

Information Memorandum

Inno Quantum Global Alpha Fund

Trustee

One AR Pty Ltd ACN 602 601 776

Manager

Inno Quantum Capital Management Pty Ltd ACN 612 928 560

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Notice

This Information Memorandum (IM) is dated 9 May 2017 and is issued by One AR Pty Ltd ACN 602 601 776 (Trustee). The Trustee is the trustee of Inno Quantum Global Alpha Fund (Fund). The Trustee is an authorised representative (number 471702) of One Investment Administration Ltd ACN 072 899 060, AFS licence number 225064. The purpose of this IM is to provide information for prospective Investors to decide whether they wish to invest in the Fund.

The Trustee has appointed Inno Quantum Capital Management Pty Ltd ACN 612 928 560 (Manager) as the investment manager of the Fund.

NO PREVIOUS OFFERS

This IM represents the entire offer with respect to an investment in the Fund and supersedes any and all other offer documents or purported offer documents offering investment in the Fund. This includes but is not limited to any flyer or pre-IM marketing material that has been issued and refers to the Fund.

NO DISCLOSURE REQUIRED

This IM is intended to provide potential Investors with information only and does not constitute a product disclosure statement or other disclosure document required by the *Corporations Act 2001* (Cth) (Act). This IM has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body.

The Offer made under this IM is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

FOREIGN JURISDICTIONS

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than Australia or in circumstances in which such offer or solicitation is not authorised. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an offer to acquire units in the Fund.

In particular, this product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

NO RESPONSIBILITY FOR CONTENTS OF DOCUMENT

To the maximum extent permitted by law, neither the Trustee nor the Manager, nor any of their associates, related parties, directors, officers, employees, advisors (including financial, accounting and legal advisors) or representatives make any recommendation in relation to the Fund, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

This IM does not purport to contain all the information that a prospective Investor may require in evaluating a possible investment in the Fund. This IM must be read in conjunction with the Fund's Constitution, a copy of which is available (free of charge) by contacting the Trustee on (02) 8277 0000. To the extent there are any inconsistencies between the Constitution and this IM, the Constitution will prevail.

NOT REGULATED BY APRA

The Trustee is not authorised under the *Banking Act 1959* (Cth) (Banking Act) and is not supervised by the Australian Prudential Regulation Authority, nor are investments in the Fund covered by the deposit or protection provisions in section 13A of the Banking Act.

FORWARD-LOOKING STATEMENTS

This IM includes forward-looking statements that may contain the words “believe”, “intend”, “estimate”, “expect” and words of similar meaning. All statements other than statements of historical facts included in this IM, including, without limitation, those regarding the Fund’s financial position and business or investment strategy, plans and objectives are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

Any forward-looking statements are based on numerous assumptions regarding the Fund’s operations and present and future business and investment strategies and the markets in which the Fund will operate in the future. These forward-looking statements are made on the date of this IM. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

INDEPENDENT ADVICE RECOMMENDED

Prospective Investors are not to construe the contents of this IM as tax, legal or investment advice. The information contained in this IM is general information only and does not take into account your objectives, financial situations or needs. An investment in the Fund should be regarded as speculative and may not be appropriate for all persons or entities. You should seek appropriate professional advice and should conduct your own independent investigation and analysis regarding any information contained in this IM. You should rely on your own enquiries, in particular in obtaining your own legal, investment and tax advice in determining whether to invest in the Fund.

NO GUARANTEE

An investment in the Fund is subject to investment risk, including the loss of income and capital invested. Neither the Trustee nor the Manager, nor any of their directors, officers, employees, advisors or representatives guarantee the rate of return or performance of the Fund, the meeting of the objectives of the Fund, nor do they guarantee the repayment of committed capital nor do they make any guarantees about the timing of repayment of committed capital, which may be significantly delayed.

TRUSTEE LIMITATION OF LIABILITY

Except in certain circumstances (including fraud, negligence or wilful default by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

DISCLOSURE OF INTERESTS

The Trustee, the Manager or their related entities may also acquire units in the Fund on the same terms and with the same rights as other Investors in the Fund.

UPDATED INFORMATION

The information contained in this IM can change, and the IM may be updated or replaced from time to time. Unless the changed information is materially adverse to you, the Trustee may not always update or replace this IM to reflect the changed information. Updated information can be obtained by going to our website

www.oneinvestment.com.au/InnoQuantum, or calling us on (02) 8277 0000.

CONFIDENTIALITY

This IM is confidential and is being provided to prospective Investors for them to consider investing in the Fund. Its use for any other purpose is not permitted. It may not be reproduced or redistributed, in whole or in part, and its contents may not be disclosed to any person.

GLOSSARY

Certain capitalised words and expressions used in this IM are defined in the Glossary. All references to USD\$ or dollar amounts in this IM are to US Dollars (USD), unless otherwise stated.

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Key Features

The table below is only a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. You must read the whole of this IM to obtain more detailed information before making a decision to invest in the Fund.

About the Fund	Section
Fund	Inno Quantum Global Alpha Fund. 2.1
Trustee	One AR Pty Ltd ACN 602 601 776 1.1
Manager	Inno Quantum Capital Management Pty Ltd ACN 612 928 560. 1.2
Investment return objective	<p>The investment objective of the Fund is to seek positive total return. The Fund aims to provide long-term capital growth through trading in matured and liquid financial markets.</p> <p>The Fund may not be successful in meeting its objective. Returns are not guaranteed nor is the return of capital.</p>
Investment strategy	<p>The Fund uses quantitative screening techniques which are designed to systematically identify financial assets or instruments that the Manager believes deviate from their fair value. The Manager also uses additional non-systematic company analysis to assess information not easily captured in the quantitative data.</p> <p>The Fund will apply its investment strategies and invest in the following markets and financial assets:</p> <ul style="list-style-type: none"> (a) Equity market, including— <ul style="list-style-type: none"> (i) Australian listed equities, and (ii) international listed equities. (b) Foreign exchange (forex) market, including— <ul style="list-style-type: none"> (i) exchange traded derivatives, and (ii) OTC derivatives. (c) Commodity-linked derivatives and futures, including— <ul style="list-style-type: none"> (i) exchange traded derivatives, and (ii) OTC derivatives. (d) Other domestic and offshore investment vehicles. (e) Cash equivalent investments.
Denomination	The Fund will be denominated in US Dollars (USD\$). 2.4
Who can invest?	<p>The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors).</p> <p>See section 2.5 for further information on Qualifying Investors.</p>
Classes of Units	As at the date of this IM, there will be two classes of Units in the Fund (denominated in US Dollars), known as Class A Units and 2.6

