

# INFORMATION MEMORANDUM



ALIUM CAPITAL  
MANAGEMENT

Issue Date: 30 January 2020

The Alium Alpha Fund is an unregistered managed investment scheme. This offer is limited to wholesale clients as defined by the Corporations Act 2001 (Cth). This Memorandum relates to the offer to subscribe for Units. The offer does not constitute an offer of Units in any jurisdiction in which, or to any person to whom, it would be unlawful to make such offer or invitation. No public offer of Units will be made. The offer and subscription of Units may be prohibited in certain jurisdictions and to persons outside of Australia.

## Important information

**THIS INFORMATION MEMORANDUM IS AN IMPORTANT DOCUMENT THAT SHOULD BE READ IN ITS ENTIRETY. INVESTORS SHOULD OBTAIN PROFESSIONAL ADVICE BEFORE MAKING AN INVESTMENT DECISION IN RELATION TO THE FUND.**

This Information Memorandum contains information about the Alium Alpha Fund ("Fund") and is dated 30 January 2020. This Information Memorandum is issued by Alium Capital Management Pty Ltd ACN 614 150 097 Authorised Rep (001277217) of CAR: 001276383, the Investment Manager of the Fund ("Alium Capital", "Alium", or "Investment Manager"). The trustee of the Fund is Dempsey Capital Pty Ltd ACN 632 685 468 CAR: 001276383 ("Trustee"). This Information Memorandum is intended solely for the use of the person to whom it has been delivered ("Recipient") for the purpose of evaluating a possible investment in the Fund. It is not to be reproduced or distributed to any other person (other than professional advisers of the Recipient).

Offers made under this Information Memorandum are made exclusively to wholesale clients, as defined by the Corporations Act 2001 (Cth) ("Act"). This Information Memorandum is not, and is not required to be, a disclosure document or product disclosure statement within the meaning of the 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 the Australian Securities & Investments Commission.

This Information Memorandum is not a recommendation to invest in the Fund and may not include all of the information that an investor needs to make an investment decision. Alium Capital does not take into account the individual circumstances of any investor, nor does it give financial product advice. Accordingly, investors should make their own enquiries and obtain professional legal, financial, tax and accounting advice before making an investment decision.

The Fund has been designed for medium to long term investments and an investment in the Fund is subject to investment, trading and other risks, including possible delays in repayment and loss of income and principal invested. Investors should read carefully the "Risks of Investing in the Fund" on page 4 of this Information Memorandum.

Your investment does not represent deposits or other liabilities of the Trustee, Alium Capital or any other person. None of the Fund, the Trustee, Alium Capital or any member of the Trustee or Alium Capital groups of companies or any other person guarantees in any way the performance of the Fund, repayment of capital from the Fund or any particular return from, or any increase in the value, of the Fund. Past performance is not a reliable indication of future performance.

The information in this Information Memorandum is up to date as at the time of preparation. Alium Capital may amend or withdraw this Information Memorandum at any time and may issue a new or amended information memorandum from time to time. A copy of the constitution for the Fund is available from Alium Capital. If you are unsure about anything contained in this Information Memorandum or have any questions, please contact Michael Considine on +61 2 8067 0561 or mc@aliumcap.com.

Other than to the extent required by law, neither the Trustee, Alium Capital nor any of their respective affiliates, related bodies corporate, directors, officers, employees, representatives or advisors ("Specified Persons") makes any representations or warranties, express or implied, as to the accuracy or completeness of any of the information contained in this Information Memorandum or any other information (whether written or oral) made available to investors in the Fund, and each of such parties expressly disclaims any and all liability relating to or resulting from the use of this Information Memorandum or such other information by the Recipient. This Information Memorandum may contain assumptions, opinions, estimates and forecasts. Except to the extent implied by law, no 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 is made by Alium Capital or any of its Specified Persons.

None of the Fund, the Trustee, Alium Capital nor any of their Specified Persons accepts any responsibility or liability for any loss or damage suffered or incurred by the Recipient, or any other person or entity placing any reliance on this Information Memorandum, however caused (including negligence or otherwise) relating in any way to this Information Memorandum including, without limitation, the information contained in it, any errors, mis-statements or omissions.

Neither the Trustee, Alium Capital nor any of their Specified Persons guarantees any rate of return of any investment in the Fund, the meeting of the investment objectives of the Fund, the performance of the Fund or the repayment of capital.

Some important terms used in this Information Memorandum are defined in the Glossary in Section 14. References to "dollars", or "\$", are to Australian dollars, unless otherwise indicated. References to "you" or "your" are to investors (and when the context requires, prospective investors) in the Fund.

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# 1. FUND OVERVIEW

This is a summary of the key features of the Fund. Investors should read the entire Information Memorandum for full details before investing.

<b>Investment Vehicle</b>	Alium Alpha Fund ("Fund"), an Australian domiciled unregistered managed investment scheme.
<b>Trustee</b>	Dempsey Capital Pty Ltd (CAR: 001276383)
<b>Investment Manager</b>	Alium Capital Management Pty Ltd (Authorised Rep: 001277217)
<b>Fund Administrator</b>	SS&C Fund Services (Cayman) Ltd
<b>Investment Strategy</b>	Long/short equities and derivatives, listed and unlisted securities including debt and equity, focusing on investment in Australia and offshore opportunities when presented.
<b>Fund Holdings</b>	Typically 40 to 80 positions including unlisted.
<b>Investment Horizon</b>	Medium to long term.
<b>Investor Eligibility</b>	Wholesale Clients, as defined in the Act.
<b>Minimum Investment</b>	\$250,000 <sup>1</sup>
<b>Minimum Additional Investment</b>	\$50,000 <sup>1</sup>
<b>Management Fee</b>	2% of the GAV of the Fund, plus GST.
<b>Performance Fee</b>	20% of Outperformance, plus GST.
<b>Exit Fee</b>	4% if Units are withdrawn within first 12 months. Otherwise, no Exit Fee will be charged.
<b>Buy/sell Spread</b>	Nil
<b>Applications processed</b>	Monthly on Subscription Day <sup>2</sup>
<b>Redemptions</b>	One month notice for a redemption request which will generally be processed over four consecutive quarters. The full redemption will be paid over a 12 month period. <sup>3</sup>
<b>Valuations</b>	Monthly <sup>2</sup>
<b>Distributions</b>	Annually

<sup>1</sup> The Trustee may, in its sole discretion, vary the minimum investment and minimum additional investment amounts

<sup>2</sup> The Trustee, in its sole discretion, may determine a Subscription Day to be a day other than the first Business Day of the month and investors will be notified if this is the case (ie. Applications may be accepted more often than monthly).

<sup>3</sup> The Trustee has discretion to satisfy part of a redemption request in-specie or defer part of a redemption request where a portion of an investor's holding is referable to unlisted investments. The Trustee has the discretion to transfer illiquid assets as part of a redemption to a separate class in the Fund. Refer to section 9 on "Redemptions Process and Cut-Off Times".

