



Rixon Income Fund

Information Memorandum

Issuer

Rixon Capital Pty Ltd
ACN 655 776 533
Australian Financial Services Representative
Number: 001298795

Issue Date

28 September 2023

Contents

01. Important Information	3
02. Letter to Investors	7
03. Summary of the Fund	8
04. Overview of Rixon, the Fund Team, and Investment Committee	10
05. SME Private Credit Market Opportunity Overview	13
06. Investment Approach	14
07. Risks	17
08. Investing in the Fund	21
09. Fees and Expenses	23
10. Additional Fund Information	25
11. Taxation	29
12. Glossary	32



01. Important Information

1.1 Information Memorandum

This information memorandum ("Information Memorandum") is dated 28 September 2023 ("Issue Date") and contains information about an invitation ("Invitation") to the person to whom it has been delivered ("Recipient") to consider and, if the Recipient thinks it appropriate and is eligible to do so, to apply to invest in units in the Rixon Income Fund ("Fund").

This Information Memorandum is intended solely for the use of the Recipient for the purpose of evaluating the Invitation. No part of this Information Memorandum may be reproduced or used for any other purpose. It is confidential and may not be reproduced or distributed to any other person (other than the Recipient's professional advisers) without our prior written consent.

Rixon Capital Pty Ltd ("Rixon" or "Investment Manager") is a corporate authorised representative (AFS Authorised Representative No. 001298795) of Rixon Asset Management Pty Ltd (ACN 664 901 866, AFSL no. 546029) ("Rixon AM") and is authorised to provide certain financial services in connection with the Fund to wholesale clients only. AMAL Trustees Pty Limited (ACN 609 737 064, AFSL no. 483459) is the trustee of the Fund ("Trustee"). Rixon is the Investment Manager of the Fund and is the issuer of this Information Memorandum.

As holder of AFSL no. 546029, Rixon AM is authorised to provide certain financial services to wholesale clients. Rixon AM consents to being named in this Information Memorandum. Rixon AM does not take any responsibility for the contents of this Information Memorandum or for the performance of the Fund. To the maximum extent possible, Rixon AM does not accept any liability for any statement in this document.

1.2 Document

This Information Memorandum is not, and is not required to be, a product disclosure statement or similar document required under Chapter 7 (Financial Services and Markets) of the Corporations Act 2001 (Cth) ("Corporations Act"). Nor is it a prospectus or other disclosure document required under Chapter 6D (Fundraising) of the Corporations Act. This Information Memorandum may not contain the same level of disclosure as those documents and has not been, and is not required to be, lodged with, or approved by the Australian Securities and Investments Commission ("ASIC"). This Information Memorandum may not include all of the information that could be expected to be found in a product disclosure statement, prospectus, or other regulated disclosure document, or that a prospective Investor needs, or could reasonably or possibly need, before making an investment decision and applying to invest in units in the Fund. However, Rixon encourages potential investors to obtain as much information as they need, in a time frame which suits them, before applying to make an investment.

1.3 Wholesale Clients only

This Information Memorandum is only intended for, and available only to, and the Invitation contained in this Information Memorandum is only made by Rixon to, Recipients who are prospective investors who qualify as "wholesale clients" within the meaning of the Corporations Act ("Wholesale Clients").

By continuing to read this Information Memorandum, you represent and warrant that you are a Wholesale Client (or acting as a professional adviser to such Wholesale Clients) and, if requested by Rixon, shall provide Rixon with any supporting documentation or evidence of such status.



1.4 Information

This Information Memorandum contains information concerning Rixon, the Invitation, and an investment in the Fund. The information in this Information Memorandum is up to date as at the Issue Date. The information can change and may be updated or replaced from time to time. Rixon may amend or withdraw this Information Memorandum at any time and may issue a new, amended, or supplemental information memorandum from time to time.

Neither Rixon, Rixon AM nor the Trustee has any obligation to update or replace this Information Memorandum to reflect the changed information. The Recipient should check if there is any updated information since the Issue Date before making an investment decision. Updated information can be obtained by contacting Rixon. If the Recipient has questions about the information contained in this Information Memorandum, you can contact Rixon at enquiries@rixon.capital. Any updates or further information is provided under the same terms and conditions as this Information Memorandum.

1.5 No liability

To the extent permitted by law, none of Rixon, the Trustee and their respective affiliates, officers, employees, agents, associates and advisers ("Relevant Persons") accept any responsibility or liability whatsoever (whether in contract, tort, law, equity, under statute or otherwise) for any loss or damage suffered or incurred by a prospective investor or any other person or entity however caused arising from, relating to, resulting from or in connection with any act or omission directly or indirectly in reliance upon or relating in any way to this Information Memorandum and/or any additional information that an Relevant Person subsequently provides in relation to the Invitation or the Fund ("Subsequent Information"), including without limitation the information contained in it, and from any errors or omissions however caused. For the avoidance of doubt, this exclusion of liability includes any cost, expense, loss or other liability (including legal costs and disbursements) directly or indirectly arising

from or in connection with any omission from or defects, or any failure to correct any information, in this Information Memorandum and/or any Subsequent Information.

1.6 No advice

This Information Memorandum is not a recommendation to make an investment. The information in this Information Memorandum is general information only and does not take into account the Recipient's individual objectives, financial or personal situation or needs, including any ability to bear the risk of loss of part or all of the principal and/or interest due to an investor under any investment. No Relevant Person takes into account the individual circumstances of any Recipient, nor does any Relevant Person give financial product advice with respect to this Information Memorandum or the investor making any investment. Accordingly, the Recipient should assess whether the information is appropriate, make their own enquiries and obtain independent legal, financial, accounting, investment, taxation, or other suitable professional advice before making an investment decision with respect to an investment in the Fund. If a Recipient proceeds with making an investment, the Recipient must rely solely on its own independent review, investigation, and analysis. Each Recipient agrees that they will not hold any Relevant Person liable in any way whatsoever (whether in contract, tort, law, equity, under statute or otherwise) as a result or by reason of the provision of this Information Memorandum or any Subsequent Information to the Recipient or any other person or entity.

1.7 Disclaimer

This Information Memorandum and all Subsequent Information is provided on the terms and conditions set out in this Information Memorandum. If the terms and conditions set out in this "Important Information" Section are not acceptable to a Recipient, then the Recipient should return this Information Memorandum and any Subsequent Information to Rixon immediately. Retention of this Information Memorandum and any Subsequent Information at the time of



applying to make an investment will be deemed to constitute acceptance of these terms and conditions by the Recipient.

1.8 Risk

Making an investment is subject to investment, credit, economic risk, and other risks, including possible delays in payment or loss of part or all of the principal and/or interest due to an Investor under any investment.

No Relevant Person guarantees or provides any assurance or representation concerning the success or failure or otherwise of Rixon or its business, the increase in value or performance of Rixon, its assets and/or any investment, the payment of interest (including at any particular rate of return) and/or the return of investment capital comprising the principal under any investment.

For certain other risks associated with an investment in the Fund, please refer to Section 07. None of the Relevant Persons represents in any way that the description of risks outlined in this Information Memorandum is exhaustive or a complete description of all possible risks in connection with an investment in the Fund.

1.9 Past performance

This Information Memorandum may include information regarding the past performance of various entities. Prospective investors should be aware that past performance may not be indicative or reflective of future performance.

1.10 Evaluations

This Information Memorandum may contain assumptions, information, opinions, estimates and forecasts. Except to the extent implied by law, no Relevant Person makes any representation or warranty as to the validity, certainty, or completeness of any of the assumptions or the accuracy of the information, opinions, estimates, or forecasts contained in this Information Memorandum.

1.11 Third party information

Certain information contained in this Information Memorandum has been obtained from third-party sources and has not been independently verified by the Rixon or the Trustee. The third-party sources whose statements and findings are contained in this Information Memorandum are not responsible for this Information Memorandum or for any statements and findings attributed to them in this Information Memorandum. No responsibility is assumed for the accuracy or completeness of such information.

1.12 Confidentiality

Each Recipient acknowledges and agrees that the information contained in this Information Memorandum and any Subsequent Information is confidential in nature (other than information which is in the public domain through other means) and that any disclosure or use of such information by or on behalf of the Recipient may cause serious harm or damage to Rixon, the Trustee and/or their respective investments. Each Recipient agrees not to reproduce or disclose any information contained in this Information Memorandum (or any part of it) and/or any Subsequent Information to any party, other than its professional advisors for the purpose of obtaining advice in connection with the investment opportunity described in this Information Memorandum, without Rixon's prior written consent (which Rixon may withhold in its absolute discretion).

1.13 Overseas

This Information Memorandum does not constitute, and may not be used for the purpose of, an offer, invitation or solicitation in any jurisdiction or in circumstances in which such offer, invitation or solicitation is not authorised or where a regulated disclosure document is required. No person receiving a copy of this Information Memorandum in any jurisdiction may treat it as constituting an offer, invitation or solicitation to that person to apply to make an investment, in the relevant jurisdiction, if such an offer, invitation or solicitation could not lawfully be made to the person.



No action has been taken to register or qualify the units in the Fund or the offer of units in the Fund, or otherwise to permit an offering of the units in any jurisdiction outside Australia. The distribution of this Information Memorandum (electronically or otherwise) in jurisdictions outside Australia is limited and may be restricted by law.

Recipients of this Information Memorandum should observe any relevant legal restrictions on using, providing or distributing this Information Memorandum and where appropriate, seek professional advice. Failure to comply with such restrictions may constitute a violation of applicable securities law. It is the responsibility of each investor to comply with any laws of any country relevant to their subscription for units in the Fund.

1.14 Regulation

The Fund has not been, and will not be, a registered managed investment scheme under the Corporations Act and will not be notified to, or registered, with the Australian Securities and Investments Commission ("ASIC").

Neither Rixon, Rixon AM nor the Trustee are authorised under the Banking Act 1959 (Cth) ("Banking Act") and are not supervised by the Australian Prudential Regulation Authority

("APRA"), nor are investments in the Fund covered by the deposit or protection provisions in the Banking Act.

1.15 Application Form

The application form relating to the Invitation appended to this Information Memorandum as Schedule 1 (Application Form) ("Application Form") may only be distributed if attached to a complete and unaltered copy of this Information Memorandum. Prospective Investors should read this Information Memorandum and the Application Form carefully before making a decision about whether or not to make an investment in the Fund, and an investment cannot be made without completing the Application Form and providing all information requested by Rixon.

1.16 Currency

All monetary amounts in this Information Memorandum are in Australian dollars unless otherwise specified.

1.17 GST

All fees, costs and expenses in this Information Memorandum are exclusive of GST and reduced input tax credits ("RITC").

WARNING

THIS INFORMATION MEMORANDUM IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY AND CAREFULLY CONSIDERED, ALONE OR WITH A POTENTIAL INVESTOR'S PROFESSIONAL ADVISORS, BEFORE DECIDING WHETHER TO APPLY TO MAKE AN INVESTMENT FROM TIME TO TIME.



02. Letter to Investors

Dear Investor

It is our great pleasure to invite you to become a Unitholder in the Rixon Income Fund ("Fund"), an unregistered managed investment scheme which was launched in September 2022.

Rixon Capital Pty Ltd ("Rixon") sees attractive investment opportunities in the Australian Small to Medium Enterprise ("SME") corporate lending market as a consequence of the regulatory environment confronting the banking sector and the scarcity of debt capital deployed by credit professionals with backgrounds in investment banking and complex commercial banking.

While the Australian private credit market has grown to replace the retreating traditional lenders, the focus on large ticket lending and vanilla financing structures has created an opportunity for lenders with the requisite skills in diligence and structuring to fund smaller SME growth or non-vanilla asset finance.

Excitingly, this offers Rixon the potential to underwrite secured loans that deliver strong targeted returns driven predominantly by a scarcity premium, rather than a risk premium.

The Fund will invest in a variety of credit instruments, with a focus on security, capital preservation, and income. The Fund targets a monthly pre-tax cash return of 10-12% per annum (net of fees and costs) and suits investors who are looking for higher yield income distributions. The Fund is for Wholesale Clients only and is most suited to investors who have an investment horizon of three to five years.

The Fund seeks to issue senior ranking loans secured over real estate (if any), equipment, inventory, receivables and equity, and will require monthly cash interest payments from borrowers.

Prior to forming Rixon, members of the Rixon team deployed over \$160m in secured high-yield SME debt in their prior strategies. Their most recent strategy saw them deliver a weighted average pre-tax cash return of 12.7% per annum (net of estimated fees and costs) against a 39.5% loan-to-value ratio¹.

The Rixon team has extensive experience in the credit, funds management, and investment banking sectors giving them a strong understanding of risk assessment and management. Further, the Rixon team's wide network within the financial services community means it is able to originate and identify suitable loan assets for the Fund.

The Rixon founders are also investors in this new Fund, aligning Rixon's interests with those of other investors.

We urge prospective investors in the Fund to read this Information Memorandum carefully before investing. Particular attention should be paid to Section 07 (Risks) of this Information Memorandum which outlines the risks associated with investing in the Fund.

We look forward to welcoming you as a Unitholder in the Rixon Income Fund.

Yours sincerely,

Patrick William



Co-founder and
Managing Director

Shrikaanth
Balasubramaniam



Co-founder and
Director of Credit

Blair Murphy



Co-founder and
Non-Executive Director

¹ Past performance is not a reliable indicator of future performance. This rate is calculated as if the same level of fees and costs applicable to this Fund were to apply to the past returns. See further information at section 4.4.



03. Summary of the Fund

The following is a general summary of the key terms of the Fund. Due to its generality, this summary might not be an accurate description of those terms. This summary and the other contents of this Information Memorandum are qualified in their entirety by the terms, conditions, and other provisions of the constituent documents of the Fund, which will prevail over this Information Memorandum to the extent of any inconsistency.

The Fund	<p>Rixon Income Fund, an unregistered wholesale Australian unit trust which invests in a portfolio of senior secured credit investments in the Australian SME sector.</p> <p>The Fund is an open-ended fund with no predetermined termination date. The Fund may, therefore, continue to make investments and issue Units on an ongoing basis (subject to application and redemption restrictions explained below).</p>
Investment Manager	Rixon Capital Pty Ltd ACN 655 776 533 (AFS Authorised Representative No. 001298795)
Trustee	AMAL Trustees Pty Limited ACN 609 737 064, AFSL no. 483459
Custodian	AMAL Trustees Pty Limited ACN 609 737 064, AFSL no. 483459
Fund Administrator	ASCENT Fund Services Australia Pty Ltd ACN 649 470 253
Fund Auditor	Ernst & Young Australia
Fund Accountant	PPNSW Services Pty Ltd ACN 608 418 828
The Investment	Units in the Fund.
Fund Investments	<p>The Fund invests in secured loans issued primarily to SME businesses, taking security over real assets including property, equipment, inventory, and receivables, and equity.</p> <p>The Fund will only invest in loans that pay monthly cash interest, and capitalising interest will not be permitted.</p>
Investor Class	Wholesale Clients as defined in the <i>Corporations Act 2001</i> (Cth) only.
Minimum Investment	\$50,000
Issue Price	Initially \$1 per Unit and then determined based on the Net Asset Value of the Fund (adjusted for transactions costs) divided by the number of Units on issue.
Target Return	The Fund targets a pre-tax cash return of 10% - 12% p.a. (net of fees and costs). There is no guarantee this target will be achieved.
Distributions	Distributions are paid monthly
Investment Objective	To preserve capital and achieve returns over the medium term in line with the Target Return.



Investment Strategy	<p>Following regulatory reform in the banking sector, banks have reduced their appetite for SME lending. While vanilla segments such as SME property and traditional asset finance have found alternate funding sources, SME growth and non-vanilla asset finance continue to be underbanked due to the underwriting expertise required.</p> <p>The Fund seeks to utilise its experience in this niche by advancing secured loans primarily to SME businesses to deliver the Investment Objective.</p>
Leverage	The Fund will be ungeared, and will not utilise debt in seeking to achieve the Target Return
Investment Horizon	3 - 5 years.
Redemptions	Quarterly redemption requests (subject to certain restrictions) with 90-days' notice. The redemption price will be determined based on the Net Asset Value of the Fund (adjusted for transactions costs) divided by the number of Units on issue.
Management Fee	1.50% p.a. (excl GST) of the Net Asset Value of the Fund.
Performance Fee	20.00% of the Fund returns in excess of the benchmark being the RBA Cash Rate + 6.00% as described in Section 09.
Reporting	Investors receive monthly reporting on portfolio performance, underlying assets held, net asset valuation and distributions paid



04. Overview of Rixon, the Fund Team, and Investment Committee

4.1 Rixon Capital Pty Ltd

Rixon was founded by senior private credit and investment banking professionals with a background in deploying secured, high yield private credit.

The Rixon team has expertise in the origination, assessment, structuring, and execution of non-vanilla credit in the Australian SME market.

Rixon enjoys a deep relationship with a national network of origination channels, allowing it to readily access potential borrowers across multiple sectors and geographies.

4.2 The Rixon Income Fund Team

The key Rixon personnel who will initially be involved with the Fund (the "Fund Team") are:

Patrick William

Co-founder & Managing Director

Patrick is an experienced SME private credit professional and investment banker.

Prior to founding Rixon, he was an Executive Director at alternative asset manager FC Capital where he led execution of their SME private credit strategy and corporate development initiatives.

Previously, Patrick was a Senior Vice President at independent M&A advisor Aquasia where he was a founding member of their SME private credit fund.

Patrick commenced his career at Macquarie Capital's Technology, Media, Entertainment, and Telecommunications investment banking team in Sydney and Singapore.

He has executed over \$160m in secured, high-yield Australian SME private credit lends and \$10 billion in M&A across Australia, Indonesia, South Korea, and the Philippines.

Role

Deal origination, director of Investment Manager, member of Fund Investment Committee

Qualifications

Bachelor of Commerce and Bachelor of Economics from the University of Queensland, recipient of the faculty International Economics Scholarship.

Shrikaanth Balasubramaniam, CFA

Co-founder & Director of Credit

Shrikaanth has over 10 years' experience across SME private credit and equity research.

He was most recently Associate Director at alternative asset manager FC Capital where he managed the structuring, diligence, and execution of lends in their SME private credit strategy.

Prior to this, Shrikaanth spent 5 years supporting the Deutsche Bank equity research team covering global listed equities.

He has executed over \$100m in secured, high-yield Australian SME private credit lends.

Role

Deal origination, director of Investment Manager, member of Fund Investment Committee

Qualifications

Bachelor of Commerce from the University of Madras, Associate of the Institute of Chartered Accountants of India, and a CFA Charterholder.



4.3 The Rixon Income Fund Investment Committee

The Fund's investment committee ("Investment Committee") oversees the activities of the Fund from an investment perspective.

Its charter requires it to assess and decide on potential new financing to be provided by the Fund in light of the Fund's investment strategy. The Investment Committee meets as requested by the Investment Manager to review and opine on any potential new financing.

The Investment Committee currently comprises the key Rixon personnel listed in Section 4.2 and the following three committee members. Decisions require the unanimous approval of the Investment Committee.

Alan Butterfield

Lead Independent Investment Committee Member

Alan has had a prominent career in credit across Australia and the UK.

Alan spent 12 years with the Bank of Scotland Group (BOSI) in the UK and Australia, leaving as Head of Structured and Acquisition Finance for Australasia, a team he founded.

Subsequently he built a similar team from scratch with GE Capital for Australasia.

Alan most recently built and managed a successful secured, high-yield Australian SME credit fund, the Credit Opportunities Fund, and in a separate consulting career has advised companies and investors on financing, refinancing, and various credit matters.

Alan has a Bachelor of Science in Engineering from Newcastle University, and is a Chartered Accountant and qualified Insolvency Professional

Justin Roberts

Independent Investment Committee Member

Justin is an experienced business professional with a background in strategy, innovation, and investment banking.

He is currently the CEO of Billsmoov, a venture-backed consumer fintech disrupting the bill payment industry. Prior to founding Billsmoov, Justin was the Director of Digital Partnerships at NAB where he was responsible for managing all of the bank's Fintech partnerships as well as heading up the commercialisation of Open Banking.

Prior to NAB, Justin held senior roles at Uber and Starfish Ventures across Australia, Asia, and America.

Justin commenced his career at Macquarie Capital's Technology, Media, Entertainment, and Telecommunications investment banking team in Melbourne.

Justin holds an MBA from the University of Chicago Booth School of Business as well as Bachelor of Commerce and a Bachelor of Business Systems from Monash University.

Blair Murphy

Investment Committee Member

Blair is a founding Director at Tanooki Ventures and serves on the board of Rixon Capital. He is a trusted advisor to a number of high growth startups in Fintech, Retail and Software.

Blair has extensive corporate experience in private health, government, and banking. His focus then turned to building and scaling software startups. He joined Proviso as Chief Operating Officer and was instrumental in scaling the tech and business operations of the company, leading to an eventual acquisition by illion.

Blair has an analytical background in statistical modelling and forecasting but is passionate about delivering value for customers through great products and services. He studied Statistics at Macquarie University in Sydney and is currently completing an MBA at the University of Adelaide



4.4 Track Record

Any mention of track record in this Information Memorandum reflects the performance of core members of the Rixon team prior to founding Rixon (referred to here as "Relevant Rixon Personnel").

Assuming a weighted average based on capital invested in each secured high-yield SME debt investment, Relevant Rixon Personnel have achieved a pre-tax 12.7% per annum cash return (net of estimated fees and costs) against a 39.5% loan-to-value ratio on such investments in their most recent strategy prior to founding Rixon (referred to here as "Relevant Past Performance"). This rate is calculated as if the same level of fees and costs applicable to this Fund (including Management Fees and Performance Fees) were to apply to the past returns.

4.5 Methodology of Track Record Information

As the Investment Manager is recently established, statements of prior performance are not statements of the track record of the Investment Manager or the Fund. The net return indicated is the Investment Manager's estimate of historical performance of the other portfolios managed by Relevant Rixon Personnel at the time they were employed outside of Rixon during their roles with other employers over the Measurement Period. Former employers of the Rixon team have not provided attribution of the above track record. The information provided in this Information Memorandum has been provided by the Investment Manager and is not a statement of the track record of the Investment Manager or the Fund. The track record is provided in aggregate and as a guide only.

INVESTORS SHOULD NOTE THAT THE RELEVANT PAST PERFORMANCE IS NOT THE ACTUAL PERFORMANCE OF THE FUND OR RIXON. THE RELEVANT PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF THE FUTURE PERFORMANCE OF THE FUND. THE PERFORMANCE OF FUND COULD BE SIGNIFICANTLY DIFFERENT TO THE RELEVANT PAST PERFORMANCE. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF THE FUTURE PERFORMANCE OF THE FUND.



05. SME Private Credit Market Opportunity Overview

Political and regulatory pressure has seen traditional banks reduce their appetite for SME lending. This has created scarcity of funding for quality Australian SMEs who seek debt capital for growth.

Rixon seeks to target an identified, underserved niche in the Australian SME Private Credit Market. This niche is defined by two key characteristics – loan size and loan type.

Target Loan Size	\$2m - \$20m	Too large for short-term debt funders Too small for large institutional and private credit lenders
Target Loan Type	Growth finance Non-vanilla asset class finance	The broader SME private credit funder market is focused on loans that require simple underwriting. Financing property and other traditional asset classes is not complex as these are homogenous asset classes that may be valued utilising standardised methodologies. This reduced complexity results in simpler underwriting and results in more competing funders in the space driving lower returns. Rixon believes that there is a material unmet demand for financing growth and non-vanilla asset classes in the SME private credit market. This type of lending requires the skillset and appetite to undertake in-depth due diligence and structuring to achieve acceptable security cover and potentially higher returns.

Rixon is well placed to access this market:

- (a) The Fund is mandated to focus on loans of this size
- (b) The Fund Team have expertise and a successful track record of executing loans in this niche

The scarcity of capital in this niche is expected to allow Rixon to deliver Fund investors a scarcity premium, enhancing the total return on a secured loan.



06. Investment Approach

6.1 Investment objective

The Fund's investment objective is to preserve capital and achieve returns over the medium term in line with the Target Return of a pre-tax cash return of 10% - 12% per annum (net of fees and costs).

6.2 Strategy

The Fund will deploy capital by way of secured, senior ranking credit instruments. The Fund intends to avoid investments that are equity-like, such as hybrids and convertible notes, or offer equity inducements (e.g. equity kickers, listed and unlisted equity warrants or options) and intends to not lend to parties who are unable to pay monthly cash interest.

The Fund is designed for investors who wish to have exposure to this asset class and who are looking for cash returns of 10% - 12% per annum (net of fees and costs) over the medium term. Given the expected illiquidity of the Fund's assets, the Fund is likely to be most suited for investors who have an investment horizon of three to five years.

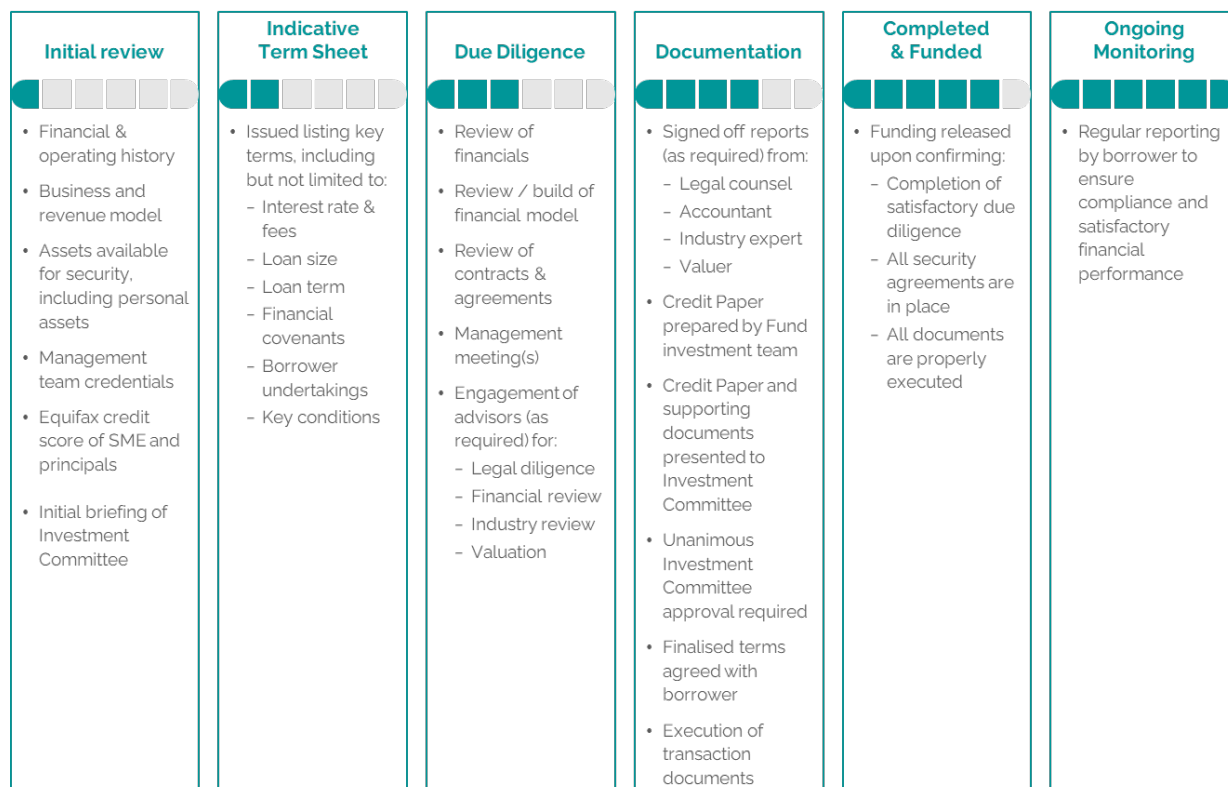
Investments are intended to be sourced from Rixon's wide network of contacts and will be added to the Fund's portfolio if, in Rixon's view, they provide the appropriate risk/return profile for the Fund. New investments are subject to due diligence, documented review, and unanimous approval by the Investment Committee.

Rixon intends that the Fund will invest in assets that are unrated by investment rating agencies and that the Fund's portfolio will typically have the characteristics summarised in the following table.

Characteristic	Fund Constraints
Geographical	Focus on Australian opportunities with the ability to consider suitable opportunities in New Zealand.
Loan Size	Loans of \$2m to \$20m with the potential to undertake larger loans subject to Investment Committee approval.
Security	All loans are to be secured against suitable identified and valued assets. Assets may include real property, equipment, receivables, and inventory, and underlying equity.
Ranking	No less than 100% of loans written will be senior ranking.
Currency	No less than 100% A\$ assets.
Leverage	No leverage permitted in the Fund.
Loan Concentration	After the initial deployment phase, no single loan or borrower is intended to comprise more than 25% of Net Asset Value. However, in its initial deployment phase the Fund is likely to be concentrated on a small number of seed investments.
Sector concentration	The Fund intends to lend across a range of assets and industry sectors. However, during its initial deployment phase, the Fund may be concentrated in specific loans via a small number of seed investments.
Excluded Borrowers	The Fund will generally not lend against: <ul style="list-style-type: none"> - Cryptocurrency - Direct commodity exposure (unless fully hedged) - Property development or residential property



6.3 Investment Process



Phase 1: Initial Review

The Fund Team intends to evaluate each potential loan to determine the suitability of the credit, risk-reward proposition, and alignment with the Fund's investment strategy.

The Investment Committee is provided an overview of the loan to ensure broad compliance with Fund requirements, and to seek initial feedback.

Phase 2: Indicative Term Sheet

Potential borrowers are issued the Fund's key terms for the loan for acceptance.

Phase 3: Due Diligence

A comprehensive due diligence process is undertaken, including engagement of external advisors at the borrowers' cost.

Due diligence includes evidencing the potential borrower's operating track record,

ensuring financial accounts are audited or signed-off by qualified accountants, identifying and valuing available security, and ensuring that key associated parties are of good character. The Fund Team will also seek to gain confidence that the borrower will be able to meet its ongoing debt obligations to the Fund, and that the underlying loan can be repaid or recovered in full at maturity.

Independent valuations are undertaken by accredited third-party valuers at the borrower's cost (if required) to ensure security cover is sufficient.

Phase 4: Documentation

A formally documented summary of the potential borrower in the form of a credit paper, including key terms (e.g. pricing, loan tenure), due diligence findings, security, downside protections, and loan repayment mechanisms ("Credit Paper") is prepared by the Fund Team and presented to the Investment Committee for review.



If unanimous approval is received from the Investment Committee, the Fund Team commence execution of binding financing and security documents with the borrower.

The Fund Team will utilise third-party legal advisors to undertake legal due diligence, and to advise and document the underlying finance and security.

Phase 5: Completed & Funded

The borrower receives funding subject to the satisfaction of all outstanding terms & conditions and proper execution of finance and security documents.

Phase 6: Ongoing Monitoring

The Fund Team meets monthly to review the performance of the loan book, and compliance of the Fund with its obligations.

6.4 Review Process – Investment Committee

The Investment Committee meets on an on-demand basis to discuss and decision potential new investments or to approve amendments to existing investments (see also Section 4.3).

6.5 Review Process – Board

The Rixon Board meets monthly in order to:

- (a) Review the Fund's performance;
- (b) Ensure the Fund is operating within its constraints; and
- (c) Review and approve monthly distributions.

The Rixon Board will be composed of Rixon executive directors and at least one non-executive director.

At the date of this Information Memorandum, the Rixon Board comprises:

- (a) Patrick William
- (b) Shrikaanth Balasubramaniam
- (c) Blair Murphy



07. Risks

It is important to understand the risks associated with investing in the Fund. The nature of investment markets is such that the return on investment markets, as well as individual investments, can vary significantly and future returns are unpredictable. In the event that any of the risks described on the following pages eventuate then they may impact upon the value of the Fund's assets and hence Unit prices and the extent to which the Fund is able to make distributions and facilitate redemptions. Different types of investments perform differently at different times and have different risk characteristics and volatility.

The risks and therefore return on the Fund's investments are influenced by various factors, including many outside the control of Rixon and the Trustee, such as domestic and international markets, economic conditions, regulatory changes, political climates, interest rates, currencies, and inflation. The significant risks that may affect the performance or value of an investor's investment include those set out below. The higher the concentration of the Fund to these risk factors, the greater the impact on the Fund value if a particular risk event were to occur.

Investors should consider their investment objectives, timeframe, and risk tolerance before investing in the Fund. Rixon recommends that investors obtain appropriate professional investment, taxation and legal advice having regard to their individual circumstances prior to investing in the Fund.

Fund Risk

There are certain inherent risks in any collective investment such as a managed fund. Investing in the Fund may result in a different outcome to investing directly because of the application of tax laws, income accrued in the Fund, fees and expenses, the impact of investments into and redemptions from the Fund by other investors and the possibility that the Fund may be terminated. Further, the costs associated with an investor's investment may increase through an increase in fees and expenses.

Investment Manager Performance Risk

The Investment Manager is responsible for the day-to-day operations of the Fund. This includes sourcing investments, making decisions in relation to investments, calculating and paying monthly distributions, issuing Units for investments made and processing redemptions where applicable amongst other duties. This also includes ensuring the repayments of the loans by the Borrowers occur per the loan documentation. The Investment Manager is a newly established entity with no track record (although the members of its team do have significant experience). Furthermore, there is also a risk that the Investment Manager may take greater risks as it is paid a Performance Fee.

Personnel Risk

Personnel risk is the risk that key people who are significant to the management of the Fund become unable or unavailable to perform their role. The Fund Team may change, which may affect the Fund's future performance.

Liquidity Risk

A majority proportion of the Fund's assets will be invested in assets which are illiquid, and even those assets which are liquid in normal markets may become illiquid under market conditions which are adverse.

Prospective Unitholders in the Fund who require liquidity should consider whether an investment in this product is suitable for their investment purposes. Whilst the Fund is an open-ended fund, meaning redemptions can be requested quarterly with 90-days' notice, any redemptions are subject to restrictions and on a best endeavours basis.



Market Risk

There is the risk that changes in the economy and market conditions may negatively affect returns and values, which in turn, result in reduced distributions and may decrease the Unit price.

The market value of the Fund's assets could decrease. The market risk in relation to the assets that the Fund invests in is broadly affected by factors including, but not limited to, movements in interest rates, exchange rates, securities markets, inflation, credit ratings, political policies, legislation, technology, infrastructure, investor sentiment, employment levels, currencies, broader economic conditions, and changes in the perceived or actual creditworthiness of the borrower or any underlying security and the performance of individual local, state, national and international economies.

Credit Risk

Credit Risk is the risk that the counterparty is unable to repay its financial obligations when due. While the Investment Manager will exercise due diligence, skill, and expertise in selecting investments, there may still be credit losses in the Fund's portfolio. The Investment Manager will actively monitor the portfolio and, where possible, will attempt to trade out of positions which appear to be deteriorating, but this is difficult with inherently illiquid assets. Assets in the Fund may need to go through a "work out" process to recover outstanding amounts which would delay the repayment of those investments and potentially result in a loss of capital.

Industry Sector Risks

The Fund will invest in various industry sectors which have their own specific characteristics and are exposed to the risks described in this section to varying degrees.

SME Private Debt Risk

The Fund's portfolio will be committed to the origination or purchasing of secured loans to SME borrowers. These are typically small or medium-sized privately owned businesses. Compared to larger, publicly owned firms, such companies generally have limited financial resources and access to capital and higher funding costs. They may be in a weaker financial position and may need more capital to expand or compete. These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. There may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. These companies are also more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation, or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations. The above challenges increase the risk of these companies defaulting on their obligations.

Counterparty Risk

There is a risk that the Fund's counterparties may become insolvent or are otherwise not able to meet their obligations to the Fund. There is also a risk that parties involved in transaction structures fail to meet their contractual obligations, potentially leading to operational losses.

Unrated Investments

The Fund's investments and investee companies typically will not be rated by any agency, but if rated, they could be considered non-investment grade.



Fraud by a Borrower

Borrowers may seek to commit fraud in relation to the loans provided by the Fund. The Investment Manager relies on internal controls to detect fraud. Any failure to detect such fraud could result in damage to the Fund's assets and reputation which in turn could materially adversely affect the Fund's performance.

Interest Rate Risk

The loans advanced by the Fund may be in form of fixed rate or floating rate instruments, subject to the term of the loan and other factors identified during due diligence. Floating rate instruments will be affected by a rise/decrease in interest rates, should the RBA increase/lower the base rate at any time during the investment term.

Insufficient Underlying Security

In the event of a default by a party that has borrowed monies the subject of any of the Fund's investments, the value of the Fund's investment with respect to any loan may exceed the value of recovery possible under the collateral or security arrangements that support that investment. This may be due to a variety of reasons including external factors such as changes in the market for the assets to which the security or collateral relates, general economic conditions or otherwise. Depending on the jurisdiction in which such security interests are created, enforcement of such security interests may be a complicated and difficult process. This may have a material adverse effect on the value of the Fund's investment, in particular should a recovery action be required.

Due Diligence Risk

The due diligence undertaken by the Investment Manager and its service providers in connection with the investments of the Fund may not reveal all facts that may be relevant in connection with such an investment. The information available for due diligence purposes may be limited or incomplete. Accordingly, the Investment Manager cannot guarantee any relevant due

diligence investigation with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. There is a risk that a failure by the Investment Manager or its service providers to identify relevant facts through due diligence may cause it to make inappropriate decisions in relation to the investment of the Fund, which could have a material adverse effect on the Fund.

Concentration in the Loan Portfolio

When the amount of loans held by the Fund is small, the portfolio may be invested in a small number of assets. In this way, the Fund may be 'concentrated' and not as diversified across different assets as would be the case if the Fund were larger. If a particular asset defaults, the impact of this will be greater where assets are more concentrated. The Fund has established portfolio parameters which will be managed to assist in mitigating concentration risk.

Foreign Currency Risk

Certain Borrowers may have operations in jurisdictions other than Australia and hold assets and receive returns on their assets in currencies other than the Australian dollar. The Investment Manager may require the Borrower to enter into foreign currency hedges in order to reduce the risk of adverse currency movements with respect to the Australian dollar relative to the currency in which the Borrower holds its assets or makes its return. There is a risk that the Borrower may have inadequate hedging of this risk or other foreign currency risk movements relative to the Australian dollar.

Force Majeure Events

There is a risk that natural phenomena, terrorist attacks or other force majeure events may affect the investments of the Fund. In some circumstances insurance is not available or would not cover these risks. If an investment in which the Fund has an interest is affected by such an event and there is no insurance cover, this may have adverse effects on the Fund.



Pandemic Risk

While the future impact of COVID-19 or any future pandemic is not able to be forecasted, there is a risk that the broad economic conditions caused by pandemics may adversely affect the Fund, including the value of the Fund's investments, earnings and income distributions.

THE RISK FACTORS MENTIONED ABOVE ARE NOT EXHAUSTIVE AND DO NOT COMPLETELY EXPLAIN THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE INFORMATION MEMORANDUM AND CONSULT THEIR OWN ADVISERS BEFORE MAKING AN INVESTMENT.



08. Investing in the Fund

8.1 Minimum Investment

The minimum initial investment in the Fund (and the minimum holding) is A\$50,000 and the minimum for further investments is A\$50,000. Rixon may, in its absolute discretion, direct the Trustee to reduce the minimum initial investment, the minimum holding or the minimum amount for further investments in the Fund.

8.2 Wholesale Clients Only

Investors wishing to invest with amounts of less than A\$500,000 must demonstrate, to the satisfaction of Rixon, that they are Wholesale Clients. The qualification requirements for a Wholesale Client are outlined in Section 761G of the Corporations Act and key categories are set out in the Application Form.

8.3 Applying

All applications for Units must be made using the Application Form.

To make an application, investors must send a completed Application Form and supporting documentation together with cleared application monies to Rixon by 3:00pm Sydney time at least Five Business Days prior to the last Business Day of each month or such other times and dates as Rixon may determine in its discretion.

All applications by new investors must provide supporting identification documents as part of the requirements of the Anti-Money Laundering and Counter Terrorism Financing regime ('AML/ CTF Law'). These identification and verification requirements are outlined in the AML/CTF Law verification checklists which are set out on the Application Form.

Applications will only be accepted if Rixon is satisfied with all details disclosed in the Application Form and associated client identification and verification requirements and Wholesale Client checks have been satisfied.

Rixon may refuse to accept any application (in whole or part) in its absolute discretion.

Applications received by facsimile will generally not be accepted.

Investors do not have cooling off rights in relation to investments in the Fund.

8.4 Issue Price

The price at which Units are issued to investors is calculated on a per Unit basis (the 'Issue Price'). The Issue Price is calculated by determining the Net Asset Value of the Fund as at the close of market on the last day of each month (or such other times as the Trustee may determine), dividing it by the number of Units on issue as at that time and date and adjusting this amount for transaction costs on a per Unit basis.

In practice, given the income-only nature of targeted underlying investments, the Issue Price (ignoring any potential buy-sell spread) is expected to remain at approximately \$1.00 per Unit, unless an adverse event occurs with an underlying borrower.

8.5 Valuation

The net asset value as it relates to the Fund is equal to the Fund's assets, less its liabilities and accrued but unpaid expenses and the reasonable reserves of the Fund ("Net Asset Value") The Net Asset Value of the Fund is calculated in accordance with the Constitution at the close of the market on the last day of each month (or such other times and dates as the Trustee may determine). The Net Asset Value per Unit is calculated by dividing the Net Asset Value of the Fund, by the number of Units on issue as at the close of market on the relevant calculation date, or such other times and dates as the Trustee may determine.

Given the debt-like, secured, and income generating nature of loans undertaken by the Fund, investments will be valued "at par". However, the Trustee will seek external valuations if required.



Valuations are reviewed monthly by the Rixon Board (or more frequently as required) and on an annual basis by the Fund's auditors.

8.6 Distributions

Distributions (other than as a result of a redemption) will comprise of income only. Investors will receive any distributions in respect of their Units, based on their proportionate holding of Units at the end of each distribution period.

Distributions are intended to be made at the end of each month. Where a distribution is payable, it will ordinarily be paid within 30 days after the end of the relevant distribution period.

Investors may elect to have their distributions paid in cash or, subject to the discretion of Rixon, reinvested in Units.

8.7 Redemptions of Units

The Investment Manager will aim to provide quarterly liquidity to Unitholders on the last day of each quarter (or such other date determined by the Investment Manager and notified to the Unitholders). Unitholders will be required to provide at least 90 days' written notice prior to redeeming their investment on a quarterly redemption date.

Redemptions will only be possible if the Fund has sufficient liquidity to meet redemption requests at the relevant time, or if the Investment Manager is able to liquidate investments in circumstances where the position of the remaining Fund investors will not be materially disadvantaged. However, given the assets of the Fund do not generally have a secondary liquid market, the Investment Manager cannot guarantee liquidity should there be a significant number

of investors seeking redemptions at the same time.

Redemptions will be paid in accordance with the Fund's Constitution and the redemption price per Unit will be based on the Net Asset Value of the Fund, as at the close of market on the redemption date following the acceptance of the redemption request, divided by the number of Units on issue as at that time and date and adjusted for any transaction costs on a per Unit basis.

Redemption proceeds may consist of an amount representing the capital value of the Units plus an amount representing income.

8.8 Reporting

Investors in the Fund will receive monthly reports, including:

- (a) Confirmation of their initial investment, subsequent investments, and redemptions.
- (b) Monthly Net Asset Value statements
- (c) Monthly distribution statements
- (d) Monthly investor updates
- (e) Overview of underlying investments
- (f) Current Unit prices

Investors in the Fund will also receive annual tax statements providing details of their share of the Fund's net income and identifying the taxation components of their distributions as required to complete Australian taxation returns.

The audited financial statements of the Fund in relation to a financial year will be available to Unitholders upon request. The first audited financial statements will be for the extended period ending 30 June 2024.



09. Fees and Expenses

9.1 Management Fee

Rixon as Investment Manager charges a management fee for overseeing the operations of the Fund ("Management Fee").

The Management Fee is 1.50% p.a. (ex GST), accrued and calculated monthly based on the Net Asset Value of the Fund and is payable within 10 Business Days of the end of each month.

The Management Fee is payable out of the assets of the Fund.

9.2 Fund Expenses

Rixon is entitled to be reimbursed out of the assets of the Fund for administering the Fund and for out-of-pocket expenses it incurs (or reasonably anticipates it will incur) in managing and administering the Fund (together "Fund Expenses"). Fund Expenses include third party fees for audit, legal, fund accounting, unit registry, communication expenses with respect to investor services (e.g. printing and postage and preparation of tax returns), Trustee Fees and the amortisation of fund establishment costs over the first five years.

9.3 Abnormal Expenses

Rixon may recover from the assets of the Fund abnormal expenses such as costs of Unitholder meetings, changes to the Constitution, defending or pursuing legal proceedings and other costs to the Fund which are not included in the above estimate of Fund Expenses ("Abnormal Expenses"). Abnormal Expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year.

9.4 Performance Fee

Rixon will be entitled to a performance fee out of the Fund's assets of 20% (ex GST) of the outperformance over the Hurdle Return for the Outperformance Amount in the relevant calculation period ("Performance Fee"). The

Performance Fee will be calculated and accrued monthly (and at other times if considered appropriate by Rixon, including the date of termination of the IMA) and is paid within 10 Business Days of the end of each quarter.

For the calculation of the Performance Fee:

'Hurdle Return' means a return reflecting the prevailing RBA Cash Rate plus 6.00% per annum for the relevant period.

'Outperformance Amount' means: from the beginning of the relevant period:

- (a) the gross distribution accrued and payable for that period; and
- (b) deducting fees and expenses referable to that period, but before the deduction of the Performance Fee; minus
- (c) the Hurdle Return for that period.

'Performance Period' means the period from the applicable Starting Date to the last day of the month or other day determined by Rixon for which the Performance Fee is being calculated.

'Starting Date' means, initially the date of first issue of Units in the Fund and thereafter, the day after the last day of the last Performance Period for which a Performance Fee was accrued.

If, for example the Outperformance Amount is positive in the first month of the first quarter, then a Performance Fee is calculated and accrued at the end of that month.

The Outperformance Amount at the end of the second month is then measured and if it is positive, then the accrual is increased by the calculated amount.

If the Outperformance Amount at the end of the second month is negative then no Performance Fee is accrued for that month, and no Performance Fee can be accrued for future months until the Outperformance Amount deficit has been made up (i.e. the Starting Date of the second month will remain



the starting date for the Outperformance Amount calculations until such time as Performance Fee accrues).

If in month three, the Outperformance Amount calculated on the basis of that month alone would be positive but the Outperformance Amount from the starting date of month two to the end of month three is still negative, then again, no Performance Fee is accrued. The same would apply for the first month of the second quarter and subsequent months until such time as a Performance Fee is accrued for the Performance Period from the Starting Date of the second month of the first quarter until the end date of that month.

However, any accrued Performance Fee will be paid following the end of the quarter in which it was accrued. In the example above, the accrued Performance Fee of the first month of the first quarter would still be paid following the end of the first quarter regardless of whether a Performance Fee accrued for the second and third month of that quarter.

Any Performance Fee payable to Rixon will be paid out of the assets of the Fund and will not be a liability of an individual Unitholder. If Rixon ceases to be the Investment Manager of the Fund for any reason, the final Performance Fee will be calculated on the period from the relevant Starting Date up to the date on which it ceases to be the Investment Manager of the Fund.

9.5 Loan Application Fee and Other Fee Income Received from Borrowers

A loan application fee may be charged by the Investment Manager to potential borrowers as a condition for issuing indicative lending terms. This application fee is not material, and is unrelated to loan establishment, early repayment, interest rate, and other key funding terms. This application fee is retained by the Investment Manager.

For the avoidance of doubt, all interest, loan establishment fees, early repayment fees, rollover or any other fees received from Borrowers will be for the Fund's benefit.



10. Additional Fund Information

10.1 Legal Relationship with Investors

The Corporations Act, general law and the Constitution set out the rights and interests of investors in the Fund as Unitholders and also set out the rights, duties, and obligations of the Trustee of the Fund.

10.2 Constitution

The Fund is governed by its Constitution. The main provisions of the Constitution are summarised below. The Constitution is legally binding between the Trustee and each Unitholder. To the extent of any inconsistency between this Information Memorandum and the Constitution, the provisions of the Constitution will prevail. Subject to the terms of the Constitution, the Trustee of the Fund may amend the Constitution.

A copy of the Constitution is available for inspection free of charge at the offices of Rixon during normal business hours or may be requested via email at enquiries@rixon.capital.

10.3 Rights and Liabilities of Investors as Unitholders

Each Unit carries with it an equal beneficial interest in the Fund as a whole but not in any particular asset of the Fund. Fund income is only distributed to registered investors entitled to a distribution as at the last Business Day of the distribution period. Investors may not interfere with the Trustee's powers or exercise any rights in respect of any investment of the Fund. Under the Constitution, investors may:

- Transfer Units in the Fund with the consent of the Trustee and Rixon.
- Requisition, attend and vote at meetings of the Fund.
- Share in the income and capital distributions of the Fund.
- Participate in the winding up of the Fund.

Generally, the Constitution limits an investor's liability to the Trustee of the Fund to the value of that investor's investment in the Fund. One exception to this is that Trustee is entitled to

be indemnified by a Unitholder or former Unitholder to the extent that the Trustee incurs any liability for tax, user pays charges or fees as a result of:

- (a) the Unitholder's or former Unitholder's action or inaction;
- (b) any act or omission requested by the Unitholder or former Unitholder; or
- (c) any other matter arising in connection with Units held by the Unitholder or former Unitholder.

10.4 Liability of the Trustee

Except to the extent expressly provided in the Constitution, the Trustee is not liable to any Unitholder and is entitled to be indemnified out of the fund for any loss or damage suffered in any way relating to the Fund.

10.5 Retirement and Removal of Trustee

The Trustee may be removed from the Fund in the circumstances set out in the Constitution.

Trustee may also retire voluntarily on not less than 60 days' notice to Rixon and the Unitholders, unless a shorter notice period is agreed with Rixon.