About the Fund	Section
	<p>Class B Units.</p> <p>Please see section 2.6 for further details.</p>
Unit prices	<p>The Unit prices for the Fund will be calculated monthly. 2.7</p> <p>The Application Price of Units in each class is its Unit price (which includes the Buy Spread).</p> <p>The Withdrawal Price of Units in each class is its Unit price (which includes the Sell Spread).</p> <p>The current Unit prices for Class A Units and Class B Units are available from the Trustee on request.</p>
Issue of Units	<p>Units are generally issued monthly at the prevailing Application Price for that class of Units, after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee. 2.8</p>
Minimum investment amount	<p>The minimum initial investment is USD\$100,000 from a Qualifying Investor. 2.9</p> <p>Following the minimum initial investment, Investors may invest additional funds in the Fund at the Trustee's discretion.</p>
Suggested minimum investment term	<p>The suggested minimum investment term is two years. 2.10</p> <p>Please note a tiered withdrawal fee may be payable in respect of Units which are withdrawn within 12 months of their issue. Please see section 4.4 for further information.</p>
Distributions	<p>It is intended that distributions will be paid annually, however distributions may be made less frequently. Additionally, where there is income available and the Manager considers it prudent to do so, a distribution may be made at the discretion of the Trustee. 2.11</p>
Distribution reinvestment plan	<p>The Fund has a distribution reinvestment plan available. Investors have the option of choosing whether or not to participate in the Fund's distribution reinvestment plan. If no election is made on the Application Form to opt out of reinvestment, then an Investor's distributions will automatically be reinvested in the Fund. 2.12</p>
Withdrawals	<p>While the Fund is liquid, it is intended Units may be withdrawn at the prevailing Withdrawal Price. The minimum withdrawal request is USD\$50,000 per request. 2.13</p> <p>To make a withdrawal request, complete a redemption request form available at http://www.oneregistryservices.com.au/investors/ and send it to the Registrar.</p> <p>Please note a tiered withdrawal fee may be payable in respect of Units which are withdrawn within 12 months of their issue. Please see section 4.4 for further information.</p>
Leverage	<p>The Fund may utilise leverage through borrowing and the use of margin financing from its prime brokers. Leverage may also be utilised through derivatives to achieve additional exposure to 2.14</p>

About the Fund	Section
<p>particular investments.</p> <p>The level of leverage utilised by the Fund may be significant. Investors should note that there are risks associated with the use of leverage. While the use of leverage may increase the potential return on an investment in the Fund, it also increases the level of risk and may result in substantial losses.</p> <p>The Fund may vary its use of leverage from time to time, including in response to changing market conditions. Total gross exposure of the Fund is monitored regularly by the Manager.</p> <p>The maximum allowable gross leveraged position is 300%. That is for every USD\$1.00 invested, the gross invested position (taking into account all derivatives and cash borrowings) is limited to USD\$3.00.</p> <p>It is anticipated that gross leverage will generally be maintained between 120% and 200% on an ongoing basis.</p> <p>Please see section 3.9 for further details on the risk associated with leverage.</p>	
<p>Risks</p>	<p>Like any investment of this type, there are risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns. For further information about the specific risks associated with the Fund, see section 3.</p> <p>3</p>
<p>Fees and other costs</p>	<p>There are fees and expenses (plus GST if applicable) payable in relation to the management of the Fund, including—</p> <ol style="list-style-type: none"> 1. Application fee <p>An application fee of 1% of an Investor's gross investment monies, paid to the Manager.</p> 2. Trustee fee <p>The Trustee is entitled to a fee of 0.08% per annum of the gross value of the Fund's assets, subject to a minimum annual fee of USD\$45,000 (indexed to the higher of 3% or CPI on 1 July each year).</p> 3. Management fee. <p>The Manager is entitled to a management fee equal to 2% per annum of the gross value of the Fund's assets.</p> 4. Withdrawal fee <p>A tiered withdrawal fee may be payable to the Manager by an Investor who withdraws Units within 12 months of their date of issue.</p> 5. Performance fee <p>In consideration of the past and successful management of the Fund, the Manager may be entitled to a performance fee, which will vary as between Class A Units and Class B Units.</p> <p>4</p>

About the Fund**Section****6. Operating costs and expenses**

The Trustee and the Manager are entitled to be paid or reimbursed for operating costs and expenses associated with the operation of the Fund, such as the costs associated with the administration or distribution of income, the Administrator's fee, the Registrar's fee, fees to other service providers and other expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Fund.

Additional fees may be payable from the assets of the Fund if the appointment of the Trustee, the Manager or the Administrator is terminated.

The above is a summary only of the key fees and other costs payable in relation to the Fund. For full information about the fees and costs payable, see section 4.

Tax Information	Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances.	5
Reporting	You will receive quarterly updates on the Fund performance and annual reports on any distributions paid to you. You will also receive annual tax statements to assist you in preparing your tax return.	6.2

1. Management of the Fund

1.1 *About the Trustee*

One AR Pty Ltd is a subsidiary of the One Investment Group (OIG). OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG's licensed entities hold over 200 responsible entity/trustee roles, administering a range of asset classes including hedge funds, real estate, private equity, fixed income, credit and equities. The total value of the assets within these trusts is in excess of \$10 billion.

The founders of OIG, Frank Tearle and Justin Epstein, have in excess of 30 years' collective experience in mergers and acquisitions, capital markets, funds management and corporate governance. OIG's compliance committee comprises a majority of independent members each with over 20 years' relevant experience in areas including funds management, investment banking, capital markets, chartered accounting and compliance.

Capabilities

OIG's capabilities include—

- (a) responsible entity services
- (b) trustee services
- (c) registry services
- (d) fund administration and taxation services, and
- (e) custody services.

1.2 *About the Manager*

Inno Quantum Capital Management Pty Ltd has been appointed as the investment manager of the Fund.

The Manager is a quantitative based fund manager with core strengths in Fintech technologies and independently developed quantitative investment models. The Manager uses statistics, mathematical models and computer technologies to identify consistent investment opportunities from large volumes of historical data. Strategies identified by quantitative models are implemented through programmed algorithm trading and its uniquely designed IT platform.

Over the last 5 years, the Manager has successfully developed strategies for trading in forex, US listed commodity futures and US securities listed on NYSE and NASDAQ. Funds with similar strategies have already been successfully launched in China and Cayman Islands.

The key members of the Manager's investment team are set out below.

Yuyang (Danny) Zhang

Director

Danny Zhang has in excess of 10 years' experience in the financial services industry including financial modelling, stochastic projection, pricing, reserving and actuarial consulting. Danny Zhang is a founding director of Inno Quantum Capital Management Pty Ltd.

Before founding Inno Quantum Capital Management Pty Ltd, Danny was a managing director of an AFS licensed company based in Sydney and has held various roles including as Actuarial Advisor at QBE and Consulting Actuary at Willis Towers Watson where he led a team in various projects including building quantitative models for one of the largest insurers.

Danny Zhang is a Qualified Actuary (Fellow of Institute of Actuaries Australia) and a Senior Associate CIP of Australian and New Zealand Institute of Insurance and Finance. He holds a Bachelors Degree in Actuarial Studies from Macquarie University, and gained his Master of Commerce (Accounting) from University of Sydney.

Glen Aarsen

Chief Risk Advisor

Glen Aarsen has in excess of 32 years in financial services in Australia, including funds management, fund services, systems, project management, risk management and as a portfolio manager/trader across many assets including cash, forex, short dated securities, fixed interest and derivatives.

Glen Aarsen's broad range of responsibilities over the years have included attending board meetings, board reporting, secretary of Group ALCO, ASIC - Responsible Manager, stress testing, quantitative analysis, P/L management, budgeting, developing an ERMF, BCP, balance sheet management, project director & manager, governance, policy and framework drafting, implementing and review, head of credit and market risk, cashflow management, month end risk management reporting, securitisation, system development and implementation and managed various departments including the funding, derivatives and securitisation desk when trading and once in risk settlements, quantitative analytics, middle office and the forecasting division. Glen Aarsen also acted as a key advisor the NSW Government on the sale of its retail electricity assets.

Glen Aarsen holds a Diploma in Financial Services, Certificate in Governance Practice, Administration and Risk and Graduate Certificate in Applied Finance. He is also a Fellow of the Financial Services Institute of Australasia (FINSIA).

Ali Mehfooz

Chief Finance Advisor

Ali Mehfooz is a qualified chartered accountant and senior finance leader with more than 18 years' experience in the financial services industry across Asia, the Cayman Islands and Australia. His professional experience spans professional services and in-house roles; and he has experience in managing internal and external audits, financial control and reporting, and leading large and diverse teams. He has also been a member of senior leadership teams and served on several boards. He spent much of his early career with Ernst & Young, including roles as a Senior Accountant, Audit Senior and Manager Financial Services.

He joined AMP Capital in August 2008 as Head of Statutory Reporting, and has been in his current role as Head of International and Financial Services, AMP Capital since September 2014. In this role he is responsible for leading multiple finance functions including; financial control, statutory reporting, and fees and billing, internal and external stakeholder management, people leadership of diverse and geographically dispersed teams of more than 25 professionals, and driving continuous improvement and best practice across the function. He also partners with the CFO and senior business leaders to support strategy and budgetary planning.

Yongjie (Torres) Luo

Operations and Accounts Manager

Torres Luo has a strong background and diverse experience in the financial services industry. He holds a Bachelor's degree of Economics from the University of Sydney; and a Master's degree of Actuarial Studies from the University of New South Wales.

Before joining the Manager, Torres worked as mortgage manager in one of the Top 20 mortgage firms in Australia.

2. Details of the Offer

2.1 *The structure of the Fund*

The Fund is an Australian unit trust which will hold investments denominated in US Dollars. Unit trusts are vehicles which enable investors to pool their money with that of other investors. The pooling, amongst other reasons, enables you to invest in markets that may otherwise be difficult to access.

The Fund is structured as an unregistered managed investment scheme under the Act. It is an unlisted scheme.

Money invested in the Fund represents your holding in the Fund. Each Unit in the Fund confers an equal and proportionate beneficial interest in the net assets of the Fund referable to the relevant Unit class. No Unit will give you an interest in any particular part of the Fund's assets or investments, or an entitlement to exercise any right or power in respect of any such asset or investment, or an entitlement to participate in the management or operation of the Fund (other than through unitholder meetings).

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

The Trustee has appointed the Manager as the investment manager of the Fund pursuant to the Investment Management Agreement.

2.2 *Investment return objective*

The investment objective of the Fund is to seek positive total return. The Fund aims to provide long-term capital growth through quantitative investment models based on technical factors and market indicators, trading in matured and liquid financial markets.

The Fund may not be successful in meeting its objective. Returns are not guaranteed nor is the return of capital.

Please note the above investment return objective is not a forecast, and like any investment there are risks associated with an investment in the Fund. See section 3 for further information about the specific risks associated with the Fund.

2.3 *Investment strategy*

(a) Summary of the Fund's investment strategy

The Fund uses quantitative screening techniques which are designed to systematically identify financial assets or instruments that the Manager believes deviate from their fair value. The Manager also uses additional non-systematic company analysis to assess information not easily captured in the quantitative data.

The Fund will apply its investment strategies and invest in the following markets and financial assets:

- (i) Equity market, including—
 - A. Australian listed equities, and
 - B. international listed equities.
- (ii) Foreign exchange (forex) market, including—
 - A. exchange traded derivatives, and
 - B. OTC derivatives.

- (iii) Commodity-linked derivatives and futures, including—
 - A. exchange traded derivatives, and
 - B. OTC derivatives.
- (iv) Other domestic and offshore investment vehicles.
- (v) Cash equivalent investments.
- (b) The Manager's market-specific investment strategies
 - (i) Equity market

The Manager's equity market neutral strategy is a relative value statistical equity arbitrage strategy. The strategy builds the Fund's portfolio of a long/short equity book constrained by market and sector neutralities. The trading decisions will be the result of an automated trading system fed with historical price, corporate and econometric time-series data. The system seeks to be self-adaptive to market conditions, using both price based models and fundamental based predictions.
 - (ii) Foreign exchange (forex) market

The Manager's forex market strategy is based on volatility and timing of different currency pairs and can be adjusted rapidly based on the trend and technical indicators. All trades will be executed automatically, and trading triggers will be based on the quotes received and the market movement. External drivers such as economic, fundamentals and news events may play a part in this trading strategy too.
 - (iii) Commodity-linked derivatives and futures

The Manager's strategy takes advantage of exploiting price spread changes between futures contracts of the same underlying asset but with different expiry dates, attempts to profit by selling (or buying) nearby contracts while buying (or selling) the next contract. The strategy may typically provide exposure to Agricultural futures traded on Intercontinental Exchange (ICE). Also, from time-to-time the Manager may hold long or short positions that it deems prudent based on market conditions, trends or movements or other similar factors.
 - (iv) Other domestic and offshore investment vehicles

The Fund may invest in other domestic and offshore investment vehicles. In seeking to deliver its desired investment results, the Manager looks to perform a rigorous combination of qualitative and quantitative investment and operational due diligence to evaluate investment vehicles.

The Manager will periodically review and determine the allocations among investment strategies and investment managers of the underlying vehicles and may amend these allocations based upon market conditions and opportunities.
 - (v) Cash equivalent investments.

The Manager anticipates the Fund will invest in cash equivalent investments (including funds which invest in cash and cash equivalents) if suitable alternative investment opportunities cannot be identified, as outlined above.
- (c) Asset allocation and investment guidelines

Generally, the Manager is not targeting any particular asset allocation as between the various markets and financial assets the Fund may invest in. The Manager believes it is important to maintain maximum flexibility to enable it to adapt to changing market conditions.

The Manager invests the Fund's assets in accordance with certain internal investment guidelines, which are part of its investment strategy for the Fund. These guidelines may specify, among other things, the maximum short and long gross exposure limits and the gross exposure limit of the whole portfolio.

The Manager monitors the portfolio of the Fund on an ongoing basis to ensure that it generally complies with these guidelines. Where the portfolio does not comply with these guidelines, the Manager will, as soon as practicable, seek to re-balance the Fund's portfolio to ensure it meets these guidelines. These guidelines may be changed from time-to-time, by agreement between the Trustee and the Manager.

(d) Manager's investment approach

The Manager aims to systematically exploit market inefficiencies validated by research. Investments are made when the risks taken are judged likely to be compensated by the prospect of adequate returns. Additionally, the portfolio-construction process integrates the relationship between forecast returns, risks and transaction costs. The Manager will employ algorithm-programmed trading to ensure precise execution of the underlying quantitative strategy.

The Manager will also periodically review and determine specific investment opportunities which may become available to invest into other domestic and offshore investment schemes.

(e) Risk management

Risk management is an integral part of manager's management and corporate governance practice.

Asset exposures are constantly monitored to ensure all strategies remain within permitted investment parameters. Operating and investment processes are continuously reviewed through a combination of internal and external audit, regular compliance monitoring, management self-assessment procedures and risk management oversight.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities and live portfolio monitoring. The Manager's automated systems produce reports which enable the ongoing monitoring of trading and investment activity against assigned limits, including individual securities and counterparty limits. Transactions that may result in exceptions to the established limits must have appropriate approval in accordance with internally documented policies.

The Manager also has a documented risk management policy based on relevant Australian / New Zealand risk management standards, ASIC Corporate Governance Council's Corporate Governance Principles and Recommendations, which incorporates a structured approach to managing and reviewing risks.

Please note that there are risks associated with any investment and you should carefully read and consider the risks set out in section 3 below.

(f) Changes to the investment strategy

The Manager undertakes continuous research and development of the investment strategy of the Fund, which may result in changes to the Fund's investment strategy. Any changes will be made in consultation with the Trustee.

(g) Prime brokers

The Fund may appoint prime brokers to provide a number of services to the Fund, which may include clearing, settlement, financing, stock borrowing, foreign exchange facilities and reporting services.

The functions and services provided by the Fund's prime brokers may change in the future. The Fund may also appoint additional or alternative prime brokers at the discretion of the Trustee and the Manager.

2.4 Denomination

The Fund will be denominated in US Dollars (USD\$).

2.5 Qualifying Investors

The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). A Qualifying Investor is an Investor who—

- (a) invests an amount of USD\$ equivalent to AUD\$500,000 or more in the Fund
- (b) provides a certificate from a qualified accountant (substantially in the form attached to the Application Form) that states the Investor has net assets of at least AUD\$2.5 million or foreign currency equivalent or has a gross income for each of the last two financial years of at least AUD\$250,000 or foreign currency equivalent, or
- (c) is a professional investor (including the holder of an Australian financial services licence, a person who controls more than AUD\$10 million or foreign currency equivalent, or a person that is a listed entity or a related body corporate of a listed entity).

The Trustee will not issue Units to a person unless it is satisfied that the person is a Qualifying Investor.

2.6 Classes of Units

As at the date of this IM, there will be two classes of Units in the Fund denominated in US Dollars, known as Class A Units and Class B Units.

Class A Units and Class B Units will rank equally, and have the same rights, restrictions, obligations, terms and conditions, except the Manager will charge different performance fees in respect of each of these Unit classes.

Please see section 4.5 for further information on the different performance fees payable in respect of Class A Units and Class B Units.

The Trustee may in its absolute discretion, issue new classes of Units at any time. Different classes of Units may have different terms and rights attached, such as different fees and investment amounts.

2.7 Unit prices

The Unit prices for the Fund will be calculated monthly.

The Application Price of Units in each class is its Unit price (which includes the Buy Spread).

The Withdrawal Price of Units in each class is its Unit price (which includes the Sell Spread).

The current Unit prices for Class A Units and Class B Units are available from the Trustee on request.

2.8 Issue of Units

Units are generally issued monthly at the prevailing Application Price for that class of Units, after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee. The cut-off time for receipt by the Registrar of applications is 2.00pm (Sydney time) on the second last Business Day of a calendar month.

Completed applications received after the cut-off time above will be taken to have been received before the cut-off time on the second last Business Day of the next or subsequent calendar month in which the application is accepted by the Registrar on behalf of the Trustee.

Confirmation of an investment will normally be issued within five Business Days of the investment being processed.

If the Trustee does not receive the Application Money in cleared funds by the cut-off time above and/or is not satisfied that it has received all relevant information required to process the Application Form, the Trustee may refuse to accept a prospective Investor's application.

2.9 *Minimum investment amount*

The minimum initial investment is USD\$100,000. However, the Trustee may accept a lower amount from Investors who meet the criteria for a Qualifying Investor, in its absolute discretion.

Following the minimum initial investment, Investors may invest additional funds in the Fund at the Trustee's discretion.

2.10 *Suggested minimum investment term*

The suggested minimum investment term is two years.

Please note a tiered withdrawal fee may be payable in respect of Units which are withdrawn within 12 months of their issue. Please see section 4.4 for further information.

2.11 *Distributions*

It is intended that distributions will be paid annually, however distributions may be made less frequently. Additionally, where there is income available and the Manager considers it prudent to do so, a distribution may be made at the discretion of the Trustee.

If you elect on the Application Form to receive income distributions from the Fund, income distributions will be paid into your nominated bank account within 30 Business Days after the end of the calendar month in which the distribution was declared, except for the month of June where any distributions declared in that month will be paid within three months of 30 June.

2.12 *Distribution reinvestment plan*

Distributions may be reinvested in the Fund. Investors have the option of choosing whether or not to participate in the Fund's distribution reinvestment plan. Investors can subsequently change this election by contacting the Registrar. If no election is made on the Application Form then an Investor's distributions will automatically be reinvested in the Fund.

The issue price of Units will be the ex-distribution Unit price as on the last day of the calendar month in which the distribution was declared. Units issued as part of a distribution reinvestment plan are generally issued within three Business Days of the reinvestment price being available for the declared distribution.

At any time, the Trustee may notify Investors that the distribution reinvestment option has ceased and that subsequent distributions will be paid in cash into an Investor's nominated bank account and not reinvested.

2.13 *Withdrawals*

While the Fund is liquid, it is intended Units may be withdrawn at the prevailing Withdrawal Price. The minimum withdrawal request is USD\$50,000 per request.

If there is sufficient liquidity to satisfy a withdrawal request, then it will generally be processed on the last Wednesday (that is a Business Day) of each calendar month, provided it is received prior to 2.00pm (Sydney time) on the previous Business Day.

Withdrawal requests received after this cut-off time will generally be processed on the last Wednesday (that is a Business Day) of the following calendar month.

Withdrawal proceeds will generally be paid within 15 Business Days of the end of the calendar month in which the withdrawal request was processed.

Withdrawal requests must be made in writing and addressed to the Registrar. To make a withdrawal request, complete a redemption request form available at <http://www.oneregistryservices.com.au/investors/> and send it to the Registrar.

Please note a tiered withdrawal fee may be payable in respect of Units which are withdrawn within 12 months of their issue. Please see section 4.4 for further information.

2.14 **Leverage**

The Fund may utilise leverage through borrowing and the use of margin financing from prime brokers. Leverage may also be utilised through derivatives to achieve additional exposure to particular investments.

The level of leverage utilised by the Fund may be significant. Investors should note that there are risks associated with the use of leverage. While the use of leverage may increase the potential return on an investment in the Fund, it also increases the level of risk and may result in substantial losses.

The Fund may vary its use of leverage from time-to-time, including in response to changing market conditions. Total gross exposure of the Fund is monitored regularly by the Manager.

The use of leverage can increase the size of any potential gains or losses of the Fund.

The maximum allowable gross leveraged position is 300%. That is for every USD\$1.00 invested, the gross invested position (taking into account all derivatives and cash borrowings) is limited to USD\$3.00.

It is anticipated that gross leverage will generally be maintained between 120% and 200% on an ongoing basis.

Please see section 3.9 for further details on the risk associated with leverage.

As a worked example, if the Fund were to utilise USD\$1,000,000 of its assets to purchase USD\$1,000,000 worth of investments, it is not using leverage and its net and gross positions are equal. If the Fund borrows USD\$3,000,000 and invests this together with the USD\$1,000,000 it holds in assets, it is now using the leverage of 300% and has a gross invested position of USD\$4,000,000.

If the Fund performs positively and its total gross assets increase in value by 5%, then the Fund's gross asset value would equal USD\$4,200,000. This USD\$200,000 gain represents a net gain of 20% on the USD\$1,000,000 invested by the Fund, and results in a net asset value of USD\$1,200,000 (which does not take into account any costs associated with borrowing).

On the other hand, if the Fund performs negatively and its total gross assets decrease in value by 5%, then the Fund's gross asset value would equal USD\$3,800,000. This USD\$200,000 loss represents a 20% net loss on the USD\$1,000,000 invested by the Fund, and results in a net asset value of USD\$800,000 (again, this does not take into account any costs associated with borrowing).

The above examples are for illustrative purposes only and do not represent any actual or anticipated Fund performance. As stated, they do not include the effect of the costs of borrowing, which may be significant.

2.15 *How to invest*

To invest in the Fund you must complete the Fund's Application Form which is available on request from the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au. The Application Form should be completed in accordance with section 8 of this IM.

The completed Application Form, together with your Application Money and supporting documentation, must be forwarded to the Registrar at the address noted on the Application Form.

3. Risks

Like any investment, there are risks associated with investing in the Fund. There are a number of risk factors that could affect the performance of the Fund and the repayment of an Investor's capital. Many risk factors fall outside of the Trustee's and the Manager's control and cannot be completely mitigated.

The following is a non-exhaustive list of the main risks associated with investment in the Fund. Investors should consider and weigh them up carefully and make their own assessment as to whether they are comfortable with them.

Distributions are not guaranteed and neither is the return of Investors' capital.

3.1 *Interest rate risk*

The yield and face value of stocks and commodities can be affected by interest rate movement. Changes in interest rate movement may have a negative impact on the value of your investment and distributions received from the Fund.

3.2 *Regulatory risk*

The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.

3.3 *Trustee and Manager risk*

There is a risk the Trustee may be replaced as trustee of the Fund or its key personnel may change, the Manager may be replaced as investment manager of the Fund or its key personnel may change. Investors should note the Trustee is obliged to retire as trustee of the Fund following a request made by the Manager, pursuant to the Investment Management Agreement. There is also a risk that the Trustee's authorisations or the Manager's authorisations under an AFS Licence may be suspended or revoked.

3.4 *Market risk*

Economic, technological, political or legislative conditions and even market sentiment, can (and do) change and this can mean that changes in the value of investment markets can affect the value of the investments in a fund. Factors that influence markets generally can include business confidence and government and central bank policies including the level and direction of interest rates, natural disasters and man-made disasters beyond the control of the Trustee and the Manager.

3.5 *Individual investment risk*

The value of individual investments may be affected by specific factors relating to the performance of the underlying investment. For example changes in demand for a company's product or service, the profitability of a particular company or industry, consumer demand or strategic management decisions are likely to have an impact on the price of the underlying security. The Manager mitigates this risk by careful stock selection, actively engaging with management (where possible) and ongoing monitoring of the performance of the investee company.

3.6 *Manager risk*

The risk that the Manager or the Manager's investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Manager's ability to generate acceptable returns e.g. loss of key staff. In addition, the Manager may be entitled to a performance fee. Performance fees are dependent upon returns generated. A performance fee incentivises the Manager to endeavour to improve the Fund's performance. However, there is a risk the existence of a performance fee may

encourage the Manager to enter into riskier investments with the object of improving the Fund's performance in the short term.

3.7 Limited track record risk

The Fund is a newly established managed investment scheme and has no track record or past performance.

3.8 Short selling risk

The Fund may be exposed to investment strategies that engage in short selling. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating any loss.

The Manager seeks to manage the risks associated with short selling through its portfolio construction processes. Short positions will be periodically rebalanced, so as to reduce the risk of substantial changes in the price of the short security and exposure limits may be imposed with regards to single stock positions, in order to mitigate potential losses.

3.9 Leverage risk

Leverage may be utilised by the Fund through borrowings, as well as by trading in leveraged instruments as noted below in 'Derivatives risk'. Leverage involves increasing the gross exposure of the Fund and has the effect of magnifying both profits and losses. The higher the degree of leverage employed, the greater the potential for profit or loss. Returns from a leveraged investment will generally be more volatile than returns from an unleveraged investment. Leverage may include both investments in derivatives as well as direct borrowings.

The maximum allowable gross leveraged position is 300%. That is for every USD\$1.00 invested, the gross invested position (taking into account all derivatives and cash borrowings) is limited to USD\$3.00.

It is anticipated that gross leverage will generally be maintained between 120% and 200% on an ongoing basis.

The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund is it could result in a loss to the Fund substantially greater than if the Fund were not leveraged. As a result, if the Fund's losses were to exceed the amount of capital invested, then the Fund's assets could be entirely dissipated and Investors could incur a total capital loss.

3.10 International investment risk

The Fund may invest in a range of international securities, in companies that have exposure to a range of international economies and OTC derivatives that based on different currency pairs. Global and country specific macroeconomic factors may impact the Fund's international investments. Governments may intervene in markets, industries, and companies; may alter tax and legal regimes; and may act to prevent or limit the repatriation of foreign capital. Such interventions may impact the Fund's international investments.

3.11 Concentration risk

Investors have the flexibility to design their portfolio of investments as they see fit. However, Investors should be aware of the risk of concentrating on similar or correlated assets. Concentration risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected.

3.12 General economic risks

General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.

3.13 Taxation risk

The returns to Investors may be affected by changes to taxation legislation. Changes to taxation legislation may necessitate a change to the Fund's structure to ensure Investor interests are protected.