## 2. TRUSTEE

Dempsey Capital Pty Ltd is the Trustee for the Fund and is responsible for the operation of the Fund. The Trustee's responsibilities and obligations are governed by the Fund's Constitution, the Corporations Act and general trust law. The Trustee has had no involvement in the preparation of any part of this IM (other than the particular references to the Trustee) and makes no promise that money invested will earn income or capital gain, or be repaid.

The Trustee expressly disclaims and takes no responsibility for any other part of this Information Memorandum. It makes no statement in this Information Memorandum and has not authorised or caused the issue of it.

The Trustee does not participate in the investment decision-making process.

The Trustee has the power to delegate certain aspects of its duties. The Trustee has appointed Alium Capital as the investment manager of the Fund. The Trustee has also appointed SS&C Fund Services (Cayman) Ltd ("SS&C") as the administrator of the Fund.

## 3. INVESTMENT MANAGER

Alium Capital is an investment manager catering to sophisticated investors seeking family office style flexibility and exposure.

Alium caters to an exclusive club of like-minded and patient investors willing to look beyond traditional and crowded areas of the share market. We aim to take advantage of a gap in the niche deal space by using our flexible family office style mandate to generate alpha. Our combined years of experience in managing risk is targeted towards protecting capital during times of heightened volatility.

Alium Capital specializes in equities in pre-IPO investment opportunities as well as focusing on capital raisings and IPO's in the small / emerging company segment.

The team of three has a combined 55 years of industry experience and relationships which they leverage to identify alpha generating deals. In addition, the managers have experience in research, stock selection and portfolio management to be active in the market segment that is overlooked by larger funds with restrictive mandates. Importantly, their experience in managing risk and avoiding draw-downs supports their objective of protecting capital during times of heightened volatility.

## 4. INVESTMENT OBJECTIVES AND PROCESS

The Fund utilises a long/short investment strategy that aims to deliver absolute returns. The Fund has a family office structure so that the mandate and parameters are broad, and as it does not track any benchmark or index, the Investment Manager has the flexibility to take advantage of a wide variety of market opportunities.

The investment strategy uses a combination of macro and micro analysis to find ideas on both a long and short basis. The Investment Manager will have a particular focus on smaller/niche investment deals (recapitalizations/cap raisings/pre-IPO/IPOs) and listed emerging companies (market caps under \$200m) in Australia and New Zealand, with scope to invest in Asia should the opportunity arise over time. The investments will not exclusively be in that market cap range or exclusively in that region.

The Investment Manager will have the ability to utilize leverage on the Fund's assets with the objective of enhancing returns and may be geared in excess of 100% of the Fund's net asset value. Gearing has the potential to enhance returns and losses and therefore the use of gearing may increase the risk profile of the Fund.

The Fund will invest in listed equities and unlisted investments. The Fund may also invest in commodities, options (listed and OTC), futures, FX, bonds and various debt instruments.

The Investment Manager has a significant focus on protecting capital in all market conditions and will use short sales and derivatives including futures and options (listed and OTC) and FX to assist in hedging the exposure of the listed portion of the portfolio.

The portfolio will typically have between 30 and 100 positions and these numbers may increase or decrease depending on the Investment Manager market view at the time of investment.

The Investment Manager may choose to move the entire assets of the Fund to cash in times of extreme uncertainty.

## 5. RISKS OF INVESTING IN THE FUND

All investments have an inherent level of risk. Investment in the Fund carries certain risks. There is no guarantee that the Fund will achieve its investment objective and investors should fully understand and be capable of assuming the risks of investing in the Fund. In deciding whether to invest in the Fund, you should consider that you may lose some or all of your investment, the value of your investment may go down, you could receive little or no income and there may be delays in repayment. The key risks outlined below do not purport to be a complete explanation of all the risks associated with investing in the Fund.

### MARKET RISK

Investment returns are influenced by market factors. These factors include changes in the economic (e.g. changes in interest rates), legislative and political environment, as well as changes in investor sentiment. In times of market downturn, there is a risk that the value of the securities held by the Fund will fall in value, resulting in a reduced Net Asset Value per Unit and reduced returns on investment. Market risk is the risk that the market value of a security may move up and/or down, sometimes rapidly and unpredictably.

### SHORT EQUITY RISK

The Fund may establish short positions. To make delivery to the buyer, the Fund must borrow the asset (e.g. security, commodity or derivative) and the Fund is obliged to return the investment to the lender, which is accomplished by a later purchase of the investment by the Fund. Lenders may rescind the loan of assets at any time and cause the borrower to repurchase assets at inflated prices, resulting in a loss. Taking short positions in an asset involves a higher level of risk than buying an asset since the loss with buying an asset is generally limited to the purchase amount, whereas the loss with short positions, is unlimited (since there is no upper limit on the price of the asset).

### INVESTMENT STRATEGY RISK

Investment Strategy risk is the risk that the Investment Manager's investment strategy could fail to achieve the Fund's investment objective and could result in a decrease in the value of an investment in the Fund. The Fund is subject to investment strategy risk because it is actively managed. In making investment decisions for the Fund, the Investment Manager will apply the Fund's investment strategy, but there is no guarantee that the Investment Manager's decisions will produce the intended result.

### LIQUIDITY RISK

Liquidity risk arises when investments are made in securities which are traded on an infrequent basis, or in securities which are not traded regularly on any financial market. Should the Fund hold unlisted assets or illiquid securities then it may not be able to sell them at a fair price at the time it may wish to do so. The Trustee reserves the right to suspend the valuation of Units during periods where the Fund's investments may not be easily valued or sold. The payment of withdrawal proceeds may also be delayed or suspended during such periods (refer to "withdrawal risk" below).

### UNLISTED COMPANY RISK

Unlisted investments (debt and equity) are not as liquid as investments in a listed company. Investments in unlisted companies are less regulated than listed securities and therefore carry a heightened risk. In addition, unforeseen factors may prevent an unlisted company from listing on an exchange.

### BORROWING AND LEVERAGE RISK

The Fund may leverage its capital, in accordance with the investment strategy (as outlined on page 4), where the Investment Manager believes that the use of leverage may enable the Fund to achieve a higher rate of return. In order to do so, the Fund may pledge its securities to borrow additional funds for investment purposes. The Fund may leverage its capital through the use of derivatives and short sales. Leverage may increase Fund volatility and magnify the potential losses or gains made by the Fund. Geared funds are generally deemed to be more risky than a similar ungeared investment. The level of gearing and the associated costs, including interest costs, may affect Fund returns and a geared investment has the potential to underperform a similar ungeared investment. The gearing level of the Fund can vary depending on borrowing amounts, the value of the Assets and the applications and redemptions received by the Fund.

## **DERIVATIVES RISK**

Derivatives are used to adjust security and portfolio risk-reward profiles and, as a result, have various risks attached to them. The value of derivatives is linked to the value of the underlying asset (such as an interest rate, share index or some other reference point) and as such can be highly volatile. Derivatives allow for higher gains from a smaller initial cash outlay, however they can also result in significant losses, which are sometimes significantly in excess of the amount invested to obtain the derivative. Derivatives are also subject to counterparty risk (where the counterparty to the derivative contract cannot meet its obligations under the derivatives contract). The risk involved in using derivatives might also include: the value of the derivative failing to move in line with the underlying asset; potential illiquidity of the derivative; the possibility that the derivative position is difficult or costly to reverse; the derivative not performing as expected; premium decay over time or capital loss.

