



**Date issued 23 July 2024.**

**TRUSTEE AND INVESTMENT MANAGER**

Aureus Funds Investment Management Pty Ltd  
ACN 677 255 131 CAR No. 001310033 of  
Sandford Capital Pty Limited ABN 82 600 590 887  
AFSL 461981

# **Aureus High Yield Fund**

## Information Memorandum

## Important Information

This is the Information Memorandum (**'IM'**) for Units in the Aureus High Yield Fund (the **'Fund'**) was issued on 23 July 2024. This IM has been prepared and issued by Aureus Funds Investment Management Pty Ltd (ACN 677 255 131) as the Trustee of the Fund (referred to in this IM as the **'Trustee'**, **'Investment Manager'**, **'Aureus Funds'** **'us'** or **'we'**).

The Trustee is a corporate authorised representative (CAR No. 001310033) of Sandford Capital Pty Limited (ABN 82 600 590 887, AFSL 461981) (**Sandford Capital**) and is authorised to provide advisory and dealing in connection with the Fund to Wholesale Clients only.

Aureus Funds has appointed Sandford Capital under an authorised intermediary agreement for the purposes of arranging for the offer to issue, vary or dispose of Units in the Fund under s911A(2)(b) of the Corporations Act. Aureus Funds may only issue, vary or dispose of Units in accordance with Sandford Capital's offer, provided they are accepted.

Sandford Capital consents to being named in the IM in the manner described above and, as at the date of the IM, has not withdrawn its consent to be named. Sandford Capital does not take any responsibility or accept any liability for the contents of this IM to the maximum extent permitted by law.

This IM is for an offer of Units in the Fund (the **'Offer'**) to Investors who qualify as Wholesale Clients under s761G of the Corporations Act (**'Wholesale Clients'**) or to any other person who is not required to be given a regulated disclosure document under the Corporations Act (the **'Corporations Act'**). This IM will not be lodged with ASIC. It is not a product disclosure statement or other disclosure document within the meaning of the Corporations Act.

### General Information only

The purpose of this IM is to provide information for prospective investors to decide whether they wish to invest in the Fund. The IM is not a recommendation to invest in the Fund and may not include all of the information that

an Investor needs to make an investment decision. It does not take into account the investment objectives, financial situation or needs of any particular investor and may not include all of the information that an investor needs to make an investment decision. Accordingly, Investors should make their own enquiries and obtain professional legal, financial, tax and accounting advice before making an investment decision for the Fund. An investment in the Fund is subject to investment and other risks, including loss of income and capital invested. Investors should read carefully the risks for to the Fund described on pages 12-13.

None of Sandford Capital, the Trustee, the Investment Manager or their respective officers, employees, advisers, agents or service providers give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this IM, nor do they, to the maximum

extent permitted by law, accept any liability to any person for reliance on information contained in this IM.

### Fund not registered

The Fund, at the date of this IM, is not required to be, and is not registered as, a managed investment scheme under section 601ED of the Corporations Act.

### Offer made to Australian Wholesale Clients

The Offer may be made available to select persons in other jurisdictions at the Trustee's discretion, provided the Offer is in accordance with laws in those jurisdictions. Neither the Trustee or any of its officers, associates, employees, agents or service providers, represent that this IM may be lawfully offered in compliance with any applicable legislation in any jurisdiction outside of Australia or assumes any responsibility for facilitating distribution or an offer outside of Australia.

Prospective investors should inform themselves about the legal requirements and consequences of applying for, holding, transferring and disposing of Units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, domicile or place of business.

## Important Information *continued*

### **No guarantee**

None of Sandford Capital, the Trustee, the Investment Manager or their respective officers, employees, advisers agents or service providers, guarantee the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund.

### **Updates**

Except for this Important Information section, information in this IM concerning the Fund is subject to change. The IM including any updates is available on our website at [www.AureusFunds.com.au](http://www.AureusFunds.com.au).

If there is a material change in the information in this IM, the Trustee will replace this IM or issue a supplementary IM.

Otherwise although there is no obligation to advise Investors of any error or change to the information in this IM, where we consider it appropriate we will notify you in writing of any changes.

