



**CONDUIT**  
CAPITAL

# Information Memorandum

## Conduit Capital Fund

### Trustee

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# Important information

## Introduction

This Information Memorandum (**IM**) is a summary of significant information about the Fund. It is prepared by Cache Investment Management Ltd (**Cache**) as trustee of the Fund. Cache is the issuer of units in the Fund. This IM is not required to be lodged with the Australian Securities and Investments Commission (**ASIC**).

## No disclosure required

This IM is not a Product Disclosure Statement. An 'in use' notice has not been lodged with ASIC. You should consider the information in this IM and obtain financial advice tailored to your personal circumstances before making a decision about the Fund. The information in this IM is general information only, is not financial product advice and does not take account of your personal financial situation or needs.

## Multi-class wholesale unit trust

The Fund is a multi-class Australian wholesale unit trust. It is also a digital investment product and investors will be able to access the Fund via the Conduit Capital Application (**App**). By making an application, you agree to receive electronic communications, such as via the App or email.

## Offer

This offer is only open to wholesale clients as defined in section 761G (7) of the *Corporations Act 2001* (Cth) (**Act**) or sophisticated investors (as defined in section 761GA of the Act) (**Investors**). This offer is only open to Investors who receive this IM in Australia and does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

## Information

This IM does not purport to contain all the information that a prospective investor may require when considering investing in the Fund. This IM should be read together with the Fund's Constitution. A copy of the Constitution is available (free of charge) by contacting the Trustee on [help@cacheinvest.com.au](mailto:help@cacheinvest.com.au). If there are inconsistencies between the IM and the Constitution, the Constitution will prevail.

Information in this IM may change from time to time. Where a change is materially adverse to investors, they will be notified. Where changes are not materially adverse to investors, it may be updated via an email notification or at [www.conduitcapital.co](http://www.conduitcapital.co), at the Investment Manager's discretion.

## Not regulated by APRA

Cache is not a bank and an investment in the Fund is not a bank account. The Trustee is not authorised by the *Banking Act 1959* (Cth) (**Banking Act**) and is not supervised by the Australian Prudential Regulation Authority. Investments in the Fund are not covered by the deposit or protection provisions in the Banking Act.

## Confidentiality

This IM is confidential and is provided to prospective investors for them to consider investing in the Fund. Its use for any other purpose is not permitted. It must not be reproduced or redistributed, in whole or in part, and its content should not be disclosed to anyone.

## Forward looking statements

This IM may contain forward-looking statements. Words such as 'believe', 'expect' or other words and phrases with a similar meaning, involve risk and uncertainty. Neither, Cache, the promoter nor any other person guarantees the performance of the Fund, the repayment of capital from the Fund or any rate of return.

## Glossary

Certain capitalised words and expressions used in this IM are defined in the Glossary. All dollar amounts are in Australian dollars (AUD), unless otherwise stated.

# Letter from the Founder & CEO

Dear Investor,

I am delighted to introduce Conduit Capital's Fund, investing in global shares.

We are on the verge of rapid change, underpinned by demographics and structural shifts. We aim to be your partner and help you profit from the opportunity set.

By 2030, approximately 70% of the population will be Millennial or Gen-Z (aged between 18-48). This cohort of 5 billion people will benefit from the largest wealth transfer in history, of roughly \$60 trillion. How will this group consume? What do they value? How and where will they live and work? Answers to these questions and more, will have a range of consequences.

Trends that may have taken decades to develop are being brought forward in years. We estimate that 40% of the Fortune 500 composition may change by 2035.

Improving technological infrastructure, a \$50 trillion green revolution, personalised healthcare solutions, and another billion people entering the middle class, are some of the areas we focus on.

We aim to be your conduit to the world. Our team has global experience across asset classes, through various market cycles. I lived in London for more than a decade and have travelled to 50+ countries. Other colleagues have done more. Our research, investment process and risk management framework has been developed over 17 years of investing.

It is through this pragmatic and optimistic lens that I am delighted to launch Conduit's Fund and welcome you to invest alongside our team.

Thank you for your support.

What an exciting time to be alive!



Jack Dwyer

## Table of contents

Topic	Page
Summary of Conduit Capital Fund	5
1. Fund background and strategy	9
2. Business overview and people	13
3. How the Fund works	14
4. Key risks	17
5. How we invest your money	17
6. Fees and costs	20
7. Tax	22
8. Additional information	22
9. Glossary	25



# Summary

## Summary of Conduit Capital Fund

This table provides a quick-guide to the Fund, how it is structured and how it operates. It is not comprehensive. For more information on any particular topic, please see the relevant section in the remainder of this IM.

