

Lakehouse Capital

Standing Waiver of Minimum Investment Amount Recommendation for Lakehouse Small Companies Fund

DOCUMENT CONTROL

Owner	Chief Compliance Officer, Lakehouse Capital Lakehouse Relationship Officer, One Investment Group
Relates to	Waiving of minimum investment amount stated in Lakehouse Small Companies Fund offer document
Primary Rules / Rationale	Investor experience and application processing efficiency
Last Updated	01 July 2020 (review annually)

Audience:

Lakehouse Capital, OMIFL and One Registry employees, plus any other relevant parties within One Investment Group as determined by OIG's Lakehouse Relationship Officer.

Background:

Lakehouse Capital manages two unlisted managed funds: Lakehouse Small Companies Fund and Lakehouse Global Growth Fund. Given the high minimum investment amount set for Lakehouse Small Companies Fund, both Lakehouse and OIG have received a number of requests to waive the minimum investment amount. Under the IMA for the Fund, a waiver of the minimum investment amount can be considered on a case by case basis.

The procedure is that Lakehouse must make a recommendation to OMIFL as RE of the Fund. To improve consistency, fairness and timeliness of responses, Lakehouse is providing a standing recommendation to OMIFL via this policy.

Purpose:

In relation to investor's application in Lakehouse Small Companies Fund, provide a standing recommendation in respect of OMIFL exercising its discretion as RE to waive the minimum investment amount stated in the Lakehouse Small Companies Fund offer document so that it's clear which requests can be 'automatically' waived, and when a request should be referred for 'further consideration'.

What is the minimum investment amount:

The offer document for Lakehouse Small Companies Fund states a minimum initial investment amount of \$100,000.

Notwithstanding the minimum investment amount, in the offer document the Responsible Entity states: *"we may accept lesser application amounts at our discretion."* *"The Responsible Entity reserves the right to accept or reject any applications in its absolute discretion."*

Legislative Requirements:

- **Corporations Act (2001):** The Act seeks to ensure investors are in a position to make informed financial decisions.
- **Common Law obligations:** In addition to the Corporations Act, common law fiduciary duties apply to those clients to whom we provide advice.

Principles:

We recognise that Lakehouse Funds may appeal to a broad range of potential investors at different stages of their life, and we seek to be mindful of this in establishing thresholds and policies which are respectful of both current and applicant investors. Lakehouse wants to be consistent in the recommendations provided to the RE and assist the RE to make timely decisions to improve the investor experience.

Standing Recommendation:

Lakehouse recommends the minimum investment amount 'automatically' be waived where any of the following criteria applies:

1. An applicant investor, and/or any associated entities, is **already an investor** in Lakehouse Global Growth Fund and intends to invest an additional \$50,000 or more, in Lakehouse Small Companies Fund.
2. An applicant investor, and/or any associated entities, are a **Motley Fool member** and intends to invest \$50,000 or more.
3. An applicant investor, and/or any associated entities, states they **will meet the minimum investment amount (via top ups) within a 12 month period.**
4. An applicant investor, and/or any associated entities and household members, **is an employee of Lakehouse Capital or the broader family of The Motley Fool companies.**
5. An applicant investor intends to invest a combined \$75,000 across Lakehouse Small Companies Fund and Lakehouse Global Growth Fund.

If an applicant investor does not meet any of the above criteria, the request for waiver of the minimum investment amount should be referred to Lakehouse where additional consideration will be given to their specific circumstances, which may include: the investor's stage of life, whether they are a current or former subscriber to a Motley Fool newsletter service, and any other considerations Lakehouse considers appropriate from time to time.

Any decision to waive a minimum investment amount, outside of items 1-5 above, will be made in consultation with One Investment Group as the issuer and responsible entity of the relevant Lakehouse Fund. For the avoidance of doubt, Lakehouse may only provide a recommendation, One Investment Group will have final say.