### **Trustee's absolute discretion**

Where the IM provides something is to be determined in or at the Trustee's discretion, this means in or at the Trustee's absolute discretion.

### **Other Information**

Unless otherwise stated, all fees and expenses quoted in the IM exclude GST. All amounts are in Australian dollars and all references to legislation are to Australian law, unless specified in either case.

Definitions for important terms used in this IM can be found in the Dictionary on page 27.

# Fund at a Glance

Important Information	2
Highlights Page	5
Fund at a Glance	6
About Aureus Funds and the Main Service Providers	8
About the Fund	9
Managing Risk	12
Investing in the Fund	15
Redeeming from the Fund	16
Other Investor Information	18
Fees & Costs	20
Taxation	22
Other Important Information	24
Automatic Exchange of Financial Account Information	26
Dictionary	27
Application Form	

# Highlights Page

## Proposed 12% P.A. Return

- The Fund is targeting an annual return of 12% for investors.

## Monthly Distributions

- Distributions will be paid monthly and credited directly to the investor's nominated bank account.

## Monthly Reporting

- Investors will have online access to their accounts, with detailed reports provided on a monthly basis.

## Diverse Portfolio

- The Fund offers exposure to international and Australian shares, bonds, managed funds, private equity, and cash.

## Established, Reputable Partners

- We are partnering with respected institutions, including Bell Potter, King Irving, and Westpac Private Bank.
- Aureus Accounting is not yet established, and this will be one of our initial private equity deals.

## Educated and Experienced Manager

- Phillip Dwyer holds a Master of Applied Finance with a major in Investment Analysis and a Bachelor of Commerce with a major in Accounting.
- Phillip's experience includes managing a \$150M property and private equity fund, over 7 years in financial planning, and over 10 years as an accountant.

## Versatility

- We have the ability to establish and customize a Special Purpose Vehicle (SPV) for investors under the umbrella deed.

## Fund Liquidity

- The Fund is diversified across multiple liquid asset classes such as Australian and USA shares, Bonds and Managed Investments, improving overall fund liquidity.

## Uncapped Returns

- Unlike some funds that offer fixed returns, the Aureus High Yield Fund does not limit returns, providing the potential for higher earnings.

## Fund at a Glance

About the Fund	
<b>Fund details</b>	
<b>Name of Fund</b>	Aureus High Yield Fund
<b>Fund structure</b>	An Australian unregistered managed investment scheme structured as a unit trust.
<b>Trustee and Investment Manager</b>	Aureus Funds Investment Management Pty Ltd ACN 677 255 131
<b>Administrator</b>	MSC Abacus Pty Ltd ACN 24 630 730 684
<b>Investment details</b>	
<b>Investment philosophy</b>	The Fund's investment philosophy is centred on a disciplined and strategic approach aimed at achieving long-term growth and stability for Investors.
<b>Benchmark</b>	The proposed return is 12% p.a. of Fund GAV.
<b>Investment objective</b>	The Fund's investment objective is to achieve above average capital growth over the medium to long term through a strategic allocation to securities with a thematic focus on listed Australian securities and options, listed U.S. securities and options, bonds, residential and commercial property (Australian only) and private equity (Australian and International).
<b>Investment strategy<sup>1</sup></b>	The Fund will actively invest in listed Australian securities and options, listed U.S. securities and options, bonds, residential and commercial property and private equity. Market conditions will determine the Portfolio allocation and preservation of capital and investment returns are a priority. The Fund will balance Liquid and illiquid investments to ensure funds are available for redemption when requested by investors.
<b>Risks</b>	Like any investment of this type, there are risks associated with investing in the Fund. Distributions are not guaranteed, nor is performance or any capital returns. Further information about the risks associated with investing in the Fund is set out on pages 8-9.
<b>Investing and access to funds</b>	
<b>Minimum investments<sup>2</sup></b>	The initial minimum investment amount is \$100,000, with additional minimum investment amounts of \$50,000.
<b>Applications</b>	Monthly. See more information on page 10.
<b>Redemptions</b>	Monthly. See more information on page 11.
<b>Access to funds &amp; minimum holdings<sup>2</sup></b>	The minimum redemption amount is \$100,000. The Trustee will generally allow Investors to access their investment monthly (although not obliged to do so) unless the Fund is not sufficiently Liquid. Units will usually be redeemed on the next occurring Business Day when the NAV is calculated following the month in which a Redemption Request is accepted. Investors may redeem their Units by sending a Redemption Request to the Fund Administrator. Redemptions are paid to the Investor's nominated bank account. A Redemption Request may not result in the balance of an Investor's account falling below \$100,000.
<b>Distributions</b>	Distributions are paid monthly and will be directly credited to an Investor's nominated bank account.
<b>Fund Valuation</b>	The Fund is valued monthly based on the Fund NAV as calculated on the last day of a month.
<b>Unit pricing</b>	Monthly. Correctly completed application or Redemption Requests received by 2pm on the last Business Day of a week and accepted by the Trustee will receive the Issue Price or Redemption Price calculated for the month on that Business Day. The initial Issue Price is \$1.00.
<b>Fees and expenses</b>	
<b>Management costs<sup>3</sup></b>	The management costs are 2% p.a. of the Fund GAV, calculated and paid monthly in arrears. Generally the management fee is payable by the Fund. In unusual circumstances, such as where the illiquid portion of the Fund grows significantly in value, the management fee and Fund expenses up to the 1% cap may be payable by a Capital Call.