## **CONCENTRATION RISK**

The Fund may invest a relatively high percentage of its assets in a limited number of securities, or in securities in a limited number of industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.

## **WITHDRAWAL RISK**

If market events reduce the liquidity of a security or asset class, the generally applicable timeframe for meeting withdrawal requests may not be met. The Fund also invests in unlisted assets and it may take longer to sell these types of investments at an acceptable price. In addition, if an investor or a group of investors seek to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price received by the Fund for those assets. In certain circumstances it may be necessary to suspend withdrawals to allow sufficient time for liquidation of assets to meet withdrawals. It may also be necessary to distribute capital of the Fund by way of an in-specie distribution of the underlying assets to investors. Where it is not possible to make an in-specie distribution, it may be necessary to re-allocate the portion of an investor's holding referable to unlisted investments to a separate class of Units in the Fund until there is a liquidation event in relation to the unlisted company.

## **FOREIGN CURRENCY RISK**

The Fund may have exposure to foreign assets or assets with foreign currency earnings. These assets and earnings may be subject to currency fluctuations between the Australian dollar and the currency in which the investment is denominated which may cause the value of an investment in the Fund to fall. The Investment Manager will evaluate foreign exchange exposure of the Fund and may choose to undertake transactions that aim to reduce the impact of movements in exchange rates on the value of the Fund's assets. However, there is no guarantee that the strategy will be successful or that currency risks will be mitigated. It may not be possible or practicable to hedge successfully against currency exposure in all circumstances. The cost of hedging is an expense that is borne by the Fund.

## **INVESTMENT MANAGER / PERSONNEL RISK**

There is a risk that the Investment Manager (or any of its key personnel) could change or be unable to perform their role for an extended period of time, which in turn could have an impact on the investment returns of the Fund.

## **COUNTERPARTY RISK**

Counterparty risk is the risk that the counterparty to a transaction or contract (such as a broker or other agent of the Trustee or Alium Capital) may default on their obligations and that the Fund may, as a result, experience an adverse investment outcome or liability.

## **SERVICE PROVIDER RISK**

The Fund relies on external service providers in connection with its operations and investment activities. Services include prime brokerage, investment management, custody and fund administration. There is a risk that these service providers may not meet their contractual obligations, or seek to terminate their services to the Fund. In this situation, the Fund may be required to replace a service provider and this may lead to a disruption to the activities of the Fund.

## **OPERATIONAL RISK**

Disruptions to administrative procedures or operational controls may challenge day to day operations of the Fund. Adverse impacts may arise internally through human error, technology or infrastructure changes or through external events such as regulatory changes.

## **FUND RISK**

Common risks associated with most managed funds include the risk that: the Fund may be terminated; the fees and expenses could change; or the Trustee, or the Investment Manager, could change. The Trustee has the discretion to compulsorily redeem Units. In addition, the results of investing in the Fund may lead to different results compared with investing directly in securities because of income or capital gains accrued in the Fund and the consequences of other investors investing in, or withdrawing from, the Fund.

## **LEGAL, REGULATORY & TAX RISK**

Legal, regulatory and tax changes could occur during the term of the Fund, which may adversely affect the Fund and its underlying investments. The value or tax treatment of an investment, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods.

## **PRIME BROKER AND CUSTODIAN RISK**

The Fund's investments may be borrowed, lent, pledged, charged, rehypothecated, disposed of or otherwise used by the Prime Broker for its own purposes, whereupon such assets will become the absolute property of the Prime Broker (or that of its transferee) or become subject to the charge created by such charge, pledge or rehypothecation, as the case may be. The Investment Manager will have a right against the Prime Broker for the return of equivalent assets and will rank as an unsecured creditor in relation thereto. As such, as is normal in prime broker agreements, there is a risk that the Investment Manager may not be able to recover such equivalent assets in full in the event of the insolvency of the Prime Broker. Any cash which the Prime Broker receives on the Fund's behalf will not typically be subject to the client protections conferred by relevant laws. The Fund will rank as an unsecured creditor to the Prime Broker in case of their insolvency. Accordingly, the Fund may not be able to recover equivalent assets in full should the Prime Broker become insolvent.

## 6. FEES AND EXPENSES

The Trustee is entitled to receive the Trustee, Management and Performance Fees listed below under the Fund's Constitution. Under the Investment Management Agreement, between the Trustee and the Investment Manager, the Investment Manager is entitled to be paid the management and performance fees. The Trustee will pay the management and performance fees to the Investment Manager out of the fees to which the Trustee is entitled, direct from the Fund. The Investment Manager may elect to have its management and performance fees paid directly to a nominated bank account or have them reinvested as Units in the Fund. Any fees reinvested in the Fund will be reinvested in the Management Class units at the NAV calculated as at the previous Valuation Day.

These following fees are applicable as at the date of this Information Memorandum.

### Management Fee

A management fee of 2% per annum (excluding GST) of the gross asset value ("GAV") of the Fund accrues and is payable by the Fund monthly in arrears. The GAV of the Fund is the value of all its assets before management and performance fees.

### Performance Fee

A performance fee of 20% of Outperformance (excluding GST) is payable to the Trustee and in turn paid to the Investment Manager. The performance fee is referable to the Series you have invested in. Outperformance is calculated as the amount by which the NAV per Unit of the relevant Series exceeds the High Watermark ("HWM"). The High Watermark means, until a performance fee for that Series first becomes payable, the Issue Price or otherwise, the highest NAV per Unit of the Series at the beginning of any Performance Period. In relation to listed investments, the performance fee is calculated and accrues monthly against the relevant Series and is paid in arrears at the end of each month ("Performance Period").

In relation to unlisted investments, the performance fee is calculated and accrued against the relevant Series whenever the unlisted investment is re-valued. Each time an unlisted investment is re-valued, the performance fee accrual for the relevant Series will be adjusted up or down and if the value of the investment decreases below the cost of that investment, the adjustment to the performance fee accrual for the relevant Series would result in the accrual for that investment being reversed. The performance fee in relation to unlisted investments becomes payable upon disposal or realisation of the relevant investment or the listing of the security or debt instrument. Where Units are redeemed, any accrued performance fees relating to the Units being redeemed will become due and payable. If the Investment Manager ceases to manage the Fund or the Fund is terminated, any accrued performance fees will become payable.

### Other Fees

<b>Buy/Sell Spread</b>	There is no buy/sell spread charged.
<b>Application Fee</b>	There will be no application fee for applications for Units in the Fund for the duration of this Information Memorandum.
<b>Exit Fee</b>	An exit fee of 4% of the total Net Asset Value of Units withdrawn applies if Units are redeemed within 12 months from the time of investment and is payable to the Trustee. There is currently no exit fee payable if Units are redeemed more than 12 months after investment. The Trustee may at its discretion waive any exit fee.
<b>Goods and Services Tax</b>	Fees and charges quoted in this Information Memorandum are subject to GST where applicable, at the rate applying on the date of the fee or charge, unless otherwise stated. The Fund may be entitled to claim back reduced input tax credits on some of its expenses as applicable in line with GST legislation.
<b>Commission Payments</b>	To the extent permitted by law, Alium Capital may pay fees, commissions and/or trailing commissions to financial intermediaries who introduce capital to the Fund. Some financial intermediaries may elect to rebate all or some of their fee or commission and waive any trailing commission as part of their fee arrangement with investors. Such independent financial intermediaries are not agents of Alium Capital, and Alium Capital is not liable for their acts or omissions.
<b>Soft Commissions</b>	Alium Capital may have soft commission arrangements in place with brokers and counterparties it uses to execute transactions. Alium may receive a benefit based on certain metrics, such as number of trades executed through the respective broker or counterparty. Benefits received may include, among other things: research and information services; portfolio risk and trade analysis; or particular trade execution capabilities. The benefits of such arrangements are generally used to assist Alium in managing the Fund.
<b>Other Fees and Expenses</b>	The Trustee is entitled in accordance with the Fund's Constitution to be reimbursed for all expenses incurred in relation to the establishment, administration or management of the Fund in the proper performance of its duties. The Fund will pay out of Fund assets ordinary direct expenses such as custodial, administrative, middle-office fees, accounting, registry, legal, banking and audit expenses properly incurred in respect of the Fund. These represent the operating expenses and outgoings in connection with the start-up costs and day-to-day operation of the Fund. Extraordinary expenses, such as the costs of convening Unitholder meetings or defending a third party claim made against the Fund, will also be paid by the Fund.
<b>Fees Waiver, Deferral or Reduction</b>	Alium Capital retains the sole discretion to elect to waive, defer or reduce any fees from time to time. Any such waiver, deferral or reduction will in no way affect the right to receive any fees payable. Alium Capital retains the absolute discretion to rebate, waive, defer or reduce all or any part of any fees applicable to Units for certain Unitholders and/or pay all or part of such fees to third parties for services related to the placement of Units.

## 7. TAX CONSIDERATIONS

Investing in the Fund will have tax implications which depend upon each Unitholder's particular situation. The tax information provided below is general tax information only, it does not purport to be comprehensive and it should not be relied upon by Unitholders as it may not relate to an investor's particular situation. It is recommended that all investors seek their own professional advice on the tax implications before investing in the Fund. Tax laws relating to the taxation of trusts are complex and are subject to change. The tax laws may have changed since the issue of this Information Memorandum.

### Taxation of resident Unitholders

It is not compulsory for Unitholders to disclose their Tax File Number (**TFN**), or Australian Business Number (**ABN**) (where applicable). However, if a TFN or ABN is not provided and the Unitholder has not quoted a relevant exemption, then the Trustee is required to withhold PAYG withholding tax at the highest marginal rate plus Medicare levy and any other applicable government charges from that Unitholder's distribution entitlement. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld.

### Income and capital gains made by the Fund

The Fund is a resident of Australia for tax purposes. The Fund should not generally be liable to income tax as it will distribute all the income of the Fund each year. The Unitholder's share or allocation of taxable income of the Fund for each year ended 30 June should generally be included as assessable income in the Unitholder's tax return for each such year, even if distributions are reinvested in additional Units in the Fund in the next year.

If the Fund qualifies as a Managed Investment Trust (**MIT**) for tax purposes, it may be eligible to make an irrevocable election to apply the Capital Gains Tax (**CGT**) provisions as the primary code for assessing gains and losses on the disposal of certain assets, including for example shares and units. In that instance the Fund should be deemed to hold these assets on capital account and Unitholders may be entitled to receive the benefit of the CGT discount on distributions of capital gains (the requirements for accessing the CGT discount concession are discussed below). The Trustee will continue to monitor its eligibility to make the MIT election.

The new Attribution Managed Investment Trust (**AMIT**) regime commenced on 1 July 2016. Under the AMIT regime, where a MIT satisfies certain requirements, the taxable income will be allocated to Unitholders on an "attribution" basis rather than on a present entitlement basis. The AMIT regime also contains additional rules which may impact the Fund, including specific rules about carrying forward undistributed income. The changes provide certain concessions to eligible AMITs and their members.

At the end of each year, if there is a distribution, Unitholders will be sent a tax statement that will indicate the composition of the income distributed. This will include details of assessable income, capital gains, tax credits and any other relevant tax information to include in each Unitholder's tax return.

### Tax implications on withdrawal

Withdrawal of a Unit from the Fund is a taxable event for CGT purposes. To the extent that the withdrawal proceeds exceed the cost base on the Unit, the Unitholder will make a capital gain. However, if the proceeds on redemption are less than the Unitholder's reduced cost base, the Unitholder will make a loss. Generally, a realised capital loss can only be used to offset against capital gains derived in the current or a future tax year.

If a Unitholder withdraws Units part way through a distribution period, the value of accumulated income is included in the Unitholder's redemption price. The Trustee will advise the Unitholder what part (if any) of the proceeds on withdrawal reflect the Unitholder's share in the taxable income of the Fund and therefore is assessable income for tax purposes. The balance reflects the capital proceeds on withdrawal and may, depending on the Unitholder's tax circumstances, be subject to the CGT provisions.

An Australian resident Unitholder may be entitled to a 50% CGT discount (where the Unitholder is an individual or trust) or a 33⅓% CGT discount (where the Unitholder is a complying superannuation fund) if the Unitholder has held the Unit for at least 12 months. No CGT discount is available to corporate Unitholders.

Gains realised by a Unitholder holding their Units on revenue account will be taxable as ordinary income and will not qualify for the CGT discount.

The reclassification of any non-Main Series Units to Main Series Units at the end of a month will result in a disposal for CGT purposes. Unitholders may be entitled to rollover relief under s124-245 of the Income Tax Assessment Act 1997 in respect of this disposal where the Fund redeems all the Units in that non-Main Series Units and the market value of the replacement Units in the Main Series Units is at least equal to the redemption price of the non-Main Series Units. The Trustee will take all reasonable steps to ensure that any replacement Units are at least equal in value to any non-Main Series Units that have been redeemed.

For Unitholders who hold their investment in the Fund on revenue account, as trading stock or carry on a business of investment, the conversion of non-Main Series Units or the redemption of Units generally may have income tax implications and such Unitholders should obtain their own tax advice before investing.

You must receive this Information Memorandum within Australia, however, if you are not an Australian resident for tax purposes, please state in the application form your country of residence for tax purposes.

### Taxation of non-resident Unitholders

The tax rules applying to a non-resident investor differ to those applying to a resident investor. Non-resident investors may also be subject to tax in the country in which they reside, but may be entitled to a credit for some or all of the Australian tax they have incurred. Appropriate deductions of Australian withholding taxes will be made from distributions of Australian sourced taxable income for non-resident Unitholders. The rate of withholding tax will depend on the composition of the distribution and on whether the non-resident Unitholder is a resident of a country with which Australia has a Double Tax Agreement. Distributions to non-resident Unitholders from sources wholly outside Australia will generally be exempt from Australian income tax.