<b>The Fund</b>	Conduit Capital Fund.
<b>Fund structure</b>	Unlisted and unregistered Australian wholesale multi-class unit trust.
<b>Investment strategy</b>	The Fund will invest globally in shares, specifically aiming to capitalise on opportunities arising from enormous demographic and structural shifts, underpinned by extensive research and analysis.
<b>Investment objective</b>	<p>The investment objective will vary for each Investment Option.</p> <p>In respect of the Conduit Capital Global Fund Investment Option, Conduit Capital aims to achieve an average annual net return of 10%+ per annum, over a five year rolling period.</p> <p>There can be no assurances the unit trust will achieve its investment objective. Please note that past performance is not a reliable indicator for future performance. Markets are volatile and investors should exercise due care.</p>
<b>Investment Option</b>	A class of Units in the Fund, which relates to a particular investment.
<b>Eligible investors</b>	The offer is available to persons who qualify as wholesale clients or sophisticated investors as defined in the Act.
<b>Minimum investment</b>	<p><b>The default minimum investment amount is \$250,000.00.</b></p> <p>Following the minimum initial investment, you may invest additional funds in increments of \$50,000.</p> <p>Cache reserve the right to accept lower amounts.</p>
<b>Management fee</b>	<p>1.2% (inclusive of GST) of the net asset value of the Fund per year, charged proportionally to each investor based on their contribution to the relevant Investment Option.</p> <p>Management fees are calculated and accrued on each business day and are paid from the assets of the Fund monthly in arrears.</p>
<b>Performance fee</b>	<p>16.5% (inclusive of GST) of the amount (if any) by which the change in unit price for that Investment Option (before performance fees) exceeds the Performance Hurdle.</p> <p>A High Water Mark is applied to ensure any negative performance is recouped before the calculation of a performance fee.</p> <p>See page 20 for the relevant benchmark for each Investment Option.</p>
<b>Expense recovery</b>	The recoverable expenses represent the expenses incurred in the operation of the Fund. These expenses will be recovered from the Fund and reflected in its unit price.
<b>Applications</b>	<p>Applications will be accepted and processed monthly.</p> <p>Applications received before 48 hours before the close of business of the last business day of a month will normally receive the next month's unit price.</p>

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<b>Withdrawals</b>	<p>You are able to withdraw your funds by providing an instruction to Conduit.</p> <p>Withdrawals from the Fund will be processed monthly on the last business day of the month.</p> <p>There is a minimum withdrawal amount of \$20,000 and a minimum account balance of \$100,000.</p>
<b>Distributions</b>	<p>The Fund does not pay distributions to you. Any income received by the Fund in respect of units allocated to you will be automatically re-invested into the Fund and will increase the value of your investment.</p>
<b>Restrictions</b>	<p>No gearing</p> <p>No leverage</p> <p>No borrowings</p> <p>No shorting</p> <p>No derivatives</p>
<b>Reporting</b>	<p>You will be kept updated on your investment through market correspondence and annual statements.</p>
<b>Currency and goods and services tax</b>	<p>Unless indicated otherwise, all fees and charges in this document are shown in Australian dollars and include GST.</p>
<b>Buy-sell spread</b>	<p>±0.15%</p>

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# Details of the Fund

## 1. Fund background and strategy

### Conduit Capital

Conduit Capital Pty Ltd (**Conduit, we, us or our**) is an investment management firm. The team have extensive international investment experience across asset classes.

Conduit Capital was formed in 2020 to capitalise on investment opportunities arising from demographic and structural change. We have been managing money on behalf of clients since 2020.

We aim to achieve compelling risk adjusted returns over the medium term for our clients.

Our process is underpinned by detailed research and analysis. We think differently and use our experience from various markets cycles, to grow and protect investor capital.

Asset prices can be indiscriminately punished for a variety of factors, with little fundamental impact on an underlying business, or how consumers act.

Our focus on underlying businesses and industry, includes detailed quantitative and qualitative analysis, yet we research macro influences and risks, in detail. Periods of regime shift, or when an industry breaks out of a balanced cycle, often present some of the most significant opportunities.

The firm is majority owned by the team, who have strong alignment with investors.

### Fund Investment Strategy

The Fund invests globally in shares. We aim to capitalise on opportunities arising from demographic and structural shifts. For example:

#### In less than a decade

- Approximately 70% of the global population will be Millennials and Gen-Z (those born between 1981-2012)

#### In the next 15 years

- We expect 40% of Fortune 500 companies may change

#### In the next 20 years

- The largest intergenerational wealth transfer in history will have occurred, with an estimated transfer of assets worth \$60 trillion

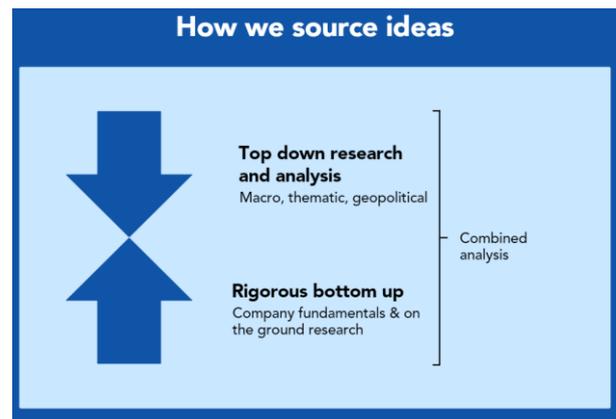
Our portfolio of approximately 20-30 companies aims to position and profit from these opportunities and others, within a risk management framework.

We target an annual average return of 10%+ net of fees over a rolling five year period.

### Investment Process

The investment process has evolved through 17 years of investing, by drawing on experiences, lessons, mistakes and success. The process is repeatable and underpinned by discipline and intellectual flexibility.