10.6 Termination of the Fund

The Trustee may terminate the Fund at any time with the consent of Rixon by giving notice to Unitholders. The Fund also terminates where otherwise required by operation of law. When the Fund is terminated, the Trustee must sell all the assets of the Fund and distribute the net proceeds (after fees and winding up costs) to Unitholders in proportion to the number of Units held.

10.7 Investment Management Agreement

The Trustee has delegated to the Investment Manager powers with respect to the



investment management of the Fund, pursuant to an Investment Management Agreement. This Investment Management Agreement contains the fees and expense recovery rights of the Investment Manager and the Trustee.

The Investment Manager's appointment may only be terminated by the Trustee if the Investment Manager is involved in certain "bad acts" defined in the Investment Management Agreement and summarised below:

- commits fraud, wilful default or gross negligence;
- materially breaches its obligations and is unable to or fails to remedy the breach within the time prescribed under the Investment Management Agreement; or
- becomes insolvent.

The Investment Manager may also terminate the Investment Management Agreement or, alternatively, require the Trustee to resign if the Trustee commits certain "bad acts", by giving 120 days prior notice or as agreed with the Trustee. If the Trustee resigns, the Investment Management Agreement (or a substantially similar agreement) is intended to continue with the replacement trustee.

The Trustee, in its capacity as the trustee of the Fund, agreed to indemnify the Investment Manager against any loss or liability incurred in connection with the Investment Management Agreement, except to the extent that such loss or liability is caused or contributed to by the fraud, gross negligence, wilful default or breach of the Investment Management Agreement by the Investment Manager or its representatives.

10.8 Administration of the Fund

The Trustee has engaged external service providers to undertake certain administrative functions for the Fund. The registry function for the Fund will be undertaken by ASCENT Fund Services Australia Pty Ltd who will undertake accounting and record keeping services including determining the value of Fund assets, calculating performance fees and preparation of financial reports.

10.9 Custodianship of the Fund

The custodian of the Fund is currently AMAL Trustees Pty Ltd. Rixon may, from time to time, use other custodians for some of the Fund's assets and has the right, in its absolute discretion, to appoint other custodians. Engaging a custodian is subject to an onboarding process which includes a review of the legal documentation and operational considerations and is subject to periodic review by the Investment Committee.

10.10 Application Monies held in a Trust Account

The money paid to acquire Units in the Fund may be held by the Trustee or its Custodian in a trust account for the benefit of the prospective investor until the Trustee issues Units to the prospective investor. This trust account will be a non-interest bearing account. Any income attributable to that application money will not be payable to the prospective investor.

10.11 Cooling-Off Period

No cooling-off period applies with respect to investments in the Fund.

10.12 Rejection of Applications

It should be noted that, in accordance with the Constitution, other anti-money laundering and counter terrorism financing obligations, or for any other reason, the Trustee may reject applications for Units in its absolute discretion including where Rixon or the Trustee considers it to be in the best interest of investors to do so or where it is impossible or impractical to calculate the current Net Asset Value of the Fund or otherwise as required by law.

10.13 Compulsory Redemptions

If an investor's investment balance falls below the minimum balance of A\$50,000 (or would fall below that balance following redemption of Units), Rixon may in its absolute discretion close the investor's account and redeem all



the investor's Units without receiving a redemption request from the investor.

The Constitution also provides that the Trustee may also compulsorily redeem an investor's Units if it is materially adverse to the Trustee or the Fund for the investor to remain a Unitholder. This could include, for example, if at any time the investor ceases to be a Wholesale Client or if the investor is otherwise prohibited by applicable law from holding Units.

10.14 Transfers

Investors may only transfer their Units with the consent of Rixon. Rixon reserves the right to refuse any request to transfer any Units for any reason. Without limitation, it will not approve proposed transferees who are not Wholesale Clients or who have not satisfied all applicable AML/CTF checks.

10.15 Privacy

The Trustee and Rixon must comply with Australian privacy laws which regulate the collection, storage, quality, use and disclosure of personal information. Rixon may collect personal information from investors to provide its products and services. In accordance with Rixon's privacy policy (which is available free of charge by contacting us at enquiries@rixon.capital, in most cases investors have rights to access their personal information. With regard to the Fund, Rixon can use an investor's personal information to assess an investor's application for investment in the Fund and, if the application is accepted, to manage the Fund.

The Trustee or Rixon may disclose information to related entities, and anyone acting on the Trustee's or Rixon's behalf such as external service suppliers who supply administrative, financial, or other services to assist Rixon in providing financial services for the Fund, anyone the investor has authorised, or government departments or agencies, tax, or revenue authorities (including the ATO which may pass this information onto foreign tax authorities, such as the US Internal Revenue Service). If we are not able to collect all the personal information we require, we may not

be able to assess the investor's application or manage the investor's investment in the Fund.

The Trustee and Rixon may transfer your personal information outside of Australia to other countries or disclose it to persons (including regulators) located outside of Australia. Further details are included in Rixon's privacy policy. Please note that if an investor provides personal information to Rixon or the Trustee about another person, the investor warrants that the investor is authorised by that person to do so and that the investor has informed that person of the information in this 'Privacy' sub-section.

Enquiries regarding access to personal information must be in writing and addressed to:

The Compliance Officer
Rixon Capital Pty Ltd
GPO Box 3756
Sydney NSW 2001

If you have any queries regarding our treatment of your privacy, please contact us at enquiries@rixon.capital

10.16 FATCA

The Foreign Account Tax Compliance Act ("FATCA") was enacted by the US Congress in March 2010 as an attempt to capture income earned by US citizens in foreign jurisdictions. It imposes due diligence and reporting obligations on foreign financial institutions including the obligation to report to the ATO where Rixon clients have a connection with the US. As part of the Application Form, applicants will be required to self-certify their FATCA status. Failure to do so may require us to withhold moneys from distributions.

10.17 Common Reporting Standard

The OECD Common Reporting Standard ("CRS") requires Australian banks and financial institutions to collect and report to the ATO various account relation information of investors who are foreign tax residents. In the Application Form, you will be required to advise your country of residence for tax purposes and, if applicable, your tax identification number ("TIN"). Additional



information may also be required before we can process your application.

10.18 Consent to be Named

Each of the following entities:

- AMAL Trustees Pty Limited as Trustee;
- ASCENT Fund Services Australia Pty Ltd as Fund Administrator;
- PPNSW Services Pty Ltd as fund accountant;
- Ernst & Young Australia as Auditor; and
- Corrs Chambers Westgarth as Australian legal counsel to Rixon

have consented to be so named in this Information Memorandum and have not authorised or caused the issue of, or verified this Information Memorandum, do not make or purport to make any statement in this Information Memorandum (or any statement on which a statement in this Information

Memorandum is based) and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Information Memorandum.

10.19 Contacting Rixon

Attention:
Patrick William
Rixon Capital Pty Ltd
GPO Box 3756
Sydney NSW 2001
enquiries@rixon.capital



11. Taxation

Important advice: Potential investors should obtain specific taxation advice referable to their own circumstances prior to making any investment decision.

The following information is a general tax summary of the key Australian income tax, stamp duty, and GST implications of investing in the Fund for individuals who are residents of Australia for Australian income tax purposes. These individuals are assumed to hold their Units in the Fund beneficially and on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale.

Individuals holding Units in the Fund will receive a statement from the Fund following the end of a financial year detailing their share of the Fund's net income or attributable income (as applicable) and identifying the taxation components of their distributions.

The information in this summary is general in nature. It does not constitute legal or tax advice and does not seek to address all of the tax issues that may be relevant to a prospective investor. Taxation issues are complex and tax laws, their interpretation and associated administrative practices may change over the term of an investment.

All references in this tax summary to legislative provisions are to provisions of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (together, the 'Tax Act'), unless otherwise stated.

Tax outcomes will vary according to individual circumstances and prospective investors are advised to seek their own independent tax advice in respect of their proposed investment in the Fund. All tax liabilities are, and will remain, the responsibility of each investor. Rixon does not take into account the taxation position of investors in the Fund and is not responsible for any tax liabilities or penalties incurred by investors in any circumstances.

The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office (the 'ATO') generally accepted as at the date of this Information Memorandum. These may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and future legislation may have retrospective effect.

11.1 Taxation of the Fund

The Fund is an Australian resident trust for Australian income tax purposes. Rixon intends to limit the investment activities of the Fund to ensure that it is treated as a 'flow through' entity for Australian tax purposes (i.e. so the Fund is not effectively taxed as a company).

The Trustee of the Fund should not generally be liable for tax on the Fund's net (taxable) income, on the basis that the Fund will have an amount of distributable income each income year and investors in the Fund that are not under a legal disability will be presently entitled to, or attributed (where the Fund is an Attribution Managed Investment Trust ("AMIT")) all of the net income of the Fund each year.

The AMIT provisions in the Tax Act apply to qualifying managed investment trusts ("MITs") that make an irrevocable election to become an AMIT. The consequences for Australian resident investors should generally be similar whether the Fund is an AMIT or not. An AMIT must attribute its taxable income to investors on a fair and reasonable basis, and investors are advised of their share of the taxable income and any cost base adjustment, via an AMIT Member Annual Statement. Rixon has not yet determined whether the Fund is eligible for, or will elect into, the AMIT regime.



11.2 Net (taxable) Income of the Fund

The following amounts (determined in Australian dollars) are generally taken into account in determining the net (taxable) income of the Fund:

- interest received on the Fund's investments;
- gains or losses from the disposal or redemption of the Fund's investments;
- expenses or fees that the Fund incurs from time to time; and
- other sources of income.

11.3 Taxation of Financial Arrangement (TOFA) Rules

The timing of recognition for tax purposes of these amounts included in the Fund's taxable income may be affected by the application of Division 230 of the Tax Act (the 'TOFA Rules').

The Fund's investments are 'financial arrangements' that may be subject to the TOFA Rules. Under these rules, gains or losses may be brought to account on either an accruals basis, a realisation basis or in some instances using a number of elective recognition methods depending on the nature of the gain or loss whether they are considered 'sufficiently certain' under the TOFA Rules, and depending on whether the Fund makes the relevant TOFA election.

11.4 Offsets

You may be entitled to tax offsets (e.g. foreign income tax offsets) distributed by the Fund. Subject to limits and provided that investors satisfy certain provisions of the Tax Act, investors may be able to utilise these credits against their tax liability on the taxable components of the distributions. In order to claim the amount of tax credits, investors must include the amount of the credits in their assessable income.

11.5 Trust Losses

Tax losses incurred by the Fund (whether revenue or capital) cannot be distributed to investors but may accumulate in the Fund. Accumulated losses may be carried forward and used to offset the Fund's future taxable income (subject to the satisfaction of the loss recoupment rules).

11.6 Taxation of Investors

The Constitution provides that investors are presently entitled to their proportionate share of trust income, unless the Trustee has elected for the Fund to be taxed as an AMIT in which case the taxable income of the Fund will be attributed to investors by the Trustee.

Each investor will be required to include their share of the taxable income of the Fund as assessable income in the financial year to which the distribution relates. This takes into account income that has been reinvested, or for which an entitlement has arisen but which has not yet been distributed to the investor.

Investors will receive an annual distribution statement identifying the components of their distributions.

Distributions from the Fund may include non-assessable amounts, including returns of capital. Such amounts are not taxable as income to investors when distributed but may reduce the cost base of their Units held in the Fund which may impact the CGT liability that arises on the disposal of the Units. If the cost base of the units is nil, any further non-assessable distributions may result in a capital gain for the investor.

11.7 CGT Treatment

Investors may make a capital gain or capital loss when they dispose of their Units. As a general rule, where the proceeds on disposal of an investor's Units are greater than the cost base of those Units for Australian income tax purposes, the investor will make a capital gain.

The cost base of investors' Units for CGT purposes will include, among other things, the amount paid to acquire the Units and certain types of incidental costs. Where investors



receive a distribution in excess of their share of the net income of the Fund, the amount of the distribution not included in their assessable income may reduce the cost base in their Units.

The amount of proceeds on disposal will depend on whether or not the investor redeems the Units or whether the investor disposes of the Units to a third party.

If investors redeem their Units, their total redemption proceeds may comprise both a distribution of income from the Fund and a payment for the redemption of their Units. In these circumstances, only the component relating to the payment for the redemption of Units will be relevant in determining whether or not investors make a capital gain or loss.

Where investors are able to assign or sell their Units to a third party, the total sale proceeds they receive for this assignment will be taken into account in determining whether they make a capital gain or capital loss.

Where the CGT discount is available to an investor, only half (if the investor is an individual or trust) or two thirds (if the investor is a complying superannuation entity) of any capital gain realised on the disposal or redemption of Units will be included in the investor's assessable income.

If investors make a capital loss on the disposal of their Units, this loss can only be offset against capital gains investors have realised from other sources and not against other ordinary income, like distributions or wages. However, capital losses can be carried forward and used to offset capital gains that an investor makes in later years (subject to the satisfaction of tax loss recoupment rules).

11.8 Tax File Numbers and Reporting

If an Investor does not provide a tax file number or claim a valid exemption (or if investing in the Fund in the course of an

enterprise does not provide an Australian Business Number), Rixon will be required to deduct tax from the investor's distributions at the highest marginal tax rate applicable to individual taxpayers (plus Medicare levy and applicable government charges). Any tax file number an investor provides will be reported to the ATO by Rixon in connection with the investor's investment.

11.9 Stamp Duty

It is not expected that investors will become liable to pay stamp duty in any State or Territory on the basis that the assets of the Fund will not comprise land or an interest in land (such as a lease).

Depending on the nature of the asset, stamp duty may be payable on the acquisition of the assets by the Fund. This will be a Transaction Cost for the Fund.

11.10 GST

GST will not apply to the issue or redemption of Units. GST may apply to the fees charged to the Fund by Rixon and some other expenses of the Fund (including the acquisition of certain types of assets). The Fund may be entitled to a reduced input tax credit of 75% of the GST paid in respect of certain expenses. GST may also apply to fees and commissions charged to investors. Investors should obtain independent advice as to whether they are entitled to claim any input tax credits.

11.12 Annual Investment Income Report (AIIR)

The Trustee is required to lodge annually an AIIR to the ATO containing investor identity details and details of unit disposals and investment income paid or attributed to investors for the relevant income year.



12. Glossary

AFSL	Australian Financial Services Licence
AML/CTF Law	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and related rules as amended from time to time.
Application Form	An application form accompanying this Information Memorandum.
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission or if it ceases to exist, any regulatory body or authority as then serves substantially the same objects.
ATO	Australian Taxation Office.
A\$ or AUD	Australian Dollars.
Business Day	A day, that is not a Saturday, Sunday or public holiday, on which banks are open for business generally in Sydney.
CGT	Capital Gains Tax.
Constitution	The trust deed of the Fund.
Corporations Act	<i>Corporations Act 2001</i> (Cth), as amended from time to time.
Credit Paper	Has the meaning given to that term in Section 6.3
Custodian	AMAL Trustees Pty limited or such other custodian of the Fund as Rixon may appoint from time to time.
Expense Recovery	Has the meaning given to that term in Section 9.3
Fund	Rixon Income Fund
Fund Expenses	Has the same meaning as defined in Section 9.9
Fund Team	As at the date of this Information Memorandum, the Managing Director and the Director of Credit as identified in Section 4.2
GST	GST has the meaning given in the GST Law.
GST Law	Means A New Tax System (Goods and Services Tax) Act 1999 (Cth).
IM	This Information Memorandum.
Investment Committee	The Investment Committee for the Fund who are responsible for overseeing the activities of the Fund from an investment and compliance perspective. The current members of the Investment Committee are set out in Section 4.3.
Investment Manager	Rixon Capital Pty Ltd
Issue Price	The price at which Units are issued to investors and calculated as described in Section 8.4
Management Fee	Has the same meaning as defined in Section 9.1.
Measurement Period	Reference to the timeframe in which the Relevant Past Performance occurred
Net Asset Value of the Fund	Net asset value of the Fund, as determined in accordance with the Constitution.
Performance Fee	Has the meaning as defined in Section 9.5.



Relevant Past Performance	Reference to the track record of Relevant Rixon Personnel undertaking secured SME private credit investment activities at employers prior to the founding of Rixon
Relevant Persons	Rixon, the Trustee and their respective affiliates, officers, employees, agents, associates, and advisers
Relevant Rixon Personnel	The Fund Team
Rixon	Rixon Capital Pty Ltd
Rixon AM	Rixon Asset Management Pty Ltd
SME	Small-to-Medium Enterprise
Target Return	Has the meaning given in Section 03.
Tax Act	Together, the <i>Income Tax Assessment Act 1936</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth), unless otherwise stated.
TOFA Rules	Division 230 of the Tax Act.
Trustee	AMAL Trustees Pty Limited in its capacity as trustee of the Fund.
Unit	Unit of the Fund.
Unitholder	A holder of a Unit.
Wholesale Clients	Persons who qualify as 'wholesale clients' for the purposes of Section 761G of the Corporations Act.