The Government has specific rules for the taxation of gains and losses of non-residents for CGT purposes. Under the rules, a capital gain or capital loss will only be made by a non-resident Unitholder in respect of a Unit that constitutes taxable Australian property (being either direct and indirect interests in land, or business assets of an Australian permanent establishment). As the Fund is not likely to hold such assets, non-resident Unitholders may not have a liability to Australian CGT on the future disposal of their Units (unless the Units are used in the carrying on of a business through an Australian permanent establishment). If Units are held on revenue account any profits on disposal may be subject to Australian tax as ordinary income, subject to any available relief under a Double Tax Agreement.

We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of investing in and disposing of Units.

### **Goods and Services Tax**

No GST should be payable in respect of the application or withdrawal of Units, nor in respect of any distributions paid in respect of Units. GST may apply to fees charged to Unitholders. Unitholders should obtain their own advice as to whether an input tax credit is available for any such GST, as it will depend on their personal circumstances.

### **Foreign Account Tax Compliance Act (FATCA)**

FATCA is United States (US) tax law that enables the US Internal Revenue Service (**IRS**) to identify and collect tax from US persons that invest in assets through non-US entities. The Fund requires Unitholders to provide certain information regarding their identification in order for the Fund to comply with its obligations to obtain and disclose information about certain investors to the ATO and IRS. US persons should note that the Fund is a 'Foreign Financial Institution' under FATCA and discloses information about certain US and US-owned investors to the US tax authorities. To the extent that all requested information is obtained, US withholding tax should not apply to the Fund or its investors. Although the Fund may attempt to take steps to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be successful.

## **8. DISTRIBUTIONS**

Any Fund income available for distribution, less expenses, will be distributed annually, as soon as practicable after each 30 June or otherwise as determined by the Trustee. The distribution will be calculated and distributed based on the unitholding as at 30 June.

Where a Unitholder redeems its units, or has redeemed its units during the year, the Trustee may determine the amount of the Fund net income that is referable to those redeemed units. Where income is referable to redeemed Units, the redemption proceeds may comprise capital and income in proportions determined by the Trustee pursuant to the Fund Constitution. The Trustee will notify the Unitholder of the composition of the redemption proceeds.

For Unitholders who remain invested at a Distribution Date, the Trustee will calculate distributions referable to each Class and Series. Distributions will be based on the Fund's income for that tax year, after taking into account any income that may have been distributed as redemption proceeds. Distributions will be automatically reinvested into the Fund. Unitholders may elect to have their distributions paid to them as cash by notifying the Fund Administrator or Trustee in writing. Investors may change their existing distribution option, by notifying the Administrator, in writing, at least thirty (30) Business Days before 30 June.

Units issued for reinvestment of distributions will be issued at the unit price applicable on the Subscription Day after the distribution entitlement arises. No buy/sell spread is applied in respect of such Units. Distributions may be made up of both income and capital. The Trustee may in its absolute discretion accept or reject a written direction from a Unitholder in relation to distributions and is not required to give any reasons. The Trustee reserves the right to cancel distribution reinvestments. Unitholders will be notified if this occurs.

## **9. INVESTING IN THE FUND – APPLICATIONS AND WITHDRAWALS**

### **Who Can Invest**

The Fund is a wholesale fund and only wholesale clients within the meaning of section 761G(7) or 761GA of the Act may invest in the Fund. Accordingly, the Trustee will only accept investments in the Fund from, and transfers of Units to, investors who:

- ✓ invest over \$500,000 in the Fund;
- ✓ provide the Investment Manager with a copy of a qualified accountant's certificate dated within the preceding two (2) years that certifies the required level of income or assets; or
- ✓ qualify as a "professional investor" within the meaning of the Act.

### **Application Process and Cut-Off Times**

Applications may be made only by written application using the accompanying Application Form. The minimum initial application amount is \$250,000. Additional applications can be made by completing the Additional Application form. The minimum additional application is \$50,000.

The Trustee may vary the minimum amount requirements for applications at its discretion.

The following forms of communication are acceptable for submitting subscription, redemption, transfer or other instructions (such as change of address) to the Administrator:

**Email Transmission** – [istradedesk@sscinc.com](mailto:istradedesk@sscinc.com) (for submission of documents relating to your subscription, redemption or transfer only) or [alium.ir@sscinc.com](mailto:alium.ir@sscinc.com) (for any questions).

The Administrator will acknowledge receipt of any subscription, redemption or transfer request on behalf of the Fund, and in the event no acknowledgement is received from the Administrator within 3 Business Days of submitting the request, the Shareholder should assume that the transaction request has not been received and they should contact the Administrator via telephone +61 2 8115 9924 to confirm the status of their request.

By signing the subscription document investors agree that neither the Fund nor the Administrator shall be responsible for any mis-delivery or non-receipt of any instruction sent to the Fund or the Administrator in respect of which no acknowledgment is received. Notwithstanding the method of communication, the Fund and/or the Administrator reserve the right to ask for the production of original



documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents. Note that you must use the form document provided by the Fund in respect of the subscription, redemption or transfer, unless such condition is waived by the Fund. Please note that messages sent via email must contain a duly signed document as an attachment.

The Trustee has absolute discretion to accept or reject any application. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies.

A confirmation advice of the Unit holding will be issued as soon as practicable following the determination of the applicable unit price.

### **Cut-Off Times**

Applications will be processed on the Subscription Day which is generally the first Business Day of each month. The Application Form must be received by the Administrator on or before the last business day prior to the Subscription Day for it to be processed on the next available Subscription Day. Cleared funds must be received into the Fund's Application Account no later than 5pm AEST on the business day prior to the Subscription Day. For example, if the Subscription Day is 1 October, the application form and funds will need to be received by the Fund Administrator by 5pm AEST on 30 September (or if 30 September is not a Business Day, the Business Day immediately prior to 30 September).

The Trustee may determine a Subscription Day to be a day other than the first Business Day of the month and investors will be notified if this is the case.

Initial Application Forms and relevant identification documentation must be sent as certified copies to the Administrator. The Administrator will not process any new applications until it has received a properly completed and signed original Application Form and originals or original certified copies of applicable identification documentation required under Anti-Money Laundering and Counter Terrorism Financing Legislation. See 'Anti-Money Laundering' in section 12 of this document and the Application Form for more details.

Neither the Administrator, Trustee or Investment Manager accept any responsibility or liability for any loss caused as a result of non-receipt or ineligibility of any mail, facsimile notice or email or for any loss caused in respect of any action taken as a consequence of such instruction believed in good faith to have originated from properly authorised persons. The Fund will retain any interest earned on any application monies.