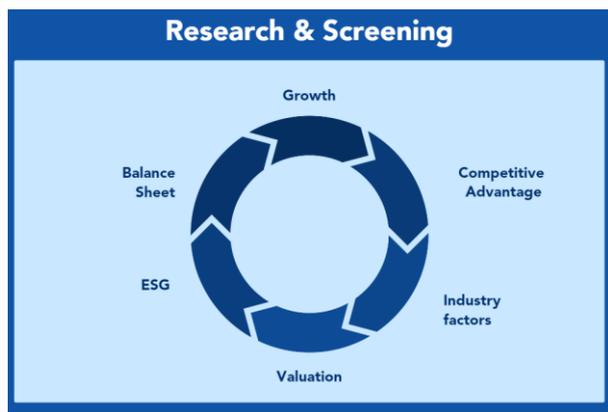
#### How do we source ideas?



Factors include:

- We focus on areas where there is an asymmetry of information.
- Extensive engagement with management teams, industry experts, policy makers and consumers.
- Strong engagement with start ups, innovation hubs, R&D centers and the next generation to identify emerging trends
- Traditional sources such as earnings calls, company reports, financial statements and regulatory developments.
- Quantitative analysis covering global equities and macro instruments.
- We gain insights, information and understanding from consumers
- We travel extensively to visit businesses, policymakers and attend events. The Founder has visited 50+ countries and lived overseas for a decade

### Do we understand the idea?



Factors include:

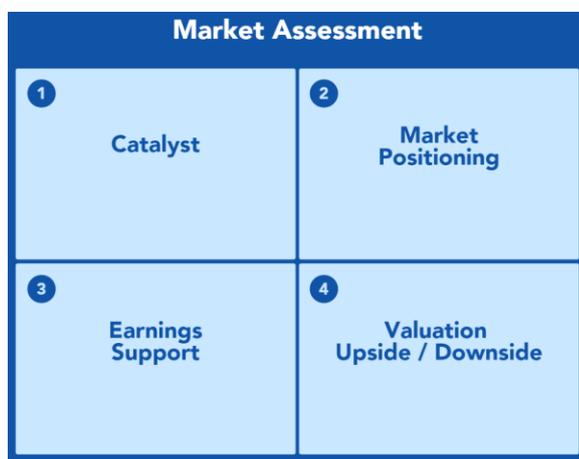
- Simple and uncomplicated ideas are sometimes the best.
- **Geographical Focus:** Our experience is investing globally. Whilst we have the option, we do not have an Australian bias.
- **Business Characteristics:** Customer value proposition, network effect, pricing power, strong management, R&D focus.
- **Quantitative:** Compelling valuation, solid balance sheet, healthy free cash flow generation & capital allocation supportive for shareholders
- **Timing:** Assess if the idea makes sense now.

### What we avoid?

Factors include:

- Stay away from complex situations where we do not have the capability or bandwidth. For example, extensive legal disputes.
- When we don't have a view, we will not invest.

### Do we understand how the market should move if we are right?



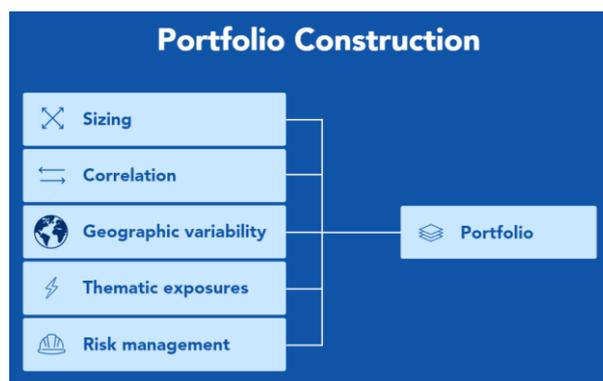
- The fundamental analysis is critical, but we believe structuring and risk management is equally important.
- What may have happened in the past, or appears to be "rational", may not reflect how the market reacts in the future.

### How do we prepare for this?

Factors include:

- At the core of our process is intellectual flexibility. If the facts or our views change, we are not wedded to our biases, or models.
- Ascertain the prevailing bias in the market to determine how one differentiates between the cyclical and the secular.
- We aim to think with a medium- and longer-term view

### Do we understand our risk?



Factors include:

- We conduct extensive quantitative and qualitative scenario analysis for a range of outcomes at a portfolio and stock specific level, as part of a broader risk framework.
- We aim to size positions appropriately, relative to their risks. We are prepared and willing to back our conviction when compelling risk adjusted opportunities arise, but equally are content with exiting positions if the facts change.

Geographical Exposure	Management Change	Consumer Trends	Inventories	Monetary Policy
Currency Risk	Regulation	Technology	Demographics	Financial Health
Political Variability	Valuation	Natural Disasters	Emerging Markets	Innovation
Passive & Active Flows	Fiscal Policy	Supply Chains	Enviro, Social & Governance	Consumer Behavior

**Environmental, Social & Corporate Governance (“ESG”).**

The UN Sustainable Development Goals and the 2050 Paris Agreement are becoming increasingly integrated into corporate culture and government policy.

The growing familiarity with and adoption of these policies will influence consumers, businesses and governments. Stakeholders will respond proactively and reactively to these issues, depending on their beliefs, preparedness and determination. We think winners and losers will emerge and associated investment opportunities.

Traditional research and risk management often ignores events that cannot be analysed through a financial model. For example:

- How do we account for climate risk?
- How much time do we have? Do we have time?
- What value will be ascribed to an asset if the cost of carbon changes dramatically?
- Could an asset value fall below 0 because of its environmental impact?
- How will sustainability factors influence consumer behaviour?
- What may happen if there is a misallocation of resources in other sectors?

- Will management succession to a younger generation, who view the world differently, transform sectors as we know them?

Environmental, sustainability and governance factors (“ESG”) are a part of our research, investment and risk management process.

**Engagement with companies:**

ESG factors can catalyse change, drive competitive advantage and shareholder value.

We speak with management teams globally about their businesses, end markets, the competitive landscape, R&D, corporate culture and much more. We engage on sustainability issues and often encourage companies to increase disclosure

Where appropriate, we aim to provide constructive thoughts on ESG strategy that drives competitiveness and profitability over the long-term.



# Key People

## 2. Business overview and people

### 2.1. Business overview

#### Trustee

Cache Investment Management Ltd  
ABN 94 624 306 430 AFSL 514360  
(Cache) is the trustee of the Fund and the issuer of units in the Fund. Cache is responsible for operating the Fund and the Fund's compliance with its trust deed (**Constitution**), the *Corporations Act* (2001) and other relevant laws.

Cache acts as fund manager and administrator for various registered and unregistered investment schemes (including other Funds) that are distributed by other promoters.

#### Conduit Capital

Conduit Capital is the promoter and investment manager of the Fund and will assist investors to engage with their investment in the Fund.

Conduit Capital is also responsible for setting and executing on the investment strategy of the Fund, as disclosed in this IM.

Conduit Capital Pty Ltd is a Corporate Authorised Representative (No. 1282095) of Sanlam Private Wealth (AFS License No. 337927).

### 2.2 Conduit Capital - People

#### **Jack Dwyer - Founder and CEO**

Jack established Conduit Capital in 2020, following 17 years of global multi-asset investment experience. Conduit has been investing client assets in international equities since launch.

Prior to Conduit, Jack lived in London for a decade and invested across asset classes for Soros Fund Management, a \$35 billion family office. He was a Senior Partner at Pacific Point Partners in London, where he invested in public and private assets.

Jack has travelled to 50+ countries, including extensively in China. He is a proud dual Australian & British Citizen, a Young Global Leader of the Milken Institute, and member of NEXUS.

He has an Economics (Social Science) degree from the University of Sydney and completed the University of College London's Blockchain Executive Programme.



#### **Michael Willis – Partner**

Michael relocated to Australia to join Conduit Capital, after 21 years in the UK. He held senior roles in global equity businesses including Co-Head of a Pan-European firm, headquartered in London. Michael has extensive experience across markets and financial products, primarily equities in Europe, USA, Asia and Australia. He has been involved in all aspects of the equities business including, sales, trading, risk management, compliance and regulation. Michael has strong relationships across markets, dating back from his time on the floor of the Sydney Futures Exchange, as a registered representative. Michael has a Bachelor of Arts degree from the University of New South Wales.

The leadership team are supported by analysts, an Advisory Board and shareholders.





## How the Fund works

### 3. How the Fund works

#### A unit trust and a managed investment scheme

The Fund is an unregistered managed investment scheme that is structured as an Australian unit trust. There may be several classes of ordinary units in the Fund that relate to a particular investment (each, an **Investment Option**).

The economic entitlement attached to a unit in the Fund is determined by reference to the assets of the Fund referable to the relevant class of units (described in this IM as the **Investment Option's assets**). A unit represents an undivided beneficial share in the assets of the Fund as a whole (subject to the Fund's liabilities) and does not entitle the unit holder to any Fund assets in particular.

The Fund is governed by the Constitution and the general law of trusts in Australia. The Constitution sets out the conditions under which the Fund is to operate, the rights and liabilities of Investors, and the rights, powers, responsibilities and duties of the Trustee. Investors are bound by the provisions of the Fund's Constitution.

#### Each Investment Option has a unit price

Where there is more than one Investment Option available, each Investment Option may have a different unit price. The unit price for an Investment Option is determined by dividing the Investment Option's net trust value by the number of units on issue in the Investment Option at that time.

The unit price for each Investment Option will vary as the market value of the Investment Option's underlying assets rise and fall.

The Fund is denominated in Australian Dollars (**AUD**).

For more information, please see the Unit Pricing Policy and Fair Value Pricing Policy for the Fund. You can ask us to provide a digital copy to you free of charge at [help@cacheinvest.com.au](mailto:help@cacheinvest.com.au).

#### How to invest

To open your investment in the Fund, you will need to open an account by:

- (a) **(Application Form)** Completing an application via an approved Application Form (and selecting the relevant Investment Option, if applicable) and providing a copy to us.
- (b) **(Paying)** Depositing money as directed in the Application Form.

Upon a successful application and after we've received and accepted your cleared funds, you will be issued units in the relevant Investment Option at the next applicable unit price (less any applicable fees).

Applications are processed monthly. Applications received before 48 hours before the last business day of a month will normally receive the next month's unit price.