## Fund at a Glance *continued*

### About the Fund

<b>Performance fee<sup>3</sup></b>	A performance fee of 50% p.a (including GST and net of RITC) is payable on the Outperformance of the Fund above the Hurdle and subject to a High Water Mark. The performance fee is calculated and paid monthly in arrears.
<b>Fund expenses</b>	Ordinary expenses for the Fund such as custody, administration, legal and audit fees for the establishment and operation of the Fund will be paid by the Trustee from a fixed expense reimbursement allowance of 1% p.a of Fund GAV. We may also recover from the Fund abnormal expenses, such as the cost of Unit Holders' meetings and other irregular expenses.
<b>Entry fee</b>	An entry fee of 2% of an Investor's investment amount will be incurred by Investors which will be rebated as Units in the Fund over a 12 month period in equal monthly instalments.

1. The actual allocation to asset classes may vary from time to time and whilst the Fund is being established or due to market conditions.
2. The Trustee may alter or waive the minimum amounts specified at any time in its absolute discretion. All amounts are in AUD.
3. All numbers exclusive of GST except where otherwise stated.

## About Aureus Funds and the Main Service Providers

### Aureus Funds Investment Management - Trustee and Investment Manager

Aureus Funds Investment Management Pty Ltd (ACN 677 255 131, CAR No. 001310033) is the Trustee of the Fund.

The sole director of Aureus Funds is Phillip Dwyer, an accomplished finance professional with an extensive education as well as experience in financial roles. He has a Master of Applied Finance (Investment Analysis), Bachelor of Commerce (Accounting) as well as qualifications in real estate, financial planning, mortgage broking and general insurance.

With a strong background in acquiring and growing financial services businesses, he has successfully navigated complex business environments and delivered outstanding results for shareholders. Phillip has effectively managed the financial operations of multinational organisations, overseeing budgets, forecasting, and financial reporting. He has played a key role in driving profitability and ensuring compliance with regulatory requirements. Through his strategic insights and meticulous analysis, he has provided valuable recommendations to senior management, enabling informed decision-making and facilitating the achievement of business objectives.

Throughout Phillip's career, he has managed the financial planning of hundreds of high net wealth clients, delivering exceptional portfolio returns.

With a strong focus on building relationships and providing exceptional service, Phillip has a proven ability to develop and maintain long-term partnerships with clients and stakeholders.

Phillip is passionate about driving financial excellence and contributing to the success of organizations. He is committed to leveraging his expertise to optimise financial performance, support strategic decision-making, and drive sustainable growth.

### MSC Abacus - Administrator

The Trustee has appointed MCS Abacus Pty Ltd (ABN 24 630 730 684) as the Administrator of the Fