

SANDON CAPITAL

INFORMATION MEMORANDUM

Sandon Capital Activist Fund

APIR FHT0010AU

21 January 2025

Investment Manager

Sandon Capital Pty Ltd
ABN 98 130 853 691 | AFSL 331663
Level 5 139 Macquarie Street
Sydney, NSW 2000 Australia
www.sandoncapital.com.au

Trustee

One Fund Services Limited
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Before you start

THIS IS IMPORTANT

This Information Memorandum is an important document and you are encouraged to read it carefully.

One Fund Services Limited ABN 56 615 523 003 | AFSL 493421 (**Trustee**) is the trustee of the Sandon Capital Activist Fund (the **Fund**). Sandon Capital Pty Ltd ABN 98 130 853 691 | AFSL 331663 (**Sandon Capital, Investment Manager, we, us**) is appointed by the Trustee as the investment manager and promoter of the Fund.

Sandon Capital is an activist investor. It endeavours to unlock value in undervalued companies by taking a proactive and hands on approach to improving the corporate governance, capital management and strategic direction of the companies the Fund invests in.

WHOLESALE ONLY

This investment is available to wholesale investors only (that is, wholesale clients – the Corporations Act defines this, but for this fund this does not include sophisticated investors). The Fund is an Australian resident open-ended unit trust. It is a ‘managed investment scheme’, but it is not registered by the Australian Securities and Investments Commission (**ASIC**) or any other regulator.

RISKS, THE PAST AND THE FUTURE

This investment is relatively liquid in normal market conditions and has a medium to higher risk profile generally commensurate with the broader Australian sharemarket. You can lose as well as make money. Neither the capital you invest, nor any return, is guaranteed.

This Information Memorandum may include past performance information. Past performance information is given

for illustrative purpose only and should not be relied upon as (and is not) an indication of future performance.

This Information Memorandum 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 Information Memorandum, including 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 often 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 Information Memorandum. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

THINGS CAN CHANGE

This document is subject to change from time to time. The Trustee will tell you if it changes you by sending you a replacement or supplementary document. Updated information can be obtained by going to:

<https://www.oneinvestment.com.au/>

or

www.sandoncapital.com.au

or by contacting the Trustee or the Investment Manager.

GET ADVICE

This Information Memorandum does not take into account your personal circumstances, and you are encouraged to seek professional advice before investing.

The Trustee and the Investment Manager are not responsible for any advice or information given, or not given, to prospective applicants by any party (other than the Investment Manager) distributing this product and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from prospective applicants relying on any information that is not in this Information Memorandum.

DOCUMENTS

The Fund's trust deed (or constitution) (the **Trust Deed**) establishes the Fund, and together with certain laws as amended from time to time, governs the relationship which the Trustee has with you as an investor in the Fund.

This Information Memorandum is intended to provide potential Investors with information only and does not constitute a product disclosure statement, prospectus or other disclosure document required by the Act. This Information Memorandum has not been lodged with ASIC or any other government body.

This Information Memorandum complies with Australian laws and may not meet the requirements of laws in other countries. It follows that the offer made in this Information Memorandum is available only to persons receiving this Information Memorandum in Australia (electronically or otherwise).

AUSTRALIA ONLY

This Information Memorandum 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 Information Memorandum in any jurisdiction other than Australia may treat it as constituting an offer to acquire units. In particular, this product has not been and will not be registered under the United States of America (**US**) Securities Act or the securities laws of any state of the US and may not be offered, sold, delivered or transferred in the US or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this Information Memorandum nor any Application Form or other material relating to this product may be distributed in the US.

WHAT ELSE?

Investors may access the Fund through selected administration platforms such as a wrap account, a managed discretionary service or an investor directed portfolio service (an **Administration Platform**). Platform operators may rely on this Information Memorandum and make it available to their clients.

If you received this Information Memorandum electronically, you can request a paper copy free of charge from the Investment Manager anytime.

Unless otherwise stated, all figures are in Australian dollars and are inclusive of the net impact of GST.

ASIC takes no responsibility for the contents of this Information Memorandum.

1. Snapshot

Name	Sandon Capital Activist Fund.
Codes	APIR FHT0010AU.
Fund inception	4 September 2009.
Investment Manager	Sandon Capital Pty Ltd ABN 98 130 853 691 AFSL 331663.
Trustee and custodian	One Fund Services Limited ABN 56 615 523 003 AFSL 493421.
Registrar	One Registry Services Pty Ltd ABN 69 141 757 360.
Administrator	Unity Fund Services Pty Ltd ABN 16 146 747 122.
Investment strategy	To extract and enhance value from investing in listed companies and trusts by engaging in shareholder 'activism'.
Investment objective	The Investment Manager targets investment in securities which it believes can double in value over a 5 year period and aims to generate attractive risk-adjusted capital growth with some income.
Major asset class	ASX-listed securities. Refer to "what does the Fund invest in?" for further details.
Risk profile	Medium to higher risk.
Investment timeframe	3 or more years
Investor types	Investors can be any type: individuals, family trusts, companies or super funds.
Investment restrictions	The Fund is available to wholesale clients as defined in section 761G(7) of the Act, but for this fund this does not include sophisticated investors.
How to apply	info@oneregistryservices.com.au or by calling +61 2 8188 1510.
Minimum initial investment	\$250,000 or any lesser amount the Trustee agrees.
Minimum additional investment	\$50,000 or any lesser amount the Trustee agrees.
Minimum withdrawal	\$50,000 or any lesser amount the Trustee agrees.
Minimum balance	\$250,000 or any lesser amount the Trustee allows.
Application processed	Each Sydney business day.
Withdrawals processed	Quarterly (at the end of December, March, June and September) subject to a one month notice period.
Withdrawal restrictions	Yes, potentially where: <ul style="list-style-type: none"> ■ (uncertainty) price cannot be calculated, ■ (gating) more than 20% of the Fund is sought to be withdrawn in a quarter (withdrawals are then pro-rated), or ■ (Fund protections) if in investors' best interests.
Ongoing fee	1.54% per annum of gross assets, calculated and paid monthly in arrears excluding any borrowing.
Performance fee	15.375% of any performance above Benchmark, calculated and paid monthly, with the protection of a high-water mark.
Benchmark	The 1 month Bank Bill Swap Rate BBSW (Mid) published by ASX.
Income Distributions	Annually, as at 30 June.
Distribution Reinvestment	Yes. Any distributions will be automatically reinvested unless you tell the Trustee otherwise. If you would like to receive distributions in cash, please make this selection on the application form. You can change your preference at any time by advising the Trustee in writing.

2. What the Fund does

AN ACTIVIST APPROACH

Sandon Capital believes that being an active owner of the companies and trusts in which the Fund invests can lead to superior investment returns. Being an active owner means Sandon Capital seeks to engage with the boards and management of the companies the Fund invests in, as well as other stakeholders, including shareholders, to identify opportunities that may enhance and extract value in those companies for the benefit of all shareholders. This approach is commonly known as “activist investing”.

An Australian-based activist investment firm, Sandon Capital, established the Sandon Capital Activist Fund in 2009 to apply its activist investment approach.

Sandon Capital endeavours to unlock and enhance value in undervalued companies by taking a proactive and hands on approach to improving the corporate governance, capital management and strategic direction of the listed companies and trusts the Fund invests in.

Sandon Capital believes investor activism is generally best applied to situations where investor value has been materially compromised or where there is a persistent failure to deliver. It seeks to identify investments which can be bought for less than what it considers to be their intrinsic value, and which it considers are likely to benefit from active engagement.