#### Unit prices

Unit prices are based on the net asset value of the Fund and will vary as the market value of the Fund's assets rise and fall.

The unit price(s) of the Fund are determined monthly on the last business day of each month, based on the information most recently available.

#### Withdrawals

You generally have access to your investment as detailed in this section. In some circumstances, such as when there is a delay on withdrawals, investors may not be able to withdraw their funds within the usual period upon request – see below for details.

You may withdraw from the Fund by making a withdrawal request using an approved Withdrawal Form. Redemptions from the Fund will usually be processed monthly on the last business day of the month.

The minimum withdrawal is \$20,000, and we generally require a minimum account balance of \$100,000. If processing your withdrawal will cause your account balance to fall below that minimum balance then Cache may refuse your withdrawal request or the whole of your investment may be paid to you.

Withdrawals are paid to your nominated account, normally within 10 business days of processing of the monthly unit price and assuming we have all required information. Deductions may be made for any money you owe relating to your investment.

#### Illiquid investment

In the case of a liquidity event relating to an Investment Option (e.g. the assets relating to an Investment Option are sold or otherwise liquidated) the Fund may distribute the proceeds of that Investment Option to Investors and/or may wind up the Investment Option.

#### Transfers of units

Transfers of units are not permitted without Cache's consent.

#### Limitations

Cache may accept or reject any investment or withdrawal request at any time at our discretion, without providing reasons for our decision.

#### Minimum investment amounts

The minimum investment amount is \$250,000 however Cache may accept a lower amount at their absolute

discretion. Following the minimum initial investment, you may invest additional funds in increments of \$50,000.

#### Parts of a unit

Where you submit a request to invest or withdraw an amount that is not equal to a whole unit, Cache will issue a fraction of a whole unit to you for the amount you have invested, or exchange a fraction of a whole unit for the amount you have withdrawn.

The value of a fractional unit, and all rights and obligations attaching to a fractional unit, will be in proportion to a whole unit. If you hold more than one fraction of a unit, Cache may consolidate the fractions into a whole unit.

Cache issues fractional units rounded to the fourth decimal place. Rounding could impact the value of the amount you invest or withdraw.

#### Distributions

The Fund does not pay distributions to you. Any income received by the Fund in respect of units allocated to you will be automatically re-invested into the Fund and will increase the value of your investment.

#### Application monies

When an investment is not completed immediately:

- (a) **(Application monies account)** Cache will receive your investment monies in a trust account separate from the Fund which has been established for that purpose. Any interest earned on application monies will not be paid to individual investors or the Fund.
- (b) **(Confirmations)** We'll send you a confirmation by email or electronic confirmation when the transaction has been completed. That confirmation will set out the amount you've invested, the number of units issued to you, the unit price of those units and the date the units were issued.

#### Valuation

The valuation of Fund assets is governed by the Constitution. The Constitution provides that the assets must be valued according to the market value, the net fair value, or other value appropriate to the nature of the property and the nature of the Fund.

#### Reporting

To keep you informed about your investment and its performance, you will receive the following reports and statements by email.

Report	Timing
Transaction confirmations	Within 10 business days of a transaction being recorded on the register
Annual taxation statement	Generally within 4 months of the end of the financial year

## 4. Key risks

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns in the Fund are not guaranteed. The value of investments will vary, as will investment returns. Future returns may differ from past returns and investors may lose some or all their money.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment timeframe, risk tolerance and where other parts of the investor's wealth are invested. You are encouraged to seek independent financial advice before investing in the Fund.

### Fund risks

The significant risks of investing in the Fund include but are not limited to:

- (a) **(Performance risk)**: the risk that your investment in the Fund does not perform as you expect or meet your financial requirements. There is no guarantee that any investment strategy will be managed successfully.
- (b) **(Market risk)**: the risk of investment losses resulting from poor market conditions or changes to the market price of assets held by the Fund. This includes the risk that a market outside Australia experiences poor market conditions.
- (c) **(Liquidity risk)**: the risk that the Fund has insufficient liquid assets to pay a withdrawal request in a timely manner.
- (d) **(Interest rate risk)**: the risk to performance resulting from changes in interest rates.
- (e) **(Regulatory risk)** the Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.
- (f) **(Concentration risk)**: the risks associated with investing in a limited number of equities (ie one) or being exposed to a limited number of equities.
- (g) **(Authorisation risk)** the risk that your investment is accessed by another person that pretends to be you.
- (h) **(Operational risk)**: the risk that Cache's operational processes and procedures malfunction or fail.
- (i) **(Data security risk)**: the risk that information systems fail, are infiltrated or corrupted.
- (j) **(Trustee risk)** There is a risk that Cache may be replaced as Trustee of the Fund or its key personnel may change. There is also a risk that the Trustee's authorisation under its AFSL may be suspended or revoked.
- (k) **(Limited track record risk)** the Fund is a newly established managed investment scheme and has no track record or past performance.
- (l) **(Currency risk)** the risk that fluctuation in exchange rates between currencies may cause the value of your units to decline or appreciate, regardless of the underlying performance of the Fund.
- (m) **(Borrowing risk)** the Fund does not borrow money to enhance the returns of the Fund, but we may borrow for cash management purposes and companies in which we invest may borrow money. Borrowing can magnify returns and magnifies losses.
- (n) **(Counterparty risk)** the risk that a person that contracts with Cache and/or Conduit fails to meet its contractual obligations, resulting in losses.
- (o) **(Technology risk)** although we take steps, we consider reasonable to protect information we hold, its security cannot be absolutely guaranteed. Data including phone numbers, email addresses and passwords can be compromised. If data is stored overseas, different privacy and other standards may apply there.
- (p) **(Investment Manager Risk)** There is a risk that the Investment Manager's AFSL authorisation may be suspended or revoked.
- (q) **(Tax risk)** the risk that tax laws or regulations that impact the Fund (or its assets) change in Australia or overseas. Tax law is complex, will apply differently to different investors and is regularly subject to change. You are strongly advised to obtain professional tax advice relating to your investment in the Fund.

## 5. How we invest your money

### 5.1 Investment Options

The Fund currently offers a single Investment Option called Conduit Capital Global Fund. More Investment Options may be added in the future.

## Conduit Capital Global Fund

### Investment Objective

Conduit Capital Global Fund aims to achieve an average net return of 10% per annum, over a five-year rolling period.

The returns are expected to be generated through a combination of capital growth and income by investing in listed assets.

The investment objective is not intended to be a forecast. It is an indication of what the investment strategy aims to achieve. The Fund may not achieve its investment objective. Remember that investing involves risk, and you can lose as well as make money. Neither returns nor the money you invest in the Fund are guaranteed.

The Conduit Capital Global Fund Investment Option has a very high weighting to international equities, through investments in securities that have been screened and selected in accordance with the overall investment strategy of the Fund.

This table sets out the strategic asset allocations:

Asset allocation	Exposure type	Typical allocation (% of the gross value of the Investment Option)
International equities	ETFs	80% (0% - 100%)
	Listed single stocks	
Cash	Cash or cash equivalent (all currencies)	20% (0% – 100%)

In practice, the actual asset allocation may vary from the target asset allocation (within the range specified). The Fund's investment objective and strategy can be changed without notice in some cases. Investors will be informed of any material change to the Fund as required by law.

## 5.2 Limitations

### No leverage

The Fund will not borrow or use derivatives to increase the exposure of the Investment Options beyond their net trust value.

Leverage may occur from time to time for the purposes of liquidity management only.

### No borrowing (except for liquidity purposes)

The Fund may borrow for liquidity and cash management purposes only, for example, to satisfy redemption requests on a timely basis.

### No derivatives

The Fund will not invest directly in any derivatives.

### Not currency hedged

The Fund will not take any steps to reduce the volatility of the value of assets associated with fluctuations in foreign exchange rates.

The Fund is not currency hedged.

### No stock borrowing

The Fund will not engage in any borrowing of its securities holdings.

### Long only (ie no short selling)

The Fund will not execute any short sales or sell any assets that it does not currently hold.

## 5.4 Additional information

### **Authorised investments**

The Fund may hold financial property, including securities, interests in exchange traded funds, notes, managed investment interests, or other financial instruments.

### **Changes**

We may change the Investment Options from time to time and without notice. For example, we may change

the number of Investment Options available, the assets in which the Fund invests and the investment strategy and strategic asset allocation for each Investment Option.

Cache will make changes to the Investment Options where we consider it is in the best interests of investors to do so. You will be notified of any material changes to the Investment Options.

## 6 Fees and costs

### Fees and costs

Cache will charge the following fees from the Fund, some or all of which may be paid to Conduit Capital or other service providers to the Fund.

Item	Amount	How and when paid
<b>Management fee</b>	1.20% of the net asset value of the Fund per annum (inclusive of GST)	The management fee is charged proportionally to each investor based on their investment amount in the Investment Option  Management fees are calculated and accrued on each business day and are paid from the assets of the Fund monthly in arrears.
<b>Performance fee</b>	16.5% (inclusive of GST)	The performance fee will only apply if returns exceed the relevant Benchmark for each Investment Option (see below).  A High Water Mark will also be used to ensure that any negative performance is recouped.  The performance fee is calculated monthly and (if payable) are paid from the assets of the Fund monthly in arrears.
<b>Buy-sell spread</b>	±0.15%	The buy spread will be applied to the investment price and paid into the Fund when you invest into the Fund. The sell spread will be applied to the withdrawal price and paid into the Fund when you withdraw from the Fund.
<b>Expense recovery</b>		The recoverable expenses represent the expenses incurred in the operation of the Fund. These expenses will be recovered from the Fund and reflected in its unit price.

### Additional explanation of fees and costs

#### *Management fee*

The management fee is charged for managing the Fund and making it available to investors.

The management fee is set at 1.20% of the net asset value of the Fund per annum (inclusive of GST).

#### *Performance fee*

The performance fee for each Investment Option is equal to 16.5% (inc. GST) of the amount (if any) by which the change in unit price for that Investment Option (before performance fees) exceeds the Performance Hurdle, calculated from the High Water Mark.

Investment Option	Benchmark
Conduit Capital Global Fund	MSCI World Index (AUD)

The performance fee is calculated as **16.5% x outperformance of the Benchmark, subject to the High Water Mark.**

The performance fee cannot be less than \$0.00.

An example of how the performance fee is calculated:

**Unit price:** \$1.50

**Benchmark price:** \$1.35

**High Water Mark:** \$1.40

**Outperformance, (subject to High Water Mark):** \$0.10

**Performance fee (16.5% x \$0.10):** \$0.0165

The use of a High Water Mark means any performance deficit must first be recovered before any future performance fees may be accrued.

If a performance fee is payable, it will be paid monthly in arrears on the last business day of the relevant month. The performance fee is payable in relation to the performance of the Investment Option as a whole during the month and does not necessarily reflect the performance of any individual investor's investment.

#### *Recoverable expenses*

The recoverable expenses represent the expenses incurred in the operation of the Fund. The Constitution allows all expenses and outgoings reasonably and properly incurred by the Trustee in the proper performance of its duty to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day-to-day operation of the Fund may include fund administration, unit registry and audit costs (other than transactional and operational costs described below). These expenses normally incurred may be recovered from the Fund and reflected in its unit price.

Extraordinary expenses are expenses that are not normally incurred in the day-to-day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unit holder meetings or changing the Constitution. Any such expenses may be recovered from the Fund and reflected in its unit price.

#### *Transactional and operational costs*

The Fund may incur transactional and operational costs, such as brokerage, clearing costs, transactional custodian fees, stamp duty and other transaction fees associated with buying and selling the Fund's assets or processing applications or redemptions.

Any such transactional and operational costs will be borne by the Fund, and is estimated to be substantially recovered from transacting investors through the buy/sell spread.

#### *Buy/sell spread*

A buy spread will be applied to the issue price and a sell spread will be applied to the withdrawal price to ensure that (as much as possible) the transaction and operational costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not by other investors.

The buy/sell spread for the Fund is our reasonable estimate of the transactional and operational costs that the Fund will incur and is not received by Cache or Conduit Capital.

#### **Goods and Services Tax**

All monetary amounts are in Australian dollars. Unless otherwise indicated, fees are inclusive of goods and services tax (GST) and any applicable stamp duty.

#### **Changes to fees and costs**

Even though Cache does not intend to change the fee structure, it may do so in accordance with the terms of the Constitution. The Constitution prescribes the limited circumstances within which Cache may do so (including the maximum amounts allowed). Please make sure you read the Constitution for further information in this regard.

Fees and costs may vary over time due to changes to the Fund, changing economic conditions or changes in regulation. We will provide investors 30 days' notice of any proposed increase to Cache's fees and charges.

## 7 How managed investment schemes are taxed

Investing in a wholesale trust (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, stamp duty and GST) consequences that may apply to you, based on your particular circumstances prior to investing in the Fund.

In general, it is expected that the Fund will be an Australian resident for tax purposes and will not pay tax on behalf of investors. Rather, you may have a tax liability when you withdraw from the Fund.

## 8 Additional information

### If your details change

You must notify us of any change to your details by email. This includes any changes to your personal details, contact details and foreign tax residency status.

### Qualifying Investors

This offer is only available to persons who qualify as wholesale clients (as defined in sections 761G(7) or 761GA of the Act) (**Qualifying Investors**). A Qualifying Investor is an Investor who falls into either of the following categories:

#### Category 1

- (a) invests an amount of \$500,000 or more in the Fund; and
- (b) provides a certificate from a qualified accountant (substantially in the form attached to the Application Form) that states the investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000,

#### Category 2

- (a) is a professional investor (including the holder of an Australian financial services licence, a person who controls more than \$10 million or foreign currency equivalent, or a person that is a listed entity or a related body corporate of a listed entity).

The Trustee will not issue units to a person unless it is satisfied that the person is a Qualifying Investor that satisfies one of those categories.

### Foreign tax residency

We are required to collect certain information about you in order to determine your foreign tax residency status under the *Taxation Administration Act 1953* (Cth).

Where required by law, we will provide that information (as well as information about your investment in the Fund) to the Australian Taxation Office. The Australian Taxation Office is, in turn, obliged to supply that information to the appropriate foreign jurisdiction in terms of legislation such as the *Foreign Account Tax Compliance Act* or Common Reporting Standards in terms of agreements with participating foreign jurisdictions.

In order to determine your foreign tax residency status (which we need to do at the time you first make an investment in the Fund), we may need to obtain additional information from you, including documentation and certifications.

If you do not provide any information, we reasonably request by the time we require it, we may be required to withhold tax on the gross proceeds from the sale of investments or close your account.

You must tell us if your foreign tax residency status changes.

### AML/CTF legislative requirements

As required by Australian Anti-Money Laundering and Counter-Terrorism Financing (**AML/CTF**) laws, Conduit and Cache have implemented AML/CTF compliance measures. Conduit and Cache must, as a result, at various intervals (including before units are issued in the Fund to you) collect certain personal information from you and verify that information. Verification may, in certain instances, require us to also collect identification documentation from you or beneficial owners of certain investors (such as an entity).

Conduit and Cache may also require you to provide updated or additional information from time to time. At times we may be obliged to disclose that information or documentation to the Australian regulatory and/or law enforcement agencies.

Australian law may require us to seek further information from you before accepting or processing an application or withdrawal. We will refuse to accept an Application Form, or issue units in the Fund, to you or another investor until we have satisfactorily concluded a customer identification procedure. We may delay or refuse any application, request or transaction, if we are concerned that the application, request or withdrawal may cause us to contravene AML/CTF laws. We will not incur any liability to you or any investor in such an instance.

### Management of conflicts

In the course of managing the Fund, we may face conflicts in respect of our duties in relation to the Fund, related funds and our own interests. We have policies and

procedures in place to manage these appropriately. We will resolve such conflict fairly and reasonably and in accordance with the law, ASIC policy and our policies.

### **Enquiries or complaints**

If you have any suggestions, tips or complaints, please contact us via the website or email:

[info@conduitcapital.co](mailto:info@conduitcapital.co)

+61402576262

Conduit Capital will confirm receipt of any complaint by email within 3 business days, investigate the matter (in conjunction with Cache) and get back to you with a response with the aim of resolving your complaint within 30 days.

### **Protecting your privacy**

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

We are committed to respecting the privacy of your personal information. By applying to invest in the Fund, you consent to your personal information being collected and used. If we don't collect this information, we may not be able to provide our services to you.

We collect personal information directly from you, when you ask us to provide you information and throughout our relationship with you.

Your personal information may be provided to other persons such as external service providers, including any custodian, auditor, taxation adviser, legal adviser and information technology service provider. In such an instance we will provide your personal information only for the purpose for which the personal information may be required. We also provide your personal information to external service providers to verify your identity to comply with our legal obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

Additionally, your personal information will be disclosed if required by law to do so.

### **Constitution**

The Fund's trust deed sets out Cache's obligations as well as your rights as an investor. You can obtain a copy of the Constitution free of charge by contacting us.

The Constitution may be amended from time to time, in accordance with its terms and the law.

You should also be aware of Cache's general right of indemnity which means that it may, in appropriate circumstances, recover unpaid fees from the Fund. Such a recovery may negatively impact on your investment.

### **Cache may suspend your account or refuse to process a transaction.**

You agree that Cache may (in its discretion) suspend, delay, cancel or refuse to process a transaction (including the issue or redemption of units), where:

- (a) Cache considers such action is necessary or desirable in light of its obligations under anti-money laundering or sanctions or other legal obligations;
- (b) Cache believes that a transaction may be fraudulent; or
- (c) Cache considers such action is necessary (for example to manage regulatory risk).

In these circumstances Cache will not be liable to you for any resulting loss.

### **Your rights**

Subject to the Constitution, you're generally entitled to receive a share of the Fund's distributable income (referable to your Investment Option), redeem units, transfer units, receive annual audited accounts and inspect the Constitution.

### **Custody**

Cache has appointed a custodian to hold the assets of the Fund and may change custodian from time to time. The custodian may appoint a sub-custodian.

### **Investor meetings**

Investors can call, attend and vote at investor meetings for the Fund subject to the Constitution. You will be bound by a resolution of investors, whether or not you attend the meeting at which it is passed.

### **Your liability**

Except as provided below, your liability is limited to the amount you've invested in the Fund.

You may be liable for further amounts relating to fees, taxes or costs incurred in relation to your units or where you otherwise owe Cache money. These amounts may be recovered from your bank account (if applicable) or your investment balance. Details of your liability as an investor are set out in the Constitution.

### **Termination**

Cache can terminate the Fund at any time or terminate an Investment Option. When the Fund is terminated, the assets of the Fund will be realised, liabilities will be discharged and then the net proceeds will be distributed to the investors of each Investment Option pro rata to their investment in accordance with the Fund's constitution. Your final distribution will be determined by reference to the number of units you hold in an Investment Option on the termination date.

**Additional classes**

We may also offer other classes of units in the Fund under a separate disclosure document to other investors and may create or close different classes of units from time to time.

Units of other classes may have rights and obligations that are different to the units issued under this document.

**Changes to the Fund**

Cache can make changes to the Fund, the Investment Options and the IM. Sometimes, changes may occur without prior notice. We'll give you 30 days' prior notice of any material changes to the Fund or as required by law.

## 9 Glossary

In this information memorandum:

<b>Term</b>	<b>Meaning</b>
<b>Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>AML/CTF</b>	Anti-Money Laundering and Counter-Terrorism Financing
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Cache</b>	Cache Investment Management Ltd ACN 624 306 430 AFSL 514360)
<b>Conduit, we, us or our</b>	Conduit Capital Pty Ltd ACN 637 605 022 163
<b>Constitution</b>	the deed (as amended from time to time), which establishes and sets out the governing rules of the Fund
<b>Qualifying Investors</b>	persons who qualify as wholesale clients (as defined in sections 761G(7) or 761GA of the Act)
<b>High Water Mark</b>	is equal to the highest previous unit price for the Investment Option (after fees and costs). Where a performance fee has not yet been paid for an Investment Option, the high-water mark is taken to be \$1.00
<b>IM</b>	this information memorandum
<b>Investment Option</b>	an investment option in the Fund
<b>Performance Hurdle or Benchmark</b>	is equal to the change in unit price for an Investment Option that would have occurred if it had experienced the same growth as the Benchmark for that Investment Option
<b>Fund</b>	the Conduit Capital Fund, interests in relation to which are available under this IM



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