### **Redemptions Process and Cut-Off Times**

If a Unitholder redeems Units in the Fund, the Investment Manager will, to the extent necessary, liquidate securities it holds as long and short positions in the Fund. Redemption requests must be submitted and received by the Administrator by 5pm AEST on the last Business Day of each month. A Redemption Request will be processed on four redemption dates being the last day of the four consecutive quarters (each quarter representing a period of three months) with the first quarter being one full quarter after the end of the month in which a valid redemption request is received. For example, if a redemption request is received by the last Business Day in September, 25% of the units will be redeemed using the December Valuation Day, 25% of the units will be redeemed using the March Valuation Day, 25% of the units will be redeemed using the June Valuation Day and 25% of the units will be redeemed using the September Valuation Day. The full redemption will be spread over a one year period.

Withdrawal prices for Units will be calculated based on the Net Asset Value of the Series (after allocation of profits, losses and performance fees when applicable) divided by the number of Units on issue in that Series rounded down to the nearest cent (with the benefit of any rounding to be retained by the Fund). The Net Asset Value for each Series will be calculated by the Administrator (refer section 13) and approved by the Trustee.

If the original request is received by the Administrator after the deadline for receipt of requests, it will be treated as a request for redemption during the next Redemption Period. Unitholders will only be able to redeem Units in the Fund if they have correctly completed and submitted the attached Redemption Request Form, which must be signed by the Unitholder. The Redemption Request Form should be sent, faxed or emailed to the Administrator (the contact details are included on the application form).

The Trustee may suspend the redemption of Units and the payment of redemptions if it believes that it is in the best interests of Unitholders as a whole. Redemption requests received during a suspension period will be processed at the next Redemption Day after the end of the suspension.

Redemptions will generally occur by way of electronic funds transfer to the nominated bank account in the name of the Unitholder from which the application funds derived. Normal bank charges will apply. The terms of the Constitution also allow a redemption to be paid by way of distribution of Fund Assets.

If Unitholders choose to send Redemption Request Forms by post or email, they bear the risk of such requests not being received. None of the Administrator, the Trustee or the Investment Manager accept any responsibility or liability for any loss caused as a result of non-receipt or ineligibility of any mail, facsimile notice or email or for any loss caused in respect of any action taken as a consequence of such instruction believed in good faith to have originated from properly authorised persons.

The Trustee has the discretion to allow redemptions at other times and with longer or shorter notice periods.

The Trustee may determine that it is in the best interests of remaining Unitholders to pay out a portion of a Redemption Request in-specie where part of the Unitholder's Units the subject of that Redemption Request are referable to unlisted investments. Any such in-specie distribution of underlying unlisted assets would be calculated on a pro rata basis according to the relevant Unitholder's attributable share of the unlisted asset based on the valuation as at the relevant Valuation Day. In the event that the Trustee determines it is in the best interests of remaining Unitholders to satisfy part of a Redemption Request by way of an in-specie distribution of unlisted assets, however circumstances beyond the Trustee's control prevent part or all of that in-specie distribution from proceeding (e.g. the unlisted company that the Fund has invested in will not allow or is not in a position to allow an in-specie distribution of its shares), the Trustee has the discretion, in respect of Units issued on or after 29 September 2017, to create a new class of Units and transfer to that class the underlying unlisted assets that could not be distributed in-specie to the redeeming Unitholder. Any capital gain realised as a result of such a transfer will be allocated to the redeeming Unitholder along with the redemption proceeds for the remaining portion of the Redemption Request. The Trustee will cancel the redeeming Unitholder's Units that were referable to the underlying unlisted assets and issue the Unitholder with corresponding Units in the new class. No management fees will be payable in relation to such re-allocated Units. The Units in the new class will be redeemed at the Trustee's discretion and redemption proceeds paid in respect of those Units once the unlisted security or debt instrument is listed, sold or distribution otherwise becomes possible.

## 10. ISSUE OF UNITS AND SERIES

Investors will be issued a number of Units in the Fund. The Administrator will issue different Series of Units to investors, depending on when their investment in the Fund is made. The Issue Price will be based on the NAV of the Fund at the immediately preceding Valuation Day (see Valuations and Unit Pricing below) or \$1 for the initial Units in the Fund. As described in Section 6, the Trustee is entitled to receive a performance fee with respect to each Series in the event that a Series' performance exceeds the High Watermark based on the previous high Net Asset Value of the applicable Series. As Unitholders may apply for Units at different times and at a different Net Asset Value per Unit relative to the High Watermark, the issuance of a new Series will enable performance fees to be allocated equitably among Unitholders.

As soon as practicable after the last Valuation Day in each Performance Period, all Units in all Series which have borne a performance fee in respect of the relevant Performance Period will normally be consolidated into a single Series, being the oldest Series of such Class to have borne a performance fee in respect of the relevant Performance Period. The High Watermark for all Units of the consolidated Series will be the NAV per Unit of that consolidated Series as at the last Valuation Day in the relevant Performance Period, after payment of the performance fee. If a performance fee is not payable for a particular Series at the end of the Performance Period, the Series will not be consolidated.

Each Series will be designated sequentially where the initial Series issued will be Ordinary Class – Main Series, followed by Series MONTH/YEAR eg Ordinary Series Jan 2016, Ordinary Series Feb 2016 and so on.

Such reclassifications will not result in any economic change in a Unitholder's investment, and will be accomplished by converting or reclassifying the entire series into the oldest series. Such reclassifications will not occur when there are different performance fees accruing across different Series, for example for performance fees on unlisted assets.

## 11. VALUATIONS AND UNIT PRICING

Assets of the Fund will be valued in accordance with the following policies and principles:

- (A) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Valuation Day or, if no trades occurred on such day, at the closing bid price if held long by the Fund and at the closing offer price if sold short by the Fund, as at the relevant Valuation Day, and as adjusted in such manner as the Trustee (in consultation with the Investment Manager), in their sole discretion, think fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security;
- (B) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the closing offer price and the closing bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Trustee (in consultation with the Investment Manager) may determine at their discretion which market shall prevail;
- (C) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realisation value as determined by the Trustee (in consultation with the Investment Manager) in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Trustee in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (D) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
- (E) deposits will be valued at their cost plus accrued interest;
- (F) any value (whether of an investment or cash) otherwise than in AU Dollars will be converted into AU Dollars at the rate (whether official or otherwise) which the Trustee (in consultation with the Investment Manager) in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Trustee have delegated to the Administrator and/or the Administrator's Agent the determination of the Net Asset Value of the Fund and the Fund and the Net Asset Value per Share of each Class and, if applicable, series, subject to the overall supervision and direction of the Trustees. In determining the Net Asset Value of the Fund and the Fund, and the Net Asset Value per Share of each Class and series, the Administrator will follow the valuation policies and procedures adopted by the Fund and the Fund as set out above.

For the purpose of calculating the Net Asset Value of the Fund and the Fund, the Administrator/the Administrator's Agent shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Prime Broker(s) appointed by the Fund, market makers and/or independent third party pricing services. The Administrator/the Administrator's Agent may also use and rely on industry standard financial models or other financial models approved by the Directors in pricing any of the Fund's and/or the Fund's securities or other assets. If and to the extent that the Directors or the Manager are responsible for or otherwise involved in the pricing of any of the Fund's portfolio securities or other assets, the Administrator/the Administrator's Agent may accept, use and rely on such prices in determining the Net Asset Value of the Fund and the Fund and shall not be liable to the Fund and/or the Fund in so doing.