ACTIVISM IN ACTION

The Fund invests in particular companies and trusts identified by Sandon Capital where it believes there is inherent value and that, by seeking change, Sandon Capital can create, enhance or extract that value.

Sandon Capital engages with directors, management and other stakeholders, with a view to persuading them that changes proposed by Sandon Capital will lead to increased market prices and a narrowing of the gap between the market price and its intrinsic value.

It is no surprise that poor governance is often at the top of an activist investor’s watch list, as an activist strategy is often undertaken in the presence of a management or a board acting sub-optimally, to the detriment of shareholders (who are the underlying owners of the shares or units).

Sandon Capital seeks to work with boards and management, but will also act independently of the board, often working closely with other investors in order to generate support to strengthen the push for change.

Each and every investment opportunity is different and there is no single formula for activism. Investor activism is not just about corporate governance. Australian share and unit holders have, through the Corporations Act, one of the most shareholder-friendly legal and regulatory frameworks globally.

Activist activities with this framework may include:

- board/trustee liaison,
- seeking information,
- calling for investor meetings,
- putting forward shareholders' resolutions,
- attending meetings and exercising corporate actions,
- seeking the removal of a director,
- nominating directors,
- requiring shareholders' statements be distributed,
- voting on remuneration reports,
- seeking to enforce legal rights,
- influencing public profiles, and
- liaising, acting with and influencing other stakeholders such as other investors, industry associations, regulators and the ASX, investment managers and financiers.

These are very much the public face of activism. However, the work of an activist often takes place behind closed doors. Lobbying boards and management privately for a particular course of action can be far more productive than taking a very public route. However, such private approaches do not always work.

It is important when formulating a strategy for a particular company within the portfolio that other shareholders are likely to support it. If an alternative strategy cannot obtain support from other shareholders, then it is likely the strategy needs more work. Sometimes though, support can be difficult to garner because of investors' differing investment objectives. For example, sometimes retail and institutional investors may have different time horizons for their investments. Despite the efforts of the Investment Manager, there is no guarantee its activist campaigns will succeed.

INVESTMENT STRATEGY

The Fund seeks to invest in opportunities that are considered by Sandon Capital to be trading below their intrinsic values and that offer the potential of being positively influenced by Sandon Capital taking an active role in proposing changes in key areas including:

- corporate governance,
 - capital management,
 - strategic and operational issues, and
 - management arrangements,
- and other related activities.

Although activism is at the core of what the Investment Manager does for the Fund, other strategies may be deployed from time to time, including merger arbitrage and other market-based opportunities, where the Investment Manager considers the potential risk adjusted returns are attractive.

WHAT DOES THE FUND INVEST IN?

The Fund's focus is to invest in companies and trusts listed on the Australian Securities Exchange (the **ASX**) that Sandon Capital considers to be undervalued and which offer the opportunity for value uplift through an activist investment management strategy.

Positions may also be taken in companies where the activist potential is limited, where the Investment Manager considers that such a position takes the Fund forward to achieving its stated objectives.

Unlisted investment positions – activist and otherwise – are possible.

Some exposure to debt investments (such as debentures or corporate notes) is also possible. From time to time, cash holdings may be very significant.

Up to 15% of portfolio value may be represented by international (or offshore) exposure. The Fund may use derivatives to hedge risk and to obtain investment exposure. The Fund may short sell and can borrow. Details are below.

A CONCENTRATED PORTFOLIO

An active engagement strategy is hands on and time-consuming, often with strategic positions being taken and grown. As a result, the Fund's mature portfolio is relatively concentrated.

This Fund should be considered relatively concentrated. It does not offer the same levels of diversification as other more traditional equity funds.

The overall portfolio varies in terms of numbers of positions, and may comprise 15 to 20 investments, sometimes more.

The Fund typically is focussed in value terms on 5 or 6 key positions, which may comprise 50% or more of the portfolio.

It is usually these handful of investments which are the focus of activist engagement at any one time.

A typical holding period might be between 1 and 3 years. Some investments may be held for far longer.

The Fund may also hold significant proportions of its assets in cash. This may be the result of Sandon Capital building a position in a target investment, having recently sold down an investment, or as a result of having the view that cash represents a better alternative to being invested at that point.

PORTFOLIO GUIDELINES

The portfolio guidelines are:

Guidelines	As a % of gross assets	
	Min	Max
Cash or cash equivalents	1%	100%
Securities	0%	99%
Generally, any single security at initial purchase cost		7.5%
But with the following higher limits for a security whose underlying assets comprise:		
⇒ 25% - 50% liquid securities		10%
⇒ 50% - 100% liquid securities		15%

	As a % of securities on issue
Generally, the Fund will limit its relevant interest in an investment to:	19.99%

By **liquid securities** we mean investments that are listed on a recognised securities exchange or that can be readily liquidated.

Stock holdings may move between the minimum and maximum ranges stated above quickly and without notice to you. If price movements cause any securities to exceed these guidelines, the Investment Manager may determine that it is appropriate to allow the weighting to increase as price changes.

Generally, though not always, if a security price rises to account for more than 25% of the gross assets of the Fund, the Investment Manager will take steps to reduce the exposure below 25%.

The guidelines above are general guidelines for portfolio construction. The Investment Manager retains ultimate discretion on portfolio construction. By contrast, borrowing and leverage limits (described later) are hard limits.

INTERNATIONAL EXPOSURE

Up to 15% of the portfolio value may be invested in international (or offshore) exposure either in stocks listed on recognised exchanges or in unlisted stocks. The Investment Manager has a broad discretion in this regard. As well as equity exposure, the international exposure could also be invested in debt or cash and cash equivalents.

The geographical focus of offshore investment is expected to be in advanced economies, with exposure to developing and emerging economies being selected where the investment case is considered compelling.

If market movements cause guidelines to be exceeded, then exposure will be reduced as soon as is practicable.

DERIVATIVES

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. Derivative types may include for example, futures, swaps and options. Instruments may be exchange traded or 'over the counter'.

The Fund may use derivatives to hedge risks, for example currency and interest rate risk. The Fund may also use derivatives to gain investment exposure. See the Risks section for more details of risks associated with this.

SHORT-SELLING

The Fund may use an investment technique called short selling. Short-selling aims to reduce risk, or make money, based on the belief that the price of an investment – usually a listed security – will fall. See the Risks section for more details of risks associated with this.

LEVERAGE

The Fund may (with financial instruments such as derivatives, and investment techniques such as short selling, or via borrowing) use leverage for investment purposes. In using these instruments and techniques, the gross assets cannot exceed 150% of investor funds. It is very unlikely that the Fund would leverage to this extent. See the Risks section for more details of risks associated with this.

3. Fund governance

THE INVESTMENT MANAGER

Sandon Capital is the Investment Manager of the Fund.

Established in 2008, Sandon Capital is an Australian-based value investor that applies activist techniques.

Sandon Capital devises and implements activist engagement strategies that seek to unlock and enhance the value inherent in the investments it makes.

Since 2008, Sandon Capital has established a track record of performance and achievement in applying its investment approach.

Sandon Capital seeks out investment opportunities that it considers undervalued, and which it believes provide the opportunity to unlock and enhance value through active engagement with boards, management and other stakeholders.

It has the primary focus of generating attractive risk-adjusted returns for investors using the combination of its value investment philosophy combined with its activist engagement strategies.

Sandon Capital believes together these give tremendous potential for superior, risk adjusted, investment outcomes.

The Investment Manager targets investment in securities it believes can double in value over a 5 year period. There is no guarantee that each investment will achieve this target nor that the Fund would achieve such a return.

Sandon Capital holds Australian financial services licence no. 331663.

More information is available at www.sandoncapital.com.au.

THE TRUSTEE

The Trustee has extensive experience as a corporate trustee and is a professional trustee.

The Trustee is a member 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 Corporations Act, are licensed to conduct financial services businesses and to act as responsible entity for registered schemes and as trustee for unregistered schemes.

OIG's licensed entities hold over 350 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 \$60 billion.

OIG's capabilities include:

- responsible entity services,
- trustee services,
- registry services,
- fund administration and taxation services, and
- custody services.

The Trustee is the holder of Australian Financial Services Licence number 493421.

More information is available at www.oneinvestment.com.au.

OTHER FUND SERVICE PROVIDERS

The Trustee has appointed:

- Unity Fund Services Pty Ltd ACN 146 747 122 (**Administrator**), a company affiliated with the Trustee, 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, and these services include fund accounting, unit pricing, reporting and preparation of statutory accounts,
- One Registry Services Pty Limited ACN 141 757 360 (**Registrar**), a related party of the Trustee, for unit registry services in respect of the Fund, and
- Barrenjoey Markets Pty Limited ACN 636 976 059 (**Prime Broker**), for prime broking services in respect of the Fund.

Service Providers are appointed, changed and removed as necessary or desirable, without notice to investors.

The Trustee generally appoints, changes or removes providers in consultation with, and agreement from, the Investment Manager.

4. Costs

SUMMARY

Type of fee or cost	Amount	Details
Ongoing fee payable to the Manager	1.54% per annum of gross assets (excluding any borrowing).	This covers the fees and costs for managing your investments including management, trustee, custodian, registry and fund administration fees. The ongoing fee is accrued daily and paid from the Fund monthly in arrears and reflected in the unit price.
Performance fee	If payable, this is 15.375% of any performance above benchmark, with the protection of a high-water mark.	The benchmark is 1 month Bank Bill Swap Rate BBSW (Mid) published by ASX. Performance fees are calculated daily and, if payable, are paid monthly in arrears from the Fund. They are reflected in the unit price if they are forecast to be payable.
Other operating expenses	The Manager estimates these to be 0.12% per annum of the gross assets (excluding borrowings) of the Fund including net GST.	Other operating expenses are paid by the Trustee from the Fund as incurred in addition to the ongoing fee payable. These include items such as audit fees, brokerage and prime broker expenses.
Non recurring expenses	There is no reasonable basis on which the Investment Manager can estimate non-recurring expenses from year to year. However, the Trustee and Sandon Capital will seek to ensure any such costs are managed appropriately.	Non recurring expenses of the Trustee and the Investment Manager are also recovered from the Fund as incurred and are not included in the ongoing fee paid to the Investment Manager. These include items associated with the activist strategy of the Investment Manager, such as legal and expert costs and advertising and media engagement. Non recurring expenses are accrued once known and paid from the fund when incurred.
Buy-sell spread	+/- 0.30% of the unit price.	Designed to ensure that existing investors do not pay costs associated with other investors acquiring/ withdrawing units in the Fund. The buy-sell spread is applied each time the unit price is calculated.

ONGOING FEE

The ongoing fee is 1.54% per annum of the gross assets of the Fund excluding borrowings, including net GST.

These are payable to the Investment Manager monthly in arrears, and cover:

- Investment Manager's fees,
- the Trustee fee for acting as trustee,
- the Trustee's custodial fee,
- the Administrator's fees, and
- the Registrar's fees.

This fee is provided for in the unit price.

There is no removal fee for the Trustee (including as custodian) or the Administrator or the Registrar.

PERFORMANCE FEE

Generally

Sandon Capital is entitled to be paid a monthly performance fee of 15.375% of any amount by which the Fund outperforms the Fund's benchmark over each month.

The benchmark is the 1 month Bank Bill Swap Rate BBSW monthly Bank Bill Swap Rate (Mid) published by ASX (**Benchmark**).

The calculation is based on comparing unit prices at the end of the month with those at the end of the previous month.

The net asset value for these calculations is adjusted for and to take account of applications, redemptions and distributions over the month. It is net of ongoing Trustee and Investment Manager fees and expenses, but before the performance fee itself.

High-water mark protection

Investors have the protection of a

'high-water mark'. The performance fee is not payable if the end of month unit price is lower than the highest previous end of month unit price when a performance fee was paid on an accumulation basis (that is, after allowing for distributions and net of all performance fees).

The absolute dollar value of the performance fee is calculated as follows:

Obtain appropriate month end price

1. Calculate period end of month unit price: this takes into account various fee and expense accruals but not any accrued performance fees, and all month end unit prices are pre distribution or add back distribution for current period. This is the period end unit price pre-performance fee (P_1).

Compare with high water mark

2. Determine the high water mark. This is the highest previous period end unit price when a performance fee was paid on an accumulation basis (that is, after allowing for distributions and net of all performance fees).
3. Is the figure determined by paragraph 2 higher than P_1 ? If yes, no further action required. If no, go to paragraph 4.

Has there been a positive absolute unit price return for the period?

4. Obtain prior period end unit price (P_0), calculated net of all performance fees
5. Is P_0 greater than or equal to P_1 ? If yes, no further action required. If no, go to paragraph 6.

Has there been out performance of the benchmark “BBSW1M” (the mid-point of the 1 month Bank Bill Swap Rate BBSW published by ASX as determined at the beginning of the period)?

6. Calculate unit price performance. Performance = $(P_1/P_0 - 1) \times 100$ expressed as a percentage.
7. Calculate benchmark performance
Benchmark = $((1 + \text{BBSW1M})^{(1/12)} - 1) \times 100$ expressed as a percentage.
8. Is Benchmark greater than Performance? If yes, no further action required. If no, go to paragraph 9.

There is a performance fee payable. How much is it?

9. Calculate the performance fee (F) as a percentage of assets at the end of period.
 $F = (\text{Performance} - \text{Benchmark}) \times 15.375\%$.
10. Calculate assets in period (A). A = end of month gross assets less borrowings.
11. Multiply assets in period “A” by “F” to obtain the dollar value of the performance fee.

If payable, pay the performance fee to Sandon Capital as soon as is practicable after it is calculated.

COST DETAILS

The Investment Manager is entitled to be paid an ongoing fee of 1.54% per annum of the gross assets of the Fund excluding borrowings, including net GST.

From this it pays:

- the Trustee fee for acting as trustee,
- the Trustee’s custodial fee,
- the Administrator’s fees and
- Registrar’s fees,

If the Investment Manager does not pay these, then the Trustee is entitled to, and will, collect these from the assets of the Fund.

Other operating expenses are paid by the Trustee from the Fund as incurred in addition to the payment to the Investment Manager. These include recurring items like brokerage, prime broker costs and audit fees. The Investment Manager estimates these to be 0.12% per annum of the gross assets (excluding borrowings) of the Fund, including net GST.

Non recurring expenses of the Trustee and the Investment Manager are also recovered from the Fund as incurred and are not included in the ongoing fee paid to the Investment Manager. For the most part these are incurred by the Trustee and/or the Investment Manager associated with a particular activist strategy. They may include for example any dispute and litigation costs, legal and other expert’s fees, advertising and media engagement, associated travel and accommodation costs, and other expenses arising from managing the Fund’s engagement activities. Activist costs can be substantial.

Non-recurring expenses could also include costs associated with a change of trustee or investment manager or Fund termination and the costs associated with investor meetings and renewing this Information Memorandum.

