on issue at the start of the relevant distribution period), their withdrawal proceeds may be taken to include a component of distributable income. Refer to Section 8 (*Distributions*).

### Transfer of Units

A Unitholder may transfer Units in the manner as the Trustee from time to time determines but must not do so without the express written consent of the Trustee (which may be withheld in its absolute discretion).

### Compulsory Redemption

The Trustee may compulsorily redeem some or all of an Investor's Units in accordance with the Trust Deed or as permitted by law. Circumstances where this may occur include, but are not limited to, where the Trustee reasonably believes that:

- the Investor no longer qualifies as a Wholesale Client or Wholesale Investor;
- the circumstances in which the Units are held might result in adverse tax consequences to the Fund; or
- the Investor has made a misrepresentation in acquiring the Units or has breached its obligations to the Trustee.



## 8. Distributions

An income distribution comprises the Investor's share of any net income (including taxable gains) earned by the Fund. An Investor's share of any distributable income is calculated in accordance with the Fund's Trust Deed and is usually based on the number of Units held by the Investor at the end of the distribution period. However, in some circumstances, an Investor may also receive a distribution from the Fund where they have made a large withdrawal from the Fund (being 5% or more of the Units on issue at the start of the relevant distribution period). In these circumstances their withdrawal proceeds are taken to include a component of distributable income and there is a reduction in the amount of distributable income distributed at the end of that distribution period.

Generally, the income entitlements of Investors are determined annually for each year ending 30 June. The Trustee will use reasonable commercial endeavours to process distributions within two months of the 30 June year end. If there is no net income or net capital gains earned in a particular distribution period, the Fund may not make a distribution in respect of that distribution period. In some circumstances, the Fund may distribute a payment out of capital in addition to, or instead of, a distribution of net income or net capital gains.

Investors can elect to either have any distributions reinvested into the Fund or paid directly to their nominated bank account. If no such election is made distributions will be reinvested. An Investor may update their election at any time, however changes will not be accepted for a given financial year unless received by 31 March of that financial year.

An Investor electing paid distributions must nominate a bank account held in the name of the Investor at a branch of an Australian domiciled bank. Where valid bank details are not provided or the Trustee fails in attempting to transfer the funds on three occasions, the funds will be reinvested. New Zealand Investors electing paid distributions are similarly required to nominate a bank account held in the name of the Investor at a branch of an Australian domiciled bank and any distributions will only be paid in Australian Dollars.

Notwithstanding an Investor's election, the Trustee shall have discretion to pay distributions in lieu of reinvestments for any period. The Trust Deed also permits the Trustee, in certain circumstances, to require Investors to reinvest their distributions in lieu of paid distributions. However, such a requirement is only expected to be used in limited circumstances, for example during periods where the Fund has limited liquidity.

## 9. Fees and Other Costs

### Management Fee

A management fee of 1.65% p.a. (including GST and net of RITC) of the Fund's net assets is payable to the Investment Manager for managing and operating the Fund. The management fee is calculated and accrued monthly and paid from the Fund's assets monthly in arrears and reflected in the Unit Price.

The management fee covers ordinary expenses such as (and where applicable) investment management fees, custodian fees (excluding transaction-based fees such as trading or settlement costs incurred by the custodian) and administration and audit fees. The management fee does not cover Extraordinary Costs.

### Performance Fee

A performance fee will be payable to the Investment Manager equal to 15% (including GST and net of RITC) of performance, subject to a high water mark mechanism and an 8.0% p.a. hurdle as further detailed below. The performance fee is calculated and accrued monthly as detailed below and paid from the Fund's assets semi-annually in arrears (for periods ending 30 June and 31 December) and reflected in the Unit Price.

For any given month, the performance fee (if any) in respect of a given Unit shall be calculated as 15% (including GST and net of RITC) of the amount by which that month's NAV per Unit (net of the management fee and any applicable costs for that month but before calculating that month's performance fee) exceeds the High Water Mark.

The High Water Mark in respect of a given Unit is the higher of:

- (a) the NAV per Unit for that particular Unit, for which a performance fee was last paid or accrued; and
- (b) the NAV per Unit at which the relevant Unit was issued.

The performance fee payable in respect of a given Unit shall be reduced to the extent the deduction of such a performance fee would cause the NAV per Unit to fall below the Hurdle, being \$1.00 compounded annually at 8.0% p.a. from PEP Gateway's strategy inception date of 9 June 2021. The value of any such reduction will be carried forward to future months and recoverable by the Investment Manager from future performance subject always to the NAV per Unit exceeding the Hurdle and relevant High Water Mark.

The performance fee calculation outlined above shall be adjusted as appropriate for any distributions, issue of new Units or redemptions (including the issue or redemption of Units associated with differential fee arrangements). Neither the Trustee nor the Investment Manager will be liable for, or required to account to, the Fund, or any

particular Unitholder in the Fund, for any underperformance.

Where Units have been issued to a Unitholder at a Unit Price below the High Water Mark attaching to other Units, to assist the efficient administration of the Trust, the Manager may direct the Trustee to redeem a portion of that Unitholder's Units in satisfaction of performance fees that have accrued, or which are payable by the Unitholder, in respect of those Units.

### Indirect Costs

As discussed in Section 4 (*How the Fund Invests*), the Fund is permitted to invest in funds and other entities and assets, both directly and indirectly. The Fund may incur indirect costs when making such investments including, for example, fees and costs charged by underlying managers or interposed vehicles.

### Transactional and Borrowing Costs

Transactional costs such as brokerage and settlement costs are typically incurred by the Fund when assets are bought and sold and may also be incurred in connection with cash flows into and out of the Fund. The Fund may also incur borrowing costs associated with borrowing money or securities. Such costs are borne by the Fund and are not covered by the management fee.

### Sell Spread

A sell spread is an amount deducted from the value of an Investor's withdrawal proceeds that represents the estimated transaction costs incurred by the Fund as a result of the withdrawal, including the spread on assets sold to meet such withdrawals.

A sell spread is not a service fee, and if charged, would be retained in the assets of the Fund to mitigate the impact to ongoing Investors from the costs of transaction activity driven by withdrawals.

No sell spread applies as at the date of this IM and the Investment Manager does not typically expect a sell spread to apply, however the Investment Manager may apply a sell spread of up to 5% in certain circumstances such as during periods of market volatility.

Where a sell spread applies, the Investment Manager will provide notice to withdrawing Investors of such sell spread and allow those Investors the opportunity to either cancel, defer or maintain their withdrawal request.

### Extraordinary Costs

The Trustee and Investment Manager shall be reimbursed out of the assets of the Fund for any Extraordinary Costs which, if incurred, will be in addition to the management fee. Extraordinary Costs refer to any cost or expense incurred outside the normal day to day management and administration of the Fund, including for example, defending or bringing litigation proceedings, termination of the Fund, replacement of the Trustee and other unforeseen costs that may be incurred from time to time.

### GST

Unless otherwise stated, fees and other costs shown in this section are inclusive of GST, less reduced input tax credits or other input tax credits claimable.

### Differential Fees

The Investment Manager may from time to time negotiate different fee arrangements (including by way of commission, rebate or reduction of fees) with certain Investors who are 'wholesale clients' for the purposes of the Corporations Act, 'wholesale investors' within the meaning of that term under the FMCA or PEP employees.

### Changes to Fees

The Trustee may change the fees noted in this IM at its discretion and without the consent of Investors. However, the Trustee will give Investors at least 30 days' advance written notice of any changes. Reasons for fee changes may include, without limitation, changes in regulation, increased costs or economic conditions.

## 10. Taxation

### Taxation Treatment of Your Investment

It is important that you seek professional taxation advice before you invest or deal with your investment, as the taxation system is complex, and the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

These comments are for information purposes and do not constitute professional tax advice. They are intended for tax paying Investors who hold their investment on capital account for income tax purposes and are based on our interpretation of Australian taxation laws and Australian Taxation Office (**ATO**) administrative practices at the date of publication of this document.

We expect that the Fund will be an Attribution Managed Investment Trust (**AMIT**), but we cannot guarantee that this will be the case. These comments are made on the assumption that the Fund will be an AMIT. The tax implications for Investors may vary if the Fund is not an AMIT.

Under the AMIT tax regime, you are taxed on the taxable income that is attributed to you by the Trustee on a fair and reasonable basis and in accordance with the Fund's constitution. You may be entitled to tax offsets, which reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains.

Australian resident individuals are liable to pay tax at their marginal rates on the taxable income attributed to them from the Fund. Generally, tax is not paid on behalf of Investors. If you are not an Australian resident for income tax purposes, withholding tax may be payable on the taxable income of the Fund attributed to you at prescribed rates (even if not distributed in cash). Any withholding tax payable may be deducted from cash distributions or redemption proceeds, with any unrecovered withholding tax being a debt owing from you to the Fund.

Please note that at the time of your initial or additional investment there may be unrealised capital gains or accrued but not yet derived income in the Fund. If later realised, these capital gains and income may form part of the taxable income attributed to you. In addition, there may be realised but undistributed capital gains or income in the Fund, which may form part of the taxable income attributed to you.

Any losses generated by the Fund cannot be passed onto Investors. However, where specific requirements are satisfied, the Fund should be eligible to offset losses to reduce later year income or capital gains.

You may also be liable to pay capital gains tax on any capital gains in respect of your investment, such as from disposing of your investment. You may instead realise a capital loss in respect of your investment, which may be used to reduce capital gains in the same or later years. The cost base of your investment, which is relevant when

calculating any such capital gains or losses, may change over the duration of holding your investment. The cost base of your interest in the Fund may increase or decrease if the taxable income attributed to you differs to the amounts that you have received as a cash distribution.

Each year the Trustee will send you an AMIT Member Annual Statement (AMMA Statement), which will contain details of the taxable income attributed to you for the year, together with any net cost base adjustment amount by which the cost base of your interest in the Fund should be increased or decreased.

Taxation laws and administrative practices change from time to time. Such changes may impact the taxation of the Fund and you as an Investor. It is your responsibility to consider and monitor the impact of any taxation reforms impacting your investment.

### Providing a Tax File Number (TFN)

You do not have to provide a TFN, exemption code or Australian Business Number (**ABN**) when you complete an application to invest or reinvest in the Fund. However, if you do not provide any of these, the Trustee is required to withhold an amount equal to the highest marginal tax rate (plus any applicable levies) multiplied by the amount of taxable income attributed to you (even if not distributed in cash). Any such amount may be deducted from cash distributions or redemption proceeds, with any unrecovered amount being a debt owing from you to the Fund.

### Foreign income tax offset

Where the Fund pays foreign tax (such as withholding taxes) in respect of income or gains from a foreign investment, an Investor may be entitled to receive a foreign income tax offset (**FITO**). Investors will usually include the foreign income in their assessable income and may be eligible for a FITO in respect of the foreign tax paid on that income. The amount of any foreign income and FITO will be detailed in the AMMA Statement or annual tax statement provided to an Investor.

The imposition of tax by a foreign jurisdiction will depend on the country in which the asset is located and income is sourced, and the terms of any international tax agreement that exists between that country and Australia, if any. These considerations may affect an Investor's entitlement to a FITO.

The ability of an Investor to claim a FITO for foreign income attributed to them from the Fund will depend on their overall tax position. If in doubt, Investors should consult their tax adviser in relation to their FITO entitlement for a given year.

### Controlled foreign company income

The Controlled Foreign Company (**CFC**) rules can attribute income to the Fund that has been derived but not distributed by a foreign company where, in broad terms, the Fund together with its associates control the foreign company. It is unlikely for these rules to apply on the basis that the Fund should not control any foreign company.



## GST

GST will apply to most expenses of the Fund. All stated fees and expenses are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund. Generally, the Fund cannot claim full input tax credits for GST incurred on expenses, however the Fund may be entitled to reduced input tax credits of 55% to 75% of any GST paid in respect of some of these expenses.

## US tax law requirements

The Fund is a Reporting Financial Institution under the Inter-Governmental Agreement between the Australian and US governments in relation to the Foreign Account Tax Compliance Act (**FATCA**), a United States tax law that imposes certain due diligence and reporting obligations on foreign (non-US) financial institutions and other financial intermediaries, including the Fund, to prevent tax evasion by US citizens and US tax residents through the use of non-US domiciled investments or accounts.

To comply with the requirements under the FATCA, we will collect certain additional information from Investors and will be required to disclose such information to the ATO. The ATO will share information reported to it by Reporting Financial Institutions with the US Internal Revenue Service.

For further information in relation to how our due diligence and reporting obligations may affect you, please consult your tax adviser.

## Common reporting standard

The Fund is a Reporting Financial Institution under the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 that implemented the OECD Common Reporting Standard (**CRS**) in Australia, requiring Reporting Financial Institutions in Australia to report to the ATO details of their foreign investors from participating jurisdictions (other countries that have implemented CRS).

To comply with CRS, we are required to collect information from you to identify if you are a tax resident of any other jurisdiction(s). For non-individual accounts, we are also required to identify the entity type and whether any controlling persons are foreign tax residents. Processing of applications or withdrawals will be delayed or refused if you do not provide the required information when requested. Penalties can apply if Investors provide false information.

The ATO will share information reported to it by Reporting Financial Institutions to tax authorities of jurisdictions that have signed the CRS Competent Authority Agreement.

For further information in relation to how the Trustee's due diligence and reporting obligations may affect you, please consult your tax adviser.

## New Zealand Taxation of New Zealand Resident Investors

### Income Tax

The summary set out below assumes that the New Zealand resident Investor in question does not hold 10% or more of the total Units on issue in the Fund.

Investors will be taxed on their Units under one of two regimes: the ordinary tax regime or the Foreign Investment Fund (**FIF**) regime.

### Tax Treatment Under the Ordinary Tax Regime

An Investor will be taxed under the ordinary tax rules if the Investor is a New Zealand resident natural person or a trustee of an eligible trust and does not hold offshore investments (**FIF Interests**) (including offshore equities and/ or units in a foreign unit trust, but excluding, amongst other things, shares in most Australian resident companies listed on the ASX) the total cost of which is more than NZ\$50,000, unless the Investor elects otherwise.

Under the ordinary tax rules:

- Any distributions received over the life of the investments should be treated as taxable income for the Investor. Taxes withheld (if any) could be available as tax credits, subject to conditions.
- The tax treatment of gains arising on disposal or redemption of the Units shall depend on whether such investments have been held on capital or revenue account. Broadly, a Unit will be held on revenue account and gains shall be subject to taxes at applicable income tax rates from the sale or redemption of Units (losses could be offset against other items of income), if the Investor:
  - derives an amount from the sale of investments from carrying on or carrying out a profit-making undertaking or scheme;
  - acquired the investments for the purpose of disposing of them;
  - is engaged in the business of dealing in investments of this nature; or
  - the investments are otherwise on revenue account.
- Where the investments are held on capital account, any gains on disposal or redemption of Units will generally not be taxable. Such classification is fact-specific and may vary on a case-by-case basis. We recommend Investors retain appropriate documentation which may support capital or revenue classification.

### Tax Treatment Under the FIF Regime

Other Investors will be taxed under the FIF regime (**FIF Investors**). New Zealand tax laws provide for various methods to compute FIF income, the most commonly used in case of investments in overseas funds/ foreign companies have been summarised below:

- Fair Dividend rate (**FDR**) method: under these rules, the FIF income is equal to 5% of the market value of the Units at the beginning of the income year. Any profits from selling or redeeming the Units and any dividends or redemption proceeds received are ignored, subject to the following: If a FIF Investor bought and later sold Units in the same income year, then the FIF Investor has additional taxable income equal to either:
  - The actual gain from the Units both bought and sold during the income year (including any distributions paid on them) (quick sale gain method). For this purpose, the last Unit acquired is deemed to be the first sold; or
  - 5% of the difference between the greatest number of Units the FIF Investor held at any time during the income year and the number of Units the FIF Investor held at the beginning or end of the year (whichever produces the smaller difference), multiplied by the average cost of all Units acquired during the income year (peak holding method). A slightly different version of this method is used by Investors that are managed funds.
- Comparative value (**CV**) method: if a FIF Investor is a natural person or a family trust and its actual realised and unrealised return from its total portfolio of offshore equity investments is lower than the amount calculated under the FDR method described above, then the Investor can elect to be taxed on its actual realised and unrealised returns (including dividends). FIF Investors are allowed to calculate their FIF income using either of the above methods which produces a lower income.
- Cost method: this is generally used when use of the FDR method is allowed under the New Zealand tax laws, but it is not practical because the FIF Investor cannot determine the market value of the FIF as at the beginning of the year (e.g. in case of investments in unlisted foreign companies where unit prices are not readily available).

It is noted that the application by an Investor of a certain method for calculating taxable income under the FIF regime in respect of Units held in the Fund may have implications for other investments that the Investor holds that are also subject to the FIF regime. Overall, the FIF Investor must apply the method consistently to all of their FIF investments in that income year (unless tax laws prevent/ prescribe the use of a particular method).

An Investor will also need to make certain elections in respect of how amounts are converted to New Zealand dollars.

The FIF regime described above is subject to various exceptions. Investors should seek specific tax advice if they believe the FIF regime may apply to them.

## 11. Keeping You Informed and Contacting Us

### Reports

We will make the following available to all Investors:

- A transaction confirmation statement;
- The Fund's annual audited accounts for each period ended 30 June;
- Annual distribution, tax and confirmation of holdings statements for each period ended 30 June; and
- Monthly and annual information regarding the Fund and its performance.

### Complaints

If you have any queries or complaints, please contact the Investment Manager in writing via [ir@pepgatewaycom.au](mailto:ir@pepgatewaycom.au). Once we receive a complaint, we will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible within 30 days. If the complaint may take longer than 30 days to investigate, we will advise you of the reasons for this delay in writing.

### Contacting Pacific Equity Partners

For information about investing with PEP Gateway, please contact us.

### Registered Office & Mailing Address:

PEP Gateway  
Level 31, 126 Phillip Street  
Sydney NSW 2000

### Investor Relations:

Phone: +61 2 8238 2600  
Email: [ir@pepgateway.com.au](mailto:ir@pepgateway.com.au)  
Web: [www.pep.com.au](http://www.pep.com.au)

## 12. Other Important Information

### The Fund's Trust Deed

The Fund's Trust Deed provides the framework for the operation of the Fund and with the Fund's IM, the Corporations Act and other relevant laws, sets out the relationship between the Trustee and Unitholders.

The Investment Manager will send you a copy of the Fund's Trust Deed free of charge, on request.

### Overview of the Fund's Trust Deed

Some of the provisions of the Fund's Trust Deed are set out in this IM. Further provisions relate to:

- the rights and liabilities of Unitholders;
- where taxes or other amounts can be deducted from payments to Unitholders;
- the liability of the Trustee and the Investment Manager to Unitholders in relation to the Fund;
- the powers, rights and liabilities of the Trustee and the Investment Manager, including its power to invest the assets of the Fund, to deal with itself and its associates, to be paid fees and to be reimbursed or indemnified out of the assets of the Fund;
- the right of the Trustee or Investment Manager to be reimbursed for tax or expenses it incurs, or to redeem Units to satisfy amounts due to the Trustee or Investment Manager from a Unitholder;
- amending the Fund's Trust Deed;
- when the Trustee or Investment Manager can terminate the Fund or retire, and what happens if this occurs; and
- resolutions and voting rights.

### Side Letter Agreements

The Trustee may, without the approval of any other Unitholder, enter into side letters with one or more Unitholders which have the effect of establishing rights under, or altering or supplementing the terms (including economic and fee terms) of, the Fund's Trust Deed, this IM or any existing side letter with respect to any such Unitholder.

### Security over units

A Unitholder may not create any encumbrance or other security interest over any Unit without the consent of the Trustee.

### Related Party Transactions

Any transaction between the Investment Manager or the Trustee and any of their respective related parties must comply with related party protocols and the Investment Manager's policies and procedures. For these purposes, a related party includes certain entities and individuals that

have a close relationship with the Investment Manager or the Trustee. Related parties of the Trustee include the Trustee in its personal capacity and as trustee, entities that the Trustee controls, funds operated or managed by the Trustee and agents of the Trustee. For the avoidance of doubt, where the Fund invests in other funds operated or managed by the Trustee or its related bodies corporate, the Investment Manager will ensure that such dealings are conducted on an arm's length basis.

Under the Fund's Trust Deed, the Trustee may:

- deal with itself, an associate, Investor, or any other person;
- be interested in and receive a benefit under any contract or transaction with itself, an associate, Investor, or any other person; or
- act in the same or similar capacity in relation to any other fund.

The Fund's Trust Deed also provides that amounts may be paid to related parties for services provided to the Investment Manager or the Trustee in connection with the Fund and for expenses. These payments are on arm's length terms.

### Communicating Electronically

When you communicate with the Trustee or Investment Manager electronically (for example, by fax or email), it is your responsibility to obtain confirmation from the Trustee or Investment Manager that your communication has been received. Neither the Trustee nor the Investment Manager are responsible for any loss or processing delay that occurs as a result of not receiving your communication. Please note that a sender's record will not be accepted as evidence that a communication has been received. You also indemnify the Trustee and the Investment Manager against any loss or liability arising from the Trustee or the Investment Manager acting on any fraudulent communication received by electronic means.

### Valuation

The value of a Unit is generally derived on a monthly basis and is determined on the basis of the Net Asset Value. The Net Asset Value is calculated by deducting the value of all liabilities of the Fund from the value of all assets of the Fund.

Investments will generally be valued at their market value or net fair value, however other valuation methods and policies may be applied, if appropriate or if otherwise required by law or applicable accounting standards, and in accordance with the requirements in the Trust Deed.

Under the Trust Deed, the Trustee may exercise certain discretions in determining a Unit Price.

### Anti-money laundering and counter terrorism financing (AML/CTF)

Australia's AML/CTF laws require the Trustee to adopt and maintain an AML/CTF program. A fundamental part of the

AML/CTF program is that the Trustee must collect and verify certain information about Investors in the Fund.

To meet this legal requirement, the Trustee needs to collect certain identification information and documentation (**KYC Documents**) from new Investors. Existing Investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence / verification process to comply with the AML/CTF laws. If Investors do not provide the applicable KYC Documents when requested, the Trustee may be unable to process an application, or may be unable to provide products or services to existing Investors until such time as the information is provided.

Under the AML/CTF laws, the Trustee may be required to submit reports to AUSTRAC. This may include the disclosure of your personal information. The Trustee may be prohibited from informing Investors of such reporting. In addition, AUSTRAC may require the Trustee to deny an Investor (on a temporary or permanent basis) access to their investment. This could result in loss of the capital invested, or significant delays for transactions in connection with your investment.

The Trustee is not liable for any loss you may suffer because of compliance with the AML/CTF laws.

### Privacy

The Trustee, the Investment Manager and their delegates may collect personal information about you. This information is needed to facilitate, administer and manage your investment, and to comply with Australian taxation laws and other laws and regulations. Without such information, your application may not be processed or the Trustee, Investment Manager or their delegates may be unable to provide you with particular services in respect of your investment.