3.14 Currency risk

The Fund has exposure to investments denominated in currencies other than US Dollars. Currency risk is the risk that fluctuations in exchange rates between the US Dollar and foreign currencies impact the value of the Fund's foreign investments. The Fund seeks to reduce this risk by hedging its currency exposure. The currency hedging employed by the Manager may not completely remove the risk of currency exposure causing an adverse impact on an investor's investment return. Hedging also reduces the opportunity to profit from favourable currency movements. Furthermore, costs will be incurred in implementing any hedging strategy.

3.15 Key person risk

Key individuals involved in the management of the Fund may change, which may affect the future performance of the Fund, and the Fund's ability to achieve its investment objectives. The Manager actively manages this risk by its quantitative investment approach. The Manager has systematically programmed its investment strategy and executes trading orders through algorithm trading, which is intended to reduce reliance on key individuals to make the day-to-day investment decisions.

3.16 Prime broker risk

As detailed in section 2.3(g), the Fund may appoint a number of prime brokers to provide broking, stock lending and other services.

The Fund will be subject to the risk of default, insolvency or fraud by a prime broker. There can be no assurance that any money advanced to a prime broker will be repaid or that the Fund would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Fund to a variety of risks including theft, loss and destruction.

Cash held or received for the Fund by or on behalf of prime brokers will not be treated as client money and might not be subject to the client money protections conferred by law. Accordingly, the Fund's cash might also be collateral and might not be segregated from the cash of prime brokers. Consequently, such cash may be used by prime brokers during its business and the Fund will rank as a general creditor in the event of prime brokers' insolvency.

3.17 Fund risk

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other Investors.

3.18 Liquidity risk

While the Fund is liquid, it is intended Units may be withdrawn at the prevailing Withdrawal Price. The minimum withdrawal request is USD\$50,000 per request. However, there are no rights to withdraw your investment in the Fund or to require us to repurchase your investment. In addition,

there will not be any established secondary market for Units. However, Investors may be able to transfer their Units to another person, subject to the approval of the Trustee at its discretion.

Additionally, abnormal or difficult market conditions may cause some normally liquid assets to become illiquid and restrict our ability to sell them and to make withdrawal payments for Investors without significant delay.

3.19 *Default risk*

Issuers or entities upon which the Fund's investments depend may default on their obligations, for instance by failing to make a payment due on a security or by failing to return principal. Such parties can include the issuers of securities held by the Fund such as depositary receipts. Counterparties to the Fund may default on a contractual commitment to the Fund. Counterparties may include over-the-counter derivatives counterparties, brokers (including clearing brokers of exchange-traded instruments), stock lending counterparties, foreign exchange counterparties, as well as the Fund's prime broker. Default on the part of an issuer or counterparty could result in a financial loss to the Fund.

3.20 *Derivative risk*

Derivative instruments may be used to hedge existing exposures or to access certain markets. The use of derivatives may expose the Fund to risks including counterparty default, legal and documentation risk, and the risk of increased sensitivity of the Fund's unit price to underlying market variables through leverage. Leverage has the effect of magnifying both gains and losses. The Fund may utilise derivatives such as futures, swaps and contract for difference agreements in order to achieve its investment objectives.

While the Fund may also utilise derivatives for hedging purposes to reduce the risk associated with an investment, it cannot be guaranteed that hedging will always be successful. The value of a derivative may not move in line with the underlying asset. In addition, a derivative may be illiquid or the counterparty to a derivative contract may fail to meet their contractual obligations. This may have an adverse effect on the value of the Fund's investments.

3.21 *Income risk*

The Fund's capacity to distribute income is determined by the performance of the Fund and general market conditions. As a result, there is no guarantee that you will receive any income. This is not a fixed income product. Further, the Fund allows for periodic distributions. If, during a financial year, the Fund pays out total distribution of net income which exceeds the total net taxable income for the particular financial year, the excess you receive may be treated as a return of capital rather than income. This may have tax implications for you. You should obtain your own taxation advice before investing in the Fund.

3.22 *Regulatory and legal risk*

Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund's ability to execute its investment strategies. Such initiatives impact either a specific transaction type or market, and may be either country specific or global. Such changes may result in the Fund failing to achieve its investment objectives. For example, changes to short-selling restrictions, taxation, financial, regulatory and money laundering laws, may adversely affect the Fund. Short-selling restrictions could limit the investment activities of the Manager and affect its ability to implement the Fund's investment strategy. Similarly, laws affecting registered managed investment schemes (including taxation and corporate and regulatory laws) may change in the future, affecting investors' rights and investment returns. Further to this, differences in laws between countries or jurisdictions may make it difficult to enforce legal agreements entered into on behalf of the Fund.

We strongly recommend that Investors obtain independent financial advice before investing in the Fund.

4. Fees and costs

4.1 *Application fee*

An application fee of 1% of an Investor's gross investment monies, paid to the Manager.

This fee is not payable from the assets of the Fund and instead is deducted from an Investor's gross investment monies at the time of the Investor's initial investment or any additional investments in the Fund. This means the Investor will then be issued with the amount of Units represented by their Application Money as at the prevailing Application Price (i.e., gross investment monies minus the establishment fee and GST, if any).

An application fee will not be charged on the reinvestment of distributions.

4.2 *Trustee fee*

The Trustee is entitled to a fee payable out of the assets of the Fund. This fee is equal to 0.08% per annum of the gross value of the Fund's assets, subject to a minimum annual fee of USD\$45,000 (indexed to the higher of 3% or CPI on 1 July each year). This fee is calculated monthly and is payable monthly in arrears.

4.3 *Management fee*

The Manager is entitled to a fee payable out of the assets of the Fund. This fee is equal to 2% per annum of the gross value of the Fund's assets. This fee is calculated monthly and is payable monthly in arrears.

4.4 *Withdrawal fee*

Investors who withdraw Units within 12 months of their date of issue may be subject to a tiered withdrawal fee, payable to the Manager. If payable, then the withdrawal fee will be paid from an Investor's gross withdrawal proceeds. This means the Investor will receive an amount equal to the gross withdrawal proceeds referable to those Units less the applicable withdrawal fee, and GST (if any).

If, at the time of the withdrawal request, the prevailing Unit price of a class is less than 80% of the Unit price of the same class on the day the Units were issued (Unit Price Condition), then no withdrawal fee is payable despite the withdrawal request occurring within 12 months of the date of issue.

If the Unit Price Condition does not apply, then the relevant withdrawal fee is calculated as follows:

- (a) If the Units are withdrawn within 6 months of the date those Units were issued, then the Manager will charge a withdrawal fee of 3% of the gross amount of the withdrawal monies referable to those Units.
- (b) If the Units are withdrawn on or after 6 months but within 12 months of the date those Units were issued, then the Manager will charge a withdrawal fee of 2% of the gross amount of the withdrawal monies referable to those Units.
- (c) If the Units are withdrawn on or after 12 months of the date those Units were issued, then no withdrawal fee will be charged in respect of those Units.

4.5 *Performance fee*

The Manager may be entitled to a performance fee in respect of each distribution period during the term of the Fund. The performance fee will vary as between Class A Units and Class B Units.

The performance fee will be calculated by reference to the Return to Investors in respect of each class of Units. Return means the total return (both income and capital growth) received or to be received by Investors in respect of their investment in the particular class of Units (having regard

to a number of actual or anticipated cashflows, including any distributions paid to Investors in that class to date, fees and expenses payable to the Trustee and the Manager (other than the performance fee), and other costs of the Fund).

(a) Class A Units

Provided the calculation results in a positive amount, the Manager is entitled to a performance fee equal to 50% of the Return to holders of Class A Units over the relevant distribution period.

If payable, this performance fee will be paid from the assets of the Fund that are referable to Class A Units.

(b) Class B Units

Provided the calculation results in a positive amount, the Manager is entitled to a performance fee equivalent to 100% of the amount by which the Return to holders of Class B Units exceeds the Class B Benchmark over the relevant distribution period. The Class B Benchmark is equal to an annualised return of 6% over the relevant distribution period on the amount invested by the holders of Class B Units in the Fund. The Class B Benchmark is calculated pre-taxation but after the payment of all other fees payable to the Trustee and the Manager (apart from the performance fee) and other costs of the Fund.

If payable, this performance fee will be paid from the assets of the Fund that are referable to Class B Units.

During the term of the Fund, the length of each distribution period will be determined by the Trustee in its discretion, in consultation with the Manager.

A performance fee will also be calculated if the Manager's appointment is terminated by the Trustee in either of these circumstances—

- (a) where the Trustee decides to terminate the Manager's appointment in circumstances where it ceases to be the trustee of the Fund, or
- (b) a special resolution is passed by unitholders at a properly convened unitholders' meeting of the Fund directing the Trustee to terminate the Manager's appointment.

4.6 **Trustee removal fee**

The Trustee is entitled to be paid a removal fee if—

- (a) it is removed as trustee of the Fund within four years of the issue of the first Unit under this IM, other than for gross negligence or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
- (b) it retires as trustee of the Fund within four years of the issue of the first Unit under this IM at the request of the Manager in accordance with the Investment Management Agreement.

The amount of this fee is the amount of Trustee fees the Trustee would have received if it had remained the trustee of the Fund for four years from the issue of the first Unit in the Fund under this IM. It is determined based on the gross value of the assets of the Fund at the time that the Trustee is removed or retires.

If the Trustee removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the assets of the Fund

4.7 *Manager removal fee*

Under the Investment Management Agreement, the Manager is entitled to be paid a removal fee if the Manager's appointment as investment manager is terminated by the Trustee in either of these circumstances—

- (a) where the Trustee decides to terminate the Manager's appointment in circumstances where it ceases to be the trustee of the Fund, or
- (b) a special resolution is passed by unitholders at a properly convened unitholders' meeting of the Fund directing the Trustee to terminate the Manager's appointment.

The amount of this fee will be the total amount of the management fees that the Manager would have received had it been the investment manager of the Fund for a period of four years from the date of termination.

If the Manager removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the assets of the Fund.

In addition, as detailed in section 4.5 the Manager may be entitled to be paid a performance fee if it is removed as investment manager of the Fund.

4.8 *Administrator removal fee*

The Administrator, an associated company of the Trustee, has been appointed to provide fund accounting and taxation services to the Fund, subject to a minimum four year engagement term. If its appointment in relation to the Fund is terminated within four years of the commencement of its engagement then the Administrator is entitled to be paid a removal fee.

The amount of the removal fee will depend upon on how long the Administrator has been appointed for, as at the time of termination:

- (a) If one year or less, an amount equal to eight times the fees for the month prior to termination.
- (b) If more than one year but less than two years, an amount equal to six times the fees for the month prior to termination.
- (c) If more than two years but less than three years, an amount equal to four times the fees for the month prior to termination.
- (d) If more than three years but less than four years, an amount equal to two times the fees for the month prior to termination.

If the Administrator removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the assets of the Fund.

4.9 *Operating costs and expenses*

The Trustee and the Manager are entitled to be paid or reimbursed for operating costs and expenses associated with the operation of the Fund, such as the costs associated with the administration or distribution of income, the Administrator's fee, the Registrar's fee, fees to other service providers and other expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Fund.

4.10 *Buy/Sell Spread*

The Buy/Sell Spread reflects the Manager's estimate of the transaction costs expected to be incurred by the Fund in buying and selling underlying assets as a result of investments in, and withdrawals from, the Fund. The purpose of the Buy/Sell Spread is to ensure those Investors transacting in Units at a particular time bear the costs of buying and selling the Fund's assets as a consequence of their transaction. The Buy/Sell Spread is an additional cost to Investors and it is not a fee paid to any party, but is instead retained as an asset of the Fund.

As at the date of this IM, the Buy/Sell Spread is 0.3% for the Fund.

4.11 Goods and services tax

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST.

The Fund may not be entitled to claim a full input tax credit in all instances.

4.12 Fee changes

The Constitution allows for higher fees to be charged than those detailed and specifies circumstances where additional fees may be charged. The Trustee will provide Investors with at least 30 days' written notice of any such fee imposition or increase.

4.13 Waiver, deferral or rebate of fees and expenses

The Trustee or the Manager may, in its absolute discretion, accept lower fees or expenses than it is entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Manager or Trustee may waive, negotiate or rebate their fees, for example, in the case of a large investment amount.

5. Taxation information

Neither the Manager nor the Trustee provide financial or tax advice, nor have they obtained taxation advice specific to the Offer the subject of this IM. As such, this IM cannot address all of the taxation issues which may be relevant to the Investor. The Investor must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.

6. Additional Information

6.1 *Summary of Important Documents*

The following is a summary of material documents relevant to the Fund. The material documents are:

- (a) Constitution.
- (b) Investment Management Agreement.

You should consider whether it is necessary to obtain independent advice on any of the documents.

Constitution

The Constitution is the primary document governing the relationship between the unitholders and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an unitholder you have the following rights:

- (a) The right to share in any distributions.
- (b) The right to attend and vote at meetings of unitholders.
- (c) The right to participate in the proceeds of winding up of the Fund.

The Trustee can amend the Constitution without unitholders' approval.

A copy of the Constitution is available free of charge by calling the Trustee on (02) 8277 0000.

Investment Management Agreement

The Investment Management Agreement is between the Manager and the Trustee under which the Manager provides investment management services to the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Manager's obligations to report to the Trustee, and the agreement sets out the fees payable to the Manager for its services.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent.

The Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

A copy of the Investment Management Agreement is available free of charge by calling the Trustee on (02) 8277 0000.

6.2 *Reporting*

Our reporting will comprise the following:

- (a) An investment confirmation upon issuing Units.
- (b) A quarterly periodic performance update report at the discretion of the Trustee.

- (c) An annual income distribution detailing any investment and distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 90 days of the end of each financial year.

Annual financial reports of the Fund will be made available at www.oneinvestment.com.au/InnoQuantum. They will not be sent to you unless requested.

6.3 Related party transactions

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Constitution, ASIC policy and the law.

The Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Manager are negotiated at arm's length between the parties.

The Trustee may from time-to-time enter into transactions with related entities. All transactions will be effected at market rates or at no charge.

The Trustee has appointed the Administrator, an associated company, to provide fund accounting and taxation services to the Fund pursuant to an administration agreement under which the Administrator provides administration services for day-to-day operations of the Fund. These services include fund accounting, Unit pricing, reporting and preparation of statutory accounts. The Trustee has appointed the Registrar, a related party, for unit registry services in respect of the Fund. The Trustee has appointed these parties in consultation with, and with agreement from, the Manager.

6.4 Change of trustee

A change of trustee for the Fund requires unitholders to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by unitholders entitled to vote (including unitholders who are not present in person or by proxy).

6.5 Conflicting Investor interests

Investors may have conflicting investment tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets. Conflicts may arise in connection with decisions made by the Trustee or the Manager regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters or the potential to provide co-investment opportunities, as described above. In structuring, acquiring and disposing of investments the Trustee and the Manager may consider the investment and tax objectives of the Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

6.6 Privacy

In applying to invest, you are providing the Trustee and the Manager with certain personal details (your name, address etc.). The Trustee uses this information to establish and manage that investment for you.

Under the Privacy Act 1988 (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office or the Australian Transaction Reports and Analysis Centre.

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) or in connection with the holding of Application Money. The Trustee may also use your information to provide you with details of future investment offers made by it or the Manager.

6.7 *Anti-money laundering law*

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not issue you with Units unless satisfactory identification documents are provided.

6.8 *Foreign Account Tax Compliance Act (FATCA)*

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with relevant FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the Australian Taxation Office. In order for the Fund to comply with relevant obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). We will only use such information for this purpose from the date the Fund is required to do so.

6.9 *Ethical considerations, labour standards and environmental impact*

Whilst the Manager and the Trustee intend to operate the Fund in an ethical and sound manner, the Fund's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations.

6.10 *No cooling-off period*

Investors should note that no cooling-off period will apply to applications.

6.11 *Complaints handling*

The Trustee has a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Trustee at:

Telephone: (02) 8277 0000
 Email: complaints@oneasset.com.au
 Post: Complaints Officer
 One Investment Group
 PO Box R1471
 Royal Exchange, NSW 1225

Complaints will be acknowledged as soon as possible and will be dealt with within 45 days.

6.12 *Common Reporting Standard (CRS)*

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for non-tax residents that invest in certain financial accounts. The standard covers both the

identification of non-tax residents and reporting on the applicable financial accounts. The Trustee will be a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

The CRS regime will take effect on 1 July 2017, with the first exchange of information to occur in 2018.

7. Glossary

Act	Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act 2001 (Cth).
ADI	Authorised deposit-taking institution.
Administrator	Unity Fund Services Pty Ltd ACN 146 747 122.
AFS Licence	Australian Financial Services Licence.
Application Form	The application form to invest in the Fund.
Application Money	The money paid by an applicant for Units (and excludes any amounts paid to the Manager for the application fee).
Application Price	The price of Units on application (including the Buy Spread).
APRA	Australian Prudential Regulation Authority.
ASIC	Australian Securities and Investments Commission.
Buy/Sell Spread	The Buy Spread and the Sell Spread, which at the date of this IM is 0.3%.
Buy Spread	The estimated cost charged to acquire Units.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Class A Unit	A Unit in the class denominated in US Dollars known as Class A Units.
Class B Benchmark	An annualised return of 6% over the relevant distribution period on the amount invested by the holders of Class B Units in the Fund.
Class B Unit	A Unit in the class denominated in US Dollars known as Class B Units.
Constitution	The constitution of the Fund, as amended from time to time.
CPI	The consumer price index as defined in the Constitution.
Fund	Inno Quantum Global Alpha Fund.
IM	This information memorandum.
Investment Management Agreement	The investment management agreement between the Trustee and the Manager dated on or about the date of this IM.
Investor	A person who has acquired Units.
Manager	Inno Quantum Capital Management Pty Ltd ACN 612 928 560.

Offer	The offer under this IM to acquire Units.
OIG	One Investment Group.
Qualifying Investor	A wholesale client as defined in section 761G (7) of the Act or a sophisticated investor as defined in section 761GA of the Act.
Registrar	One Registry Services Pty Limited ACN 141 757 360.
Return	The total return (both income and capital growth) received or to be received by Investors in respect of their investment in the particular class of Units (having regard to a number of actual or anticipated cashflows, including any distributions paid to Investors in that class to date, fees and expenses payable to the Trustee and the Manager (other than the performance fee), and other costs of the Fund).
Sell Spread	The estimated cost to withdraw Units.
Trustee	One AR Pty Ltd ACN 602 601 776.
Unit	A fully paid unit in the Fund, which at the date of this IM includes a Class A Unit and a Class B Unit.
Unit Price Condition	Where, at the time of a withdrawal request, the prevailing Unit price of a class is less than 80% of the Unit price of the same class on the day the Units were issued.
Withdrawal Price	The price of Units on withdrawal (including the Sell Spread).

8. How to invest

8.1 *Before completing the Application Form you should read this IM carefully.*

Please pay particular attention to all of the risk factors in section 3 of this IM. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional advisor before deciding whether to invest in the Fund.

The Application Form is provided separately. Please contact the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au.

8.2 *How to invest*

For an application to be considered, you must complete and return your Application Form and pay the Application Money. You can pay the Application Money by returning the Application Form with a cheque for the proposed investment amount or note that the Application Money has been transferred by electronic funds transfer. More details of how to apply are contained in the Application Form.

You are requested to provide your Tax File Number (TFN), Australian Business Number (ABN) or exemption code, and failure to quote an ABN or TFN will result in tax being withheld by the Trustee on distributions paid to the Investor at the highest marginal tax rate plus Medicare levy. It is not compulsory for you to quote your TFN or ABN.

The Trustee has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then the Trustee will notify you in writing and arrange for return of your Application Money to you. Interest will not be paid to applicants on Application Money. If your application to invest in the Fund is accepted, then interest earned on your Application Money will be retained by the Trustee. If your application to invest in the Fund is not accepted, then your Application Money will be returned to you (without interest).

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of the IM. A brief summary of the Constitution is included at section 6.1 of this IM.

8.3 *Application Form instructions*

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Trustee. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title shown below.

The Application Form should be signed by the applicant. If a joint holding, all applicants should sign. If signed by the applicant's attorney, a certified copy of the power of attorney must be attached to the Application Form. If executed by a company, then the form must be executed in accordance with the applicant's constitution and the Act.

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	My John David Smith <J D Smith Family A/C>	John Smith Family Trust

Type of investor	Correct form	Incorrect form
Deceased estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <J Smith Super Trust A/C>	John Smith Superannuation Trust