There is no reasonable basis on which the Investment Manager can estimate non-recurring expenses from year to year. However, the Trustee and Sandon Capital will seek to ensure any such costs are managed appropriately.

The Investment Manager will, to the extent practicable, also seek to co-ordinate its activist efforts amongst other investment entities for which it is investment manager, so that where benefits from one vehicle's actions flow to another vehicle, then it will seek that the other vehicle share costs on an appropriate basis, usually in proportion to the extent of each vehicle's investment exposure to the investee company or trust. This works both ways – from time to time the Fund may benefit and may determine to share costs incurred by another vehicle. Fee sharing is not always practicable or available to implement.

Expenses accrue in the unit price and are paid on a monthly basis.

CAN THE FEES CHANGE?

Yes, all fees can change.

The fees paid to the Trustee and its associates are indexed to the higher of 3% and CPI on 1 July each year, effective from 1 July 2022.

The Trust Deed sets the maximum amount that can be charged in fees. The approval of investors is needed in order to raise fees above the amounts allowed for in the Trust Deed.

You will receive at least 30 days' written notice of any proposed increase to fees.

CAN FEES BE DIFFERENT FOR DIFFERENT INVESTORS?

The Investment Manager may negotiate its fees with investors. The size of the investment and other relevant factors may be taken into account in this negotiation. Any fee rebates paid are not a cost to the Fund.

GOVERNMENT CHARGES AND TAXATION

Taxes such as GST will be applied to your account if required by law. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply. Some of these charges may incur additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined in this document take into account the net effect of Goods and Services Tax (**GST**) if applicable and any reduced input tax credits which may be available.

BUY-SELL SPREAD

When you invest in the Fund, the Fund buys investments, and this incurs costs (for example, to buy shares, a broker charges a fee). When you withdraw, investments are sold so cash can be paid to you, and this costs money too.

A buy-sell spread is an adjustment applied to the unit price which reflects the estimate of such costs.

This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/ withdrawing units in the Fund. The buy-sell spread is reflected in the buy and sell unit prices. It is not a fee payable to the Trustee or the Investment Manager.

Currently, the buy-sell spread is +/- 0.30% of the unit price. It is an adjustment of:

- +0.30% on the entry price and
- -0.30% on the exit price.

For example, if the net asset value of each unit was \$1.00, on entry the unit price is adjusted up approximately 0.30% (up 0.3 cents) and on exit the unit price is adjusted down approximately 0.30% (down 0.3 cents).

5. Risks

GENERAL

All investments are subject to varying risks, and the value of your investment may rise and fall over time. As a general rule, the higher the potential returns, the higher the level of risk.

The primary risk that Sandon Capital seeks to mitigate is that of permanent loss of capital. This is different to share price or market price volatility.

As a stand-alone investment, the Investment Manager considers this a medium to higher risk and medium to higher volatility investment. You are always encouraged to seek professional advice before investing.

Changes in value can be significant and they can happen quickly – the greater and faster the changes the greater the volatility.

PLATFORM MATTERS

For those who invest using an Administration Platform, remember that the Fund's fees and expenses are in addition to those that are charged in relation to your platform.

Subject to the law, we may make payments to administration platform operators for making available the Fund on their investment menus. This is paid by us and is not an additional cost to investors in the Fund.

Different types of investments have different risk characteristics which will affect the Fund.

When risk materialises, yields can be lower than targeted, and could be nil, and capital invested may fall in value.

If these risks occur, distributions may be reduced or there may be none, the value of your investment could fall, and you could lose money.

Neither the Trustee nor the Investment Manager make any promise that the ways in which risks are aimed to be managed will be successful. You can lose as well as make money. Neither the capital you invest, nor any income or return is guaranteed.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how

other parts of your wealth are invested, and your risk tolerance.

If you are unsure whether this investment is suitable for you, it is recommended that you consult a financial adviser.

Further information about the risks of investing in managed investment schemes can be found on ASIC's MoneySmart website at www.moneysmart.gov.au.

The significant risks of the Fund include the following:

THE RISKS OF ACTIVISM

The Fund will pursue an active strategy of engaging with investors and other stakeholders to improve value. The performance of the Fund is reliant on the success of this activist strategy.

There is no guarantee that any aspect of such a strategy will be successful.

Boards and trustees can resist change, for reasons legal and otherwise, laws can be un-supportive, ambiguous and be interpreted differently. Activism can be challenged and disputes are not always successful or practicable to pursue. Information requests can be refused or unproductive. Investors at general meetings may not support change, or insufficient numbers may show up or vote. Some registers are dominated by larger investors who may choose to remain silent.

Nominated directors may not gain enough support, or they may join a board but not hold sway.

Enforcing legal rights, for example through mediation, arbitration, regulators and courts, is not always successful or practicable.

It can be expensive and time consuming.

Other stakeholders such as other investors, industry associations, regulators and the ASX, investment managers and financiers may not see the end game in the same way as Sandon Capital, having other agendas or less interest.

Activism can take a considerable time to show results. It can be difficult to discern the value added from activism from other sources of value added.

Redemptions from the Fund before investments in the portfolio have an opportunity to deliver any benefits or improvements may lead to your investment being redeemed for less than you invested, triggering a permanent impairment of your capital.

BROADER ECONOMIC RISK

There are many broad influences which impact on investment value and performance. These include factors such as:

- economics,
- market sector performance including the property market,
- the environment,
- technology,
- laws, policies and things regulators do and don't do,
- geography,
- public health, and
- politics.

Even what people think, wrong or right, can have an important impact on value.

Recent times have shown that changes can be global, substantial and can happen quickly. Changes can be irreversible, and the future is uncertain.

MARKET RISK

Many believe that the overall investment markets may from time to time, meet a substantial adjustment, particularly if they have been performing positively for an extended period.

In particular, economic and other risks have increased as a consequence of matters such as global pandemic, increasing political volatility, devaluing of post WW2 global institutions, higher interest and inflation rates, significant political developments and uncertainties in the US and other places, and geopolitical tensions such as in the US, the Taiwanese Strait, the Middle East, Africa and Eastern Europe.

Substantial market adjustments cannot be discounted: markets tend to follow cycles.

Recent times have also shown that markets can also behave unusually at times, with asset classes moving differently to historical norms.

And the world is shifting. The truth is that the way we all interact – people and governments and institutions – is becoming forever changed. The ability to transact with trust with strangers, and without intermediaries, and the rise of artificial intelligence, will fundamentally change, well, everything. Challenges abound.

Diversifying, and investing for the long term, help manage the overall impact of ups and downs.

INDIVIDUAL INVESTMENT RISK

This is the risk that the value of an individual investment in the Fund may change in value or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility.

Reasons can be many, and include changes in an investment's operations, changes in the environment, or what people think of the investment.

It can lead to default of an entity to which the Fund has an investment exposure including under securities lending arrangements. In spite of successful activism, value can still fall.

LIQUIDITY RISK

This is the risk that your withdrawal requests cannot be met when you expect.

Because cash is paid to your account when you withdraw, investments of the Fund may need to be sold to pay you.

Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors. The level of overall market liquidity or the ability to buy or sell investments at a price considered appropriate is an important factor that may contribute to the profitability of the Fund and access to your money. The investments the Fund will invest in may also face liquidity risk themselves.

This is one of the reasons why the Trust Deed specifies limited circumstances where there could be a delay in meeting your withdrawal request.

Units in the Fund are not quoted on any stock exchange and you cannot sell them through a stock-broker.

You can transfer your units at any time to any person willing to buy them. However, you may not be able to find such a person or, at least, find such a person at the price you wish to sell.

INTERNATIONAL RISK

The geographical focus of the Fund is expected to be in Australia. Any international exposure is expected to be (but does not have to be) in entities listed on recognised exchanges. Other exposure would be only where the investment case was considered compelling. Such other exposure may be more affected by political and economic uncertainties, lower regulatory supervision and more volatile, less liquid markets.

CONCENTRATION RISK

This Fund should be considered relatively concentrated. It does not offer the same levels of diversification as other more traditional equity funds.

The overall portfolio varies in terms of numbers of positions, and may comprise 15 to 20 investments, sometimes more.

It typically is focussed in value terms on 5 or 6 key positions, which may comprise 50% or more of the portfolio.

It is usually these handful of investments which are the focus of activist engagement at any one time.

BORROWING AND LEVERAGE RISK

The Fund may use debt. The use of debt or leverage may enhance returns to investors but may also increase costs and magnify losses. From time to time, amounts may be borrowed on a short-term basis to meet redemptions, distributions, or short-term Fund obligations. The Fund may also use debt for investment purposes. Borrowing would generally only be from leading financial institutions or other lenders considered appropriate. Security may be granted over Fund assets.

The Fund may (with financial instruments such as derivatives, and investment techniques such as short selling, or via borrowing) use leverage for investment purposes.

In using debt, instruments and techniques, the gross assets cannot exceed 150% of investor funds. It is very unlikely that the Fund would leverage to this extent.

INTEREST RATE RISK

This is the risk that changes in interest rates have a negative impact on the Fund and its income and investments. Reasons for interest rate changes are many and include variations in inflation, economic activity and central bank policies. Changes in interest rates can have a negative impact on the economic environment generally and also on specific matters relevant to the Fund's investments such as the cost of their borrowing and the value investors are willing to ascribe to any future cashflows.

INFLATION RISK

This is the risk that inflation can erode the real value of your investment. Reasons for inflation rate changes are many and include variations in economic activity and central bank policies.

DERIVATIVES RISK

The Fund may use derivatives to hedge risks and also to gain investment exposure. Instruments may be exchange traded or over the counter.

Unfortunately, derivatives use is not always successful, is not used to offset all risk, and is sometimes not cost effective or practical to use. It can lead to losses.

Risks associated with derivatives include the possibility that:

- the derivative position is difficult or costly to reverse,
- there is an adverse movement in the asset or index underlying the derivative, and/or
- the other party – the counter party – does not perform their obligations under the contract.

Most derivatives used by the Fund are exchange-traded, which significantly reduces counterparty risk, but certain derivatives have collateral and payment obligations associated with them that bring liquidity risk. The Investment Manager constantly monitors the Fund's derivative positions to ensure that the Fund has sufficient assets to meet any associated liabilities.

SHORT-SELLING RISK

The Fund and the underlying investments of the Fund may use an investment technique called short selling.

Short selling aims to reduce risk or make money based on the belief that the price of an investment – usually a listed security – will fall.

Practically, this investment technique involves the Fund borrowing a share before selling it. By borrowing the shares it sells, the Fund has an obligation to return those shares to the lender. To do so, it needs to buy those shares back before returning them to the lender. If it buys back at a lower price, it makes a profit. If it buys back at a higher price (and assuming it can buy the share) it makes a loss.

Sophisticated investors use short selling to manage (or hedge) portfolio risk or with the primary goal of generating investment returns.

This Fund may short sell to hedge risk – usually the perceived downside risk associated with particular investment exposures. The Fund may also use short selling with the goal of generating investment returns.

It is important to note that the amount of potential loss from short selling is high, as security prices can rise almost without limit. Short positions are managed carefully and conservatively with the goal that the Fund always has sufficient assets to meet potential liabilities.

EXCHANGE RATE RISK

The Fund may invest internationally. Furthermore, it may invest in companies and trusts whose income is earned outside of Australia or whose products and services are priced in currencies other than Australian dollars. Changes in exchange rates may mean that the value of an international investment may fall or rise. Derivatives may be used to hedge this risk to some extent. Unfortunately, hedging is not always successful, is not used to offset all risk, and is sometimes not cost effective or practical to use. It can lead to losses. The Investment Manager may seek to hedge some of the Fund's exchange rate risks, but it is not obliged to do so. It may decide not to attempt to hedge any exchange rate risks.

CYBER RISK

The impact of 'artificial intelligence' and associated learning models, as well as the potential emergence of general artificial intelligence and the ongoing development of quantum computing, could have an adverse as well as a positive impact on the operation of the Fund. One adverse possibility is that it becomes more difficult for us and the Trustee as well as those associated with the Fund's investments to have a high level of confidence regarding information sourced from the Internet and on which decisions affecting the Fund or their operations are based. Cyber-attacks could impact on the Investment Manager, the Trustee, the Fund and its investments.

INFORMATION RISK

The Trustee is committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure.

The Internet is used in operating the Fund and records may be stored in a cloud system. If stored overseas, different privacy and other standards may apply there. The Internet does not, however, always result in a secure information environment. With growing frequency many applications used by businesses involve client data being scraped by the provider of the application to teach their artificial intelligence models.

Although steps are taken which are considered reasonable to protect your information, an absolute guarantee as to its security cannot be given.

STRUCTURE RISK

This is the risk associated with having someone invest for you. Risks associated with investing in the Fund include that the Fund could be terminated, there can be changes in the parties responsible (for example if key individuals were no longer involved), someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected or insurance may be inadequate.

There can be unexpected application of or changes to a law or regulation, regulators may not behave as expected, and contracts may not be legally enforceable or may be documented inadequately.

It is possible that Sandon Capital could be wound up or liquidated, it might cease to manage the investments of the Fund and be replaced, its investment methodology could change, its activist decisions could be unsuccessful, or it could manage risks poorly.

The Fund is not a registered managed investment scheme and the retail protections available to registered scheme investors are not available here.

MANAGING RISK

As risk cannot be entirely avoided when investing, the Investment Manager aims to identify and manage risk as far as is practicable. Whenever investments are made, the potential for returns in light of the likely risks involved are assessed with an expectation of appropriate compensation, by way of potential returns, for any risks incurred. Risk is considered throughout the investment process. As far as is practicable, risk is managed at both the individual investment and the Fund level. However, many risks are difficult or impracticable to manage effectively and some risks are beyond the Trustee's and the Investment Manager's control altogether. Remember, investing involves risk, and you can lose as well as make money.

Neither returns nor the money you invest in the Fund are guaranteed.

6. Tax

This information is a general guide only for Australian resident investors who hold their investment on capital account. It is not a complete statement of relevant tax laws.

You will probably need to pay tax in relation to your investment in the Fund, both on distributions (even if they are reinvested) and withdrawals.

The amount and type of tax you will need to pay, and when, depends on the tax character of any amounts paid to you, their timing and on your personal financial circumstances.

Neither the Trustee nor the Investment Manager provide financial or tax advice, nor have they obtained taxation advice specific to the offer the subject of this Information Memorandum.

As such, this Information Memorandum cannot address all of the taxation issues which may be relevant to the investor. The investor must take full and sole responsibility for their decision to invest in the Fund, the associated taxation implications arising from that investment and the impact on them of 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 and withholding tax liabilities arising out of the investment.

TAX CAN BE COMPLEX

You are strongly encouraged to seek timely professional advice before making investment decisions.