The information that you provide may be disclosed to certain organisations or bodies, including:

- service providers, including the administrator and auditors;
- your broker, financial adviser or adviser dealer group, their service providers and any joint holder of an investment; and
- authorised regulatory or law enforcement agencies if required by law.

Investors may request access to the personal information held by or on behalf of the Fund by contacting the Investment Manager.

### New Zealand Offering Restrictions

The Offer is made in New Zealand to wholesale investors (as that term is defined in the FMCA) only. The Offer is not a regulated offer and there is no product disclosure statement available for the offer.

New Zealand Investors must return, together with their application form, a duly completed:

- Wholesale investor certificate. Under this certificate an Investor self certifies the category of wholesale investor that they come within; or
- Eligible investor certificate. Under this certificate an Investor certifies as to their experience in subscribing for financial products and a financial advisor, chartered accountant or lawyer signs a confirmation of that certificate.

These certificates accompany the application form for New Zealand Investors. If an application form is returned without a duly completed certificate or the Trustee has any reason to believe that a certificate may be incorrect, the application may be rejected and any application monies received will be promptly refunded.

## 13. Glossary

Term	Definition / Explanation
<b>Application Form</b>	The application form used by Investors who wish to apply for Units in the Fund and as attached to this IM or as otherwise available online at <a href="http://www.pep.com.au">www.pep.com.au</a> .
<b>ATO</b>	Means the Australian Taxation Office.
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre.
<b>Business Day</b>	A day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth) and <i>Corporations Regulations 2001</i> (Cth), as amended from time to time.
<b>CRS</b>	Common Reporting Standards.
<b>Extraordinary Costs</b>	Any cost or expense incurred outside the normal day to day management and administration of the Fund, including for example, defending or bringing litigation proceedings, termination of the Fund, replacement of the Trustee and other unforeseen costs that may be incurred from time to time.
<b>FMCA</b>	Means the Financial Markets Conduct Act 2013 (New Zealand).
<b>Fund</b>	PEP Gateway
<b>GST</b>	Goods and services tax as that term is defined in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> .
<b>High Water Mark</b>	Has the meaning given to this term in Section 9 ( <i>Fees and Other Costs</i> ).
<b>Hurdle</b>	Has the meaning given to this term in Section 9.
<b>IM</b>	Means this Information Memorandum that constitutes an offer of interests in PEP Gateway.
<b>Investment Manager</b>	PEP Gateway Management Pty Limited (ACN 655 960 795).
<b>Investor</b>	Means both prospective and withdrawing investors in the Fund as well as existing Unitholders.
<b>IRR</b>	Means the internal rate of return for an investment.
<b>Licensee</b>	Pacific Equity Partners Investors Administration Pty Ltd (ACN 161 245 263, AFSL Number 454251).
<b>NAV per Unit</b>	Means the Net Asset Value of the Fund divided by the total number of Units on issue in the Fund.
<b>Net Asset Value or NAV</b>	The total value of all assets of the Fund, less the value of all liabilities of the Fund.
<b>Offer</b>	Means the offer of Units under this IM.
<b>RITC</b>	Reduced Input Tax Credit as that term is defined in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Trust Deed</b>	The Trust Deed of the Fund which describes the rights, responsibilities and beneficial interests of both Investors and the Trustee in relation to the Fund.
<b>Trustee</b>	PEP Gateway Investors Administration Pty Limited (ACN 655 815 768).
<b>Unit</b>	Means a unit in the Fund issued pursuant to the Trust Deed for the Fund.
<b>Unitholder</b>	Means the registered holder of Units in the Fund.
<b>Unit Price</b>	Means the price of a Unit in the Fund from time to time.
<b>Wholesale Client</b>	Persons or entities defined as wholesale clients under section 761G and section 761GA of the Corporations Act.
<b>Wholesale Investor</b>	In the case of a New Zealand investor, has the meaning given in clause 3 of Schedule 1 of the FMCA.

## 14. Application Form

*Please refer to the form attached overleaf.*