As of the close of business in the last relevant market to close on the last Business Day of each month, the Fund's Net Asset Value and the Net Asset Value per Unit of each Class and Series will be determined. The Net Asset Value of the Fund will generally be equal to the total assets minus the total liabilities of the Fund, including accruals for all fees and expenses. The Net Asset Value per Unit of each Series will be calculated based on the Net Asset Value of the applicable Series (after allocation of profits, losses and performance fee when applicable) divided by the number of Units on issue in that Series. The expenses incurred are charged at the Fund level and apportioned between the Series prior to the allocation of profits, losses and performance fee (if any) for each applicable Series. Unitholders will be advised of the Net Asset Value of their Units monthly in the monthly statement. The Fund Constitution allows Unit prices to be adjusted for a buy/sell spread at the Trustee's discretion. However, the Fund currently does not charge any buy/sell spread for Units in the Fund.

## 12. ADDITIONAL INFORMATION

### Constitution

The Fund is governed by a Constitution which, together with other relevant laws, regulate the Fund and the legal relationship with Unitholders. The Fund's Constitution is binding on all Unitholders. The Constitution contains provisions limiting the requirement of the Trustee to compensate Unitholders. Generally, if the Trustee complies with its duties, it will not be required to compensate a Unitholder for the loss unless required by law.

The Trustee is entitled to be indemnified against all expenses, losses and liabilities that are incurred in the course of its office or in relation to the establishment, administration or management of the Fund, in the proper performance of the its duties.

The Constitution seeks to limit Unitholder's liability to the Fund. However these provisions have not been determined by the courts and as such no assurance can be given to limit Unitholder's liability.

This IM sets out certain elements of the Constitution. To the extent that any inconsistencies exist between this IM and the Constitution, the terms of the Constitution prevail. A copy of the Constitution is available on request from the Trustee or the Investment Manager.

The Trustee may amend the Constitution from time to time, provided that it does not adversely affect Unitholders' rights; otherwise approval will be required by special resolution of the Unitholders.

Other provisions in the Constitution also deal with:

- ✓ duties and rights of the Trustee;
- ✓ calculations applicable to Unitholders including Unit prices, NAV of the Fund and performance fees;
- ✓ Unitholders' rights, including rights to receive distributions and to make withdrawals from the Fund;
- ✓ the Trustee's right to withdraw Units;
- ✓ limits on fees and charges and the Trustee's indemnity from the Fund;
- ✓ termination and winding up of the Fund;
- ✓ Unitholders meetings; and
- ✓ procedure to handle complaints.

### Unitholder Interest / Rights

The beneficial interest in the Fund is divided into Units. A Unitholder holds Units subject to the rights, restrictions and obligations attaching to the Units. A Unit does not provide an interest in any particular part of the Fund or in any particular asset or property. Units may be issued in fractions.

Additional Unitholders may be admitted to the Fund upon such terms and conditions as are permitted by the Trustee (without the consent of any other Unitholders) and the Constitution, which terms and conditions may differ from those applicable to others Unitholders on matters relating to, without limitation, lock up/commitment periods, notice periods, management/incentive fees and information rights.

### Classes of Units

New classes of Units in the Fund may be established by the Trustee without the approval of the existing Unitholders. Subject to the Corporations Act, the Trustee will have the discretion to waive or modify the application of any provision of the Information Memorandum or grant special or more favourable rights with respect to any provision, including, without limitation, the provisions relating to fees, allocations, redemptions, transfers, notices and transparency into the Fund's portfolio, with respect to any class of Unitholders, without notice to, or the consent of, other Unitholders. Initially the Trustee will issue Units in two separate classes - Management Class and Ordinary Class. The information in this Information Memorandum applies to Units issued in the Ordinary Class.

### Administration Agreement

The Trustee has entered into an administration agreement with the Administrator. The Administrator will perform certain administrative, accounting, registrar and transfer agency services for the Fund.

### Administrator

SS&C Fund Services (Asia) Limited. (the "Administrator") is the administrator of the Fund. An affiliate of the Administrator, SS&C Fund Services (Cayman) Ltd. ("SS&C Cayman") which is licensed and regulated by the Cayman Islands Monetary Authority pursuant to the Cayman Islands Mutual Funds Law is also responsible for performing certain services as specified in the Services Agreement. Both the Administrator and SS&C Cayman are ultimate wholly owned subsidiaries of SS&C Technologies Holdings, Inc., a U.S. public company listed on NASDAQ.

Pursuant to a services agreement between the Fund, SS&C Cayman and the Administrator (the "Services Agreement"), the Administrator is responsible for: (i) processing subscriptions and redemptions of Fund shares and other investor transactions; (ii) maintaining the register of shareholders of the Fund; (iii) performing certain anti-money laundering procedures on behalf of the Fund; (iv) calculating the Net Asset Value of the Fund's shares; (v) distributing or making available the Net Asset Value of the Fund's shares and account statements to investors; (vi) maintaining the financial books and records of the Fund; (vii) acting as corporate secretary of the Fund and such other services as may be specified in the Services Agreement. The Administrator may utilize affiliates, including SS&C Cayman, to perform certain services. The Administrator receives fees from the Fund based upon the nature and extent of the services performed by the Administrator for the Fund. In connection with the provision of services, the Administrator is entitled to rely upon information provided by various third parties, including pricing vendors, the Investment Manager, custodians, brokers and other financial intermediaries. To the extent that the Administrator relies on information, its liability is limited to the accuracy of its own calculations (subject to the provisions of the Services Agreement) and it is not liable for the accuracy of the underlying information provided to it.

The Services Agreement may generally be terminated by either party on the anniversary date of the initial term without penalty upon 90 days prior written notice and may be terminated at other times in the case of a material breach that is not cured and other specified circumstances.

The Services Agreement contains provisions limiting the liability of the Administrator, including that the Administrator and its affiliates, members, shareholders, directors, officers, partners, employees, agents, successors and assigns (collectively "SS&C Associates") will not be liable to the Fund for any action or inaction of any SS&C Associate except that the Administrator will be liable for direct losses resulting solely from the gross negligence, willful misconduct or fraud of the Administrator in the performance of the Administrator's duties or obligations under the Services Agreement. In addition, the Fund has agreed to indemnify and hold harmless SS&C Associates from and against losses that SS&C Associates suffer, incur, or pay as a result of certain claims.

The Administrator does not act as an offeror or a guarantor of the shares of the Fund. The Administrator shall have no obligation to review, monitor or otherwise ensure compliance by the Fund with the investment objectives, policies, guidelines or restrictions applicable to the Fund and therefore will not be liable for any breach thereof. The Administrator is not responsible for any of the trading or investment decisions of the Fund and therefore will not be responsible for the Fund's performance. The Administrator is not responsible for safekeeping the Fund's assets and therefore will not be responsible for any loss of such assets or ensuring their existence. The Administrator is a service provider to the Fund and is not responsible for the preparation of this Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in this Memorandum.