The Fund will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Investors. The Trustee will not generally be liable to pay Australian income tax on the taxable income derived by the Fund.

The Trustee's policy is to distribute all cash income of the Fund unless it considers it in the best interests of investors as a whole to do otherwise. Investors will usually incur an income tax liability on their distributions.

The Trustee can attribute different tax results to different investors and classes, including upon redemption, but the Trustee must make these decisions fairly, and

you have rights in limited circumstances to object to any such decision.

Investors will usually incur capital gains tax consequences (gains or losses) when they make a withdrawal from the Fund, when ownership of their units changes and when they receive capital distributions. Sometimes discounts are available which reduce tax liability. Relevant factors include the kind of taxpayer you are, your tax residence and how long you have held your units.

Where the Fund incurs a tax loss, these do not flow-through the Fund to Investors. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

Investors in the Fund may receive, as part of their distribution, franking credits attached to franked distributions received by the Fund. Franking credits received will not represent part of your cash distribution, but must be included as assessable income in your tax return. You may be eligible for a tax offset for franking credits received, which can reduce your tax liability.

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.

FOREIGN INVESTORS

Under Australia's offshore tax rules, the Australian Taxation Office (the **ATO**) expects that tax be paid by investors on some gains made offshore, even though those gains are not yet received by investors back in Australia. It is also possible that investors have a tax liability on gains realised offshore but not actually paid to them here in Australia.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and also the 'Common Reporting Standard' which is designed to be a global standard for collection and reporting of tax information about non-residents. You must, in a timely way, give the Trustee (or those who assist it) such information concerning these matters as the Trustee or they request. Generally, the Trustee reports this to the ATO, which then shares this with relevant foreign tax authorities.

Tax outcomes can be different for investors who are not residents of Australia for tax purposes. For example, the Trustee may need to deduct withholding tax from amounts it pays.

WHAT ELSE SHOULD YOU KNOW?

The Trustee will send you information after each June financial year end to help you complete your tax return.

Investing through a trust can also mean some things are different for you from a tax viewpoint. Liabilities may be different and you may have less control. It is possible that a liability to pay tax arises on your investment even when the Trustee has not paid money to you and in this case you may need to fund this liability independently of your investment. An example of this is when your distributions are reinvested into units.

Sometimes when the Trustee is administering the Fund, it learns things new about past tax matters and needs to make adjustments. If this happens, it is possible that the Trustee (and those who assist it) will ask you to adjust your own tax records, or the Fund may pay tax or receive a refund and it can be the investors at the time that are subject to this.

Tax outcomes can be different for indirect investors. You are strongly encouraged to seek timely professional advice before making investment decisions.

Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.

7. How to invest

GENERALLY

Please read this Information Memorandum and pay particular attention to all of the risk factors in section 5 of this Information Memorandum. The risks should be considered in light of your own investment situation.

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

The Application Form is provided separately. Please contact the Registrar:

T: +61 2 8188 1510 or

E: info@oneregistryservices.com.au.

For an application to be considered, you must complete and return your Application Form (including all supporting documentation) and pay the Application Money in accordance with the instructions 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.

WHO CAN INVEST?

Investors can be any type: individuals, family trusts, companies or super funds for example.

The Fund is available to wholesale clients only as defined in section 761G(7) of the Act but for this fund this does not include sophisticated

investors. If you are investing less than \$500,000, the easiest way to establish this is to have your accountants complete an **Accountant's Certificate**. If you would like a suggested form of Accountant's Certificate, please contact the Investment Manager.

There are other ways you can qualify as a wholesale client: call the Investment Manager if you are unsure.

DAILY PROCESSING

Application requests are processed **daily** based on daily net asset value pricing.

Please note that withdrawals are not processed on a daily basis. Refer to the section entitled "How to withdraw" for details on how and when you can withdraw an investment.

If your completed application and cleared payment is received and accepted before 4pm Sydney time on a Sydney business day, it will be processed using the unit price for that day.

If it is received after this, the Trustee aims to process the application the following Sydney business day.

The Trustee does not pay you interest on application monies held prior to the time it issues units to you – any interest is retained by the Trustee personally.

INITIAL APPLICATIONS

The minimum initial investment is \$250,000

or any lesser amount the Trustee agrees.

The easiest way to become a member of the Fund is by completing an Application Form which is available from the registrar:

E: info@oneregistryservices.com.au

or

T: +61 2 8188 1510.

Send any original documents to:

One Registry Services Pty Ltd
Sandon Capital Activist Fund
PO Box R1479

Royal Exchange NSW 1225 Australia

This a wholesale fund - there are no cooling off rights.

ADDITIONAL APPLICATIONS

The minimum additional investment is \$50,000

or any lesser amount the Trustee agrees.

You can make additional investments at any time by posting, emailing or faxing to the Registrar your additional investment amount together with a completed Additional Application Form.

One Registry Services Pty Ltd
Sandon Capital Activist Fund
PO Box R1479

Royal Exchange NSW 1225 Australia

F: +61 2 8580 5790

E: info@oneregistryservices.com.au

HOW TO PAY

The easiest way is to transfer funds electronically.

Use the applicant's name as a reference when transferring money. The Trustee does not pay you interest on application monies held prior to the time it issues units to you - any interest is retained by the Trustee personally. The Trustee does not accept cash, cheques, BPay®, credit card or cryptocurrencies. Details are in the Application Form.

WHEN YOU INVEST

Prospective investors should rely only on information in this Information Memorandum and the Trust Deed. No person is authorised to provide any information or to make any representation in connection this offer that is not contained in this Information Memorandum or Trust Deed. Any information or representation not contained in this Information Memorandum or Trust Deed may not be relied upon as having been authorised by the Trustee. If there are inconsistencies between the Trust Deed and this Information Memorandum, the Trustee determines the issue but expects that usually the Trust Deed would prevail.

When you apply to invest, you (the applicant) are telling the Trustee that:

- you have received, read and understood the current Information Memorandum,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing (nor will monies received from your account have any such association),
- you are not bankrupt or a minor,

- you agree to be bound by the Trust Deed (as supplemented, replaced or re-issued from time to time), and
- you have made the application in Australia.

INVESTING THROUGH A PLATFORM

Investors may access the Fund through selected Administration Platforms. Contact the Investment Manager, your adviser, your platform operator or the Trustee to see if this is possible.

Your adviser or your platform operator can help you if you wish to invest in this fund through a platform.

If you invest through an Administration Platform, your rights and liabilities will be governed by the terms and conditions of the platform. Note that you are directing the platform operator to arrange for your money to be invested in the Fund on your behalf. You do not become an investor in the Fund or have the rights of an investor. The platform operator (or its custodian) becomes the investor in the Fund and acquires these rights.

You should refer to the platform documentation for information relating to your rights and responsibilities as a platform investor, including any fees and costs. Neither we nor the Trustee accept any responsibility for platform operators or any failure by a platform operator to provide you with a current version of this document or to withdraw the document from circulation if required by the Trustee.

WHAT ELSE TO KNOW?

You will receive confirmation when your application is accepted.

The Trustee has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then the Registrar 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.

An application is not considered complete until the Registrar has received the application money in cleared funds, a completed application and all information referred to in that application. Failure to provide a completed application may delay the processing of your application.

Once lodged, applications cannot generally be withdrawn.

If you invest with any other person, each of you must sign the Application Form. You will be assumed to be “joint tenants” unless you specify otherwise. Only the address of the first named investor need be recorded for the purposes of correspondence.

8. How to withdraw

QUARTERLY PROCESSING WITH A MONTH'S NOTICE

Withdrawal requests are processed **quarterly** (at 31 December, 31 March, 30 June and 30 September each year).

You must however give the Trustee at least one month's prior notice.

Generally, if a completed withdrawal request is received before 4pm Sydney time at least 30 clear days prior to the relevant quarter end (the **Cut Off time**), it will be processed using the unit price effective for the last day of that quarter.

The Trustee may decide, generally or on a case by case basis, to process using that the last day of that quarter's unit price even though your withdrawal request is received after the Cut Off time.

Subject to this, if it is received after this, it will be processed at the end of the following quarter.

Remember, there can be processing delays – see below.

HOW TO WITHDRAW

The minimum withdrawal is \$50,000

or any lesser remaining balance

Complete a **Withdrawal Form**, available from the Registrar or the Investment Manager on request, and email, fax or post it to the Registrar.

Or simply write, email or fax the Registrar with your request: don't

forget your investor name and number and the amount or number of units you wish to withdraw and to sign your request.

One Registry Services Pty Ltd
Sandon Capital Activist Fund
PO Box R1479
Royal Exchange NSW 1225 Australia
F: +61 2 8580 5790
E: info@oneregistryservices.com.au

HOW YOU ARE PAID

On acceptance of your completed withdrawal request, the Trustee pays by transfer to your nominated account, usually within 10 Sydney business days of end of the quarter and you should receive funds into your own account shortly after this. This can take longer for end of financial year distributions (June).

DELAYS ARE POSSIBLE

In certain circumstances the Trustee may need to delay withdrawal of your money. The Trust Deed provides that the Trustee can delay withdrawal of your money for up to 180 days or such period as it considers appropriate in all the circumstances if:

- something outside its control affects its ability to properly or fairly calculate the unit price
for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash, or
- it otherwise determines,

but the Trustee must always act in the best interests of investors as a whole when deciding to do this.

The Trustee can also delay withdrawals if withdrawal requests are received representing more than 20% of the net asset value of the Fund on any processing date.

The process if this happens is that all redeeming investors will have their redemptions met pro rata, and any unmet redemptions will be carried forward into the next processing date.

For example, if investors representing 25% of the net asset value of the Fund seek to withdraw their investment, then each investor will be entitled to withdraw 80% of their withdrawal request. The remaining 20% (or 5% of net asset value of the Fund at that time) of the withdrawal request will be carried forward into the processing date for the next quarter. At the next processing date, this process will be repeated. Any withdrawal request carried forward will be redeemed with fresh redemption requests received for that redemption period at the prevailing redemption price in that next redemption period.

PLATFORM MATTERS

If you have invested in the Fund through an Administration Platform, then contact your adviser or your platform operator to see how you withdraw through the platform.

THE TRUSTEE CAN GIVE YOU BACK YOUR INVESTED MONEY

In certain circumstances the Trustee can, or may be required to, also redeem some or all of your units without you asking. These circumstances include:

- if you breach your obligations to the Trustee (for example, you provide misleading information in your application),
- to satisfy any amount of money due to the Trustee (as trustee or in any other capacity relevant to the Fund) by you,
- to satisfy any amount of money the Trustee (as trustee or in any other capacity relevant to the Fund) owes someone else relating to you (for example, to the tax office),
- where the Trustee suspects that law prohibits you from legally being an investor, or
- such other circumstance the Trustee determines.

WHAT ELSE YOU SHOULD KNOW?

Once lodged, withdrawal requests cannot generally be withdrawn.

Units in the Fund are not listed on any stock exchange like the ASX, so you cannot sell your units through a stockbroker.

The Trustee can withhold from amounts it pays to you any amount you owe the Trustee, or it owes someone else relating to you (for example, the ATO).

9. Income and reporting

DISTRIBUTIONS

The Fund intends to distribute all net realised gains and income annually as at 30 June. Income distributions are usually reinvested at the end of each financial year (June).

When making an application, you can tell the Trustee if you do not want to automatically reinvest distributions or advise the Trustee in writing anytime if you would like the Trustee to pay them to your nominated account. Any distributions reinvested are reinvested at the unit price next calculated after the distribution.

Distributions are not guaranteed. Sandon Capital's medium to long term investment focus means that often investment returns are in the form of unrealised gains as well as dividends and distributions. For example, the Fund may report a high annual return, but because the returns comprise unrealised gains, the distribution may be low or there may not be a distribution.

REGULAR REPORTING

The Investment Manager:

- provides a monthly fund update via email,
- makes the Fund's performance history available on its website, and
- sends to investors the accounts of the Fund each year around October.

Don't forget that any past returns are just that: just because they happened doesn't mean they will happen again.

You will also receive:

- a quarterly statement,
- confirmation of every transaction you make,
- an annual distribution statement, and
- an annual tax statement to help you with your tax return soon after June each year, and this will include an attribution managed investment trust member annual statement tax (or AMMA) statement.

The Trustee and Investment Manager communicate with investors by email.

Please note - that investors who access the Fund through an Administration Platform will receive reports directly from the platform operator and not from the Trustee or the Investment Manager. However, the reports described above are provided to the platform operator. Platform investors should refer to their Administration Platform documentation for information on the reports they will receive regarding their investment.

PRIVACY

The Privacy Act 1998 (Cth) regulates, among other things, the collection, disclosure and access to personal information.

Certain laws require the Trustee to collect, store and disclose information about you (including personal information), for example, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML/CTF Law**), the Corporations Act, the Foreign Account Tax Compliance Act (**FATCA**) and the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (**CRS**).

The Trustee may be required under the AML/CTF Law to provide information about you (including personal information) to the Australian Transaction Reports and Analysis Centre (**AUS-TRAC**), the body responsible for regulating the AML/CTF Law.

In respect of investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the Australian Taxation Office information about you (including personal information) obtained from you.

If you do not provide the information requested in your application, the Trustee will not be able to process your application (including any application for additional units) and your application may be delayed or rejected.

Where applications are delayed or refused, the Trustee is not liable for any loss you suffer (including consequential loss) as a result.

Alternatively, if the Trustee accepts your application to the Fund when you have not provided all of the requested information, it may provide information about you to the relevant regulator.

The Trustee will be required to share information about you (including personal information) with service providers to the Trustee in respect of the Fund (including the Investment Manager) to ensure you receive the appropriate information and assistance in respect of your holding in the Fund.

By applying to invest in the Fund, you consent to your information (including your personal information) being collected, used and disclosed by the registry provider and by the Trustee for the purposes disclosed above and in their respective Privacy Policies.

You are entitled to access correct and update all personal information the Trustee holds about you. You can contact the Trustee to find out what personal information it holds about you or if you have any concerns about the completeness or accuracy of the information the Trustee holds. If you want any personal information held to be corrected, please contact the Trustee or the Registrar.

A copy of the Trustee's Privacy Policy is available on its website at www.oneinvestment.com.au, and a paper copy will be sent to you free of charge on request.

INFORMATION ABOUT YOU

It's important to keep all your details (not just personal information) up to date.

If you think your records are incorrect or out of date — particularly your address, email address or any adviser you may have — it's important that you contact the Registrar, and it will be corrected free.

You must provide in a timely way all information regarding you and your investment which law requires, for example regarding your identity or the source or use of invested monies.

10. Legal

THE TRUST DEED

The Trust Deed establishes the Fund and, with certain laws as amended from time to time, governs the relationship which the Trustee has with you as an investor in the Fund.

Please contact the Trustee if you wish to receive a copy of the Trust Deed.

GENERALLY

The Trust Deed deals with a wide range of matters, including:

- the issue price of units,
- the nature of units of the Fund
all of the same class are identical,
- rights attaching to units
including that investors have a right to net income relating to their units and again, all units of the same class are identical,
- the Trustee's powers
and how and when the Trustee can exercise them,
- when the Fund terminates
the Trustee intends to operate the Fund over the long term, however, the Trustee can terminate the Fund at any time and investors share net proceeds of asset realisation on a pro-rata basis,
- changing the Trust Deed
approval of 50% by value of units voted (in person or by proxy) at any relevant meeting is needed if the Trustee considers that the amendments would materially adversely impact the investors as a whole, and
- investor meetings.

TRUSTEE DUTIES

If the Trustee acts in good faith and without negligence, fraud, dishonesty or wilful misconduct, it is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the trust.

The Trustee's liability to any person other than an investor in respect of properties of the Fund is limited to its actual indemnification from the assets for that liability.

The Trustee is entitled to be indemnified out of the assets for any liability incurred by it in relation to the Fund (including any liability incurred because of a delegate or agent), except to the extent that such liability arises directly from its (or its agent's or delegate's) failure to act in good faith or its (or their) negligence, fraud, dishonesty or wilful misconduct.

The Trustee and its associates may hold units in the Fund in any capacity.

It may:

- deal with itself (as trustee of the Fund or in any other capacity), any associate or any investor,
- be interested in any contract or transaction with itself (as trustee of the Fund or in any other capacity), any associate or any investor, and
- act in the same or a similar capacity in relation to any other trust or managed investment scheme,

and retain any benefit or benefits from doing such dealing, interests or so acting.

The Trustee may take and may act (or not act as relevant) on any advice, information and documents which it has no reason to doubt as to authenticity, accuracy or genuineness. It is not liable for so acting or not acting on such advice, information and documents.

Each investor indemnifies the Trustee for all liability incurred by the Trustee arising directly or indirectly from the investor's breach of its obligations to the Trustee, and this indemnity is in addition to any indemnity under law and continues to apply after the investor ceases to be an investor.

To the maximum extent permitted by law, neither the Trustee nor the Investment Manager, nor any of their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) 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 Information Memorandum.

This Information Memorandum does not purport to contain all the information that a prospective Investor may require in evaluating a possible investment in the Fund. This Information Memorandum must be read in conjunction with the Trust Deed, a copy of which is available (free of charge) by contacting the Trustee on +61 2 8277 0000. To the extent there are any inconsistencies between the Trust Deed and this Information Memorandum, the Trust Deed will prevail.

AGREEMENTS

The Trustee has entered into an investment management agreement with the Investment Manager.

Under the Investment Management Agreement, the Trustee appoints the Investment Manager to:

- manage and invest the Fund's assets, and
- promote the Fund.

The Investment Manager must perform its functions consistently with law and policies.

The Trustee has also entered into:

- a fund accounting and administration agreement with the Administrator, Unity Fund Services Pty Ltd, a company affiliated with the Trustee, and
- a unit registry agreement with the Registrar, One Registry Services Pty Ltd, a related company of the Trustee.

These agreements contain provisions discussed elsewhere in this document as well as provisions usual for these types of agreements, such as:

- fees and expenses,
- confidentiality,
- dispute management, and
- limits on indirect loss and for matters beyond a party's control.

CHANGE OF TRUSTEE

The Trustee may retire as trustee on at least 1 month's notice to investors.

The Trustee must also retire if:

- required by law, or
- when required to do by special resolution of investors, being a resolution passed at a duly convened meeting of investors at which votes cast in favour of the resolution represent at least 75% by value of voting rights voted, whether in person or by proxy.

When the trustee changes, the Trustee may (subject to its agreement with the Investment Manager) appoint a replacement.

MEETINGS

Investor meetings are uncommon. Investors can generally attend and vote and meetings are largely regulated by the Trust Deed. The quorum is generally at least 2 investors present in person or by proxy together holding at least 10% of all units in the relevant class. The quorum is different for a meeting if there is any proposal to remove the trustee, then the quorum is at least 2 investors present in person or by proxy together holding at least 75% of all units.

WINDING UP THE FUND

Subject to its agreement with the Investment Manager, the Trustee can decide to terminate and wind up the Fund any time, and if it does, it will generally sell all the investments, pay all monies owing (including expenses) and distribute the net proceeds to investors as soon as it considers practicable.

COMPLAINTS

The Trustee takes complaints seriously and aims to resolve all complaints as quickly as possible. In the first instance, if you have a complaint, then you should notify the Trustee immediately using the following contact details:

address

Level 16, Governor Macquarie Tower
1 Farrer Place, Sydney
NSW 2000

post

Complaints Officer
PO Box R1471 Royal Exchange
NSW 1225

phone

+61 2 8277 0000

email

complaints@oneasset.com.au

Once the Trustee receives a complaint, the Trustee will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible.

RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

In structuring, acquiring and disposing of investments the Trustee and the Investment 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.

Sandon Capital is or may be the investment manager for other clients that invest in many of the same assets as this Fund. Sandon Capital endeavours to ensure that all portfolios are treated fairly by ensuring that, in general, trades in the assets are undertaken as block trades and allocated pro rata according to the size of each portfolio and accounting for inflows and outflows.

The Fund may be offered the opportunity to participate in transactions with the Investment Manager, its affiliates or its clients by purchasing investments through the Investment Manager, or co-investing with the Investment Manager or its affiliates or its clients. The Fund may also invest in entities in which the Investment Manager or its affiliates or its clients hold interests.

In particular, the Fund may purchase investments that have been previously made by the Investment Manager and that are within the Fund's investment objectives.

While any such transactions will be entered into on a basis that the Trustee and Manager believe to represent arm's length terms and (where relevant) market rates, the Investment Manager may have an incentive to seek or refer or recommend such investments to the Fund, or to cause the Fund to pay a higher price for such investments, as a result of the Investment Manager or its affiliates' financial interests in such investments .

All dealings by the Trustee with other parties are at commercial, arms' length terms.

The Trustee may however, 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 Trust Deed, ASIC policy as relevant and relevant law.

The Investment Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Investment 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 implemented at market rates or at no charge.

The Trustee has appointed to assist with:

- fund accounting and administration: Unity Fund Services Pty Ltd, a company affiliated with the Trustee, and
- unit registry: One Registry Services Pty Ltd, a related company of the Trustee,

each appointed in consultation with, and with agreement from, the Investment Manager.

The Trustee has a conflicts of interest policy and register which it maintains in accordance with the law. It seeks to address any conflicts that may arise as part of the Trustee's business and that relate to the Fund and the Fund specifically.

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 Investment 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.

Contact

APPLICATIONS

Please contact the Registrar.

REGISTRY ENQUIRIES

Contact the Registrar

One Registry Services Pty Ltd

PO Box R1479

Royal Exchange NSW 1225 Australia

International: +61 2 8188 1510

F: +61 2 8580 5790

E: info@oneregistryservices.com.au

www.oneregistryservices.com.au

INVESTMENT ENQUIRIES

Please contact the Investment Manager:

Sandon Capital Pty Ltd

E: info@sandoncapital.com.au

T: +61 8014 1188

www.sandoncapital.com.au

TRUSTEE ENQUIRIES

Please contact the Trustee

One Fund Services Limited

Level 16 Governor Macquarie Tower

1 Farrer Place Sydney NSW 2000

Sydney, NSW 2000 Australia

E: sandon@oneinvestment.com.au

T: +61 2 8277 0000

www.oneinvestment.com.au