## **Investment Management Agreement**

The Trustee has entered into an investment management agreement with the Investment Manager. As investment manager of the Fund, Alium Capital will manage the Fund in accordance with the investment objectives and guidelines, set out in the investment management agreement.

## **Your Personal Information**

The application form accompanying this Information Memorandum requests personal information. Privacy laws, including the Australian Privacy Principles, apply to the collection and handling of personal information by the Trustee, Investment Manager and Administrator.

The Trustee collects personal information so that it may provide you with the products and services associated with this Fund. The law also requires the Trustee to collect certain personal information. Some of this information is required by the Anti-Money Laundering and Counter-Terrorism Financing laws and may be required to be kept on a register in accordance with the Corporations Act. The Trustee may disclose personal information to other parties (confidentiality arrangements apply) that provide services to the Fund, including to the Investment Manager and the Administrator. The Trustee also seeks expert help from time to time to help it improve its systems, products and services. Your personal information may be disclosed to these third parties in such circumstances. Your personal information will not otherwise be shared with other third parties. Your personal information may also be used by the Trustee to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist you with any queries and take measures to detect and prevent frauds and other illegal activity. The Trustee may also be allowed or obliged to disclose information by law and to report on prudential or risk management matters.

The Trustee aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. If you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking. Each investor will be required to acknowledge in its application form that the Trustee, Investment Manager and the Administrator may disclose to each other, to any other service provider to the Fund or to any regulatory body in any applicable jurisdiction copies of the applicant's application form and any information concerning the applicant provided by the applicant to the Trustee and/or the Administrator and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise. The Trustee's Privacy Policy contains information about how you can access the personal information or complain about a breach of the Australian Privacy Principles and how we will deal with such a complaint. If you have concerns about the completeness or accuracy of the information the Trustee holds about you or would like to access or amend your information, or if you would like a copy of our Privacy Policy simply contact the Trustee. You will be taken to agree to the collection, use and disclosure of your personal information as set out above when you make an investment in the Fund.

## **Anti-Money Laundering**

As part of the Trustee's responsibility for the prevention of money laundering and counter terrorism, the Trustee and the Administrator or any of their Specified Persons will require a detailed verification of the applicant's identity and the source of the payment from any person delivering a completed application form. In Australia money laundering and terrorist financing is a criminal offence.

The Administrator will request verification of identity from all prospective investors to the extent required under the Trustee's Know Your Customer (KYC) identification policy. Investors are required to send the completed application form and KYC identification information to the Administrator. The Administrator will notify you if additional proof of identity or re-verification is required. Failure to provide the necessary evidence may result in applications being rejected or in delays in the issuance of Units.

The Fund, the Trustee, the Administrator and each of their Specified Persons will be held harmless and will be fully indemnified by a potential investor against any loss arising as a result of a failure to process an application if such information as has been requested by any of them has not been satisfactorily provided by the applicant. By subscribing, applicants acknowledge that the Trustee may be required by law to provide information about them or to file suspicious transaction reports to regulators.

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

# 13. TRUSTEE

## **Trustee**

Dempsey Capital Pty Ltd  
ACN 632 685 468  
Level 2, 139 Macquarie Street, Sydney NSW 2000

## **Investment Manager**

Alium Capital Management Pty Ltd  
ACN 614 150 097  
Level 2, 139 Macquarie Street, Sydney NSW 2000

## **Fund Administration & Unit Registry (Administrator)**

SS&C Fund Services (Cayman) Ltd  
39 Market Street, Suite 3205, 2nd Floor  
Gardenia Court, Camana Bay  
Grand Cayman, KY1-9003  
Cayman Islands

Phone: **+61 2 8115 9924**  
E-mail: **alium.ir@sscinc.com**

## **Auditor**

Ernst & Young  
Ernst & Young Centre 200 George St, Sydney NSW 2000

Phone: **+61 2 9248 5555**  
Fax: **+61 2 9248 5959**

## **Legal Advisers**

Ernst & Young  
Ernst & Young Centre 200 George St, Sydney NSW 2000

Phone: **+61 2 9248 5555**  
Fax: **+61 2 9248 5959**

## 14. GLOSSARY

Act	The Corporations Act 2001 (Cth) as amended from time to time.
Administrator	The administrator appointed by the Trustee, which is SS&C Fund Services (Cayman) Ltd as at the date of this Information Memorandum, responsible for providing fund administration and unit registry services.
AFSL	Australian Financial Services Licence.
Application Form	The application form included in or accompanying this Information Memorandum relating to the purchase of Units.
Business Day	A day other than a Saturday or Sunday on which Australian Banks are open for general banking business in Sydney, Australia.
Class	Refers to a class of units in the Fund.
Constitution	The constitution governing the Fund, as amended from time to time.
Distribution Date	The day on which distributions from the Fund are paid and/or reinvested.
Financial Year	The year ending 30 June.
Fund	Alium Alpha Fund.
Gross Asset Value (Gav)	The GAV of the Fund is the value of all its assets before management and performance fees.
Half Year	The six month period finishing either 30 June or 31 December.
Hedging	Transactions entered into (usually opposite transactions within the same asset class or market) that protect against adverse price movements and limit the exposure to a specific risk.
High Watermark	The previous highest NAV per Unit in a Series immediately after payment of a performance fee (or if none has been paid, the initial Issue Price of the Units).
Investment Manager	Alium Capital Management Pty Ltd (authorised rep: 001277217).
Issue Price	The price at which new Units are issued
Leverage/gearing	Borrowing funds or securities to increase the amount of capital available for investment.
Long Position	Holding a positive amount of an asset in the expectation that the value of that asset will appreciate.
Management Fee	Has the meaning as expressed on page 6.
Nav	The net asset value of a Fund, Class or Series as referred to on page 10.
Nav per Class	The value of the assets less liabilities attributable to the units of the relevant Class.
Nav per Series	The value of the assets less liabilities attributable to the units of the relevant Series.
NAV per Unit	Has the meaning as expressed on page 10.
Outperformance	Outperformance is calculated as the amount by which the NAV per Unit of the relevant Series exceeds the High Watermark.
Performance Period	A period in which a performance fee has accrued.
Redemption Day	The first day of the month where Unitholders are able to redeem Units based on the preceding Valuation Day.
Redemption Price	The NAV per Unit on the last Valuation Day immediately before the Redemption Day as calculated under the Constitution.
Reference Series	The first issue of Units in the Fund Series Unit valuation based on different Subscription Days.
Short Position	Borrowing an asset and then selling it in the expectation that the value of the asset will depreciate. The short position is covered by buying back the asset, theoretically at a lower price (but may be at a higher price) thereby crystallising a profit (or loss). The borrowed asset is then returned.
Subscription Day	The Valuation Day on which Units are first priced and application monies accepted into the Fund.
Trustee	Dempsey Capital Pty Ltd.
Unit or Units	A Unit or Units in the Fund offered under this Information Memorandum.
Unitholder or Unitholders	Persons who are indicated on the register of holders as the holder of a Unit or Units in the Fund.
Valuation Day	The day on which the NAV is calculated, which is generally the last day of the calendar month.
Wholesale Client	Has the meaning provided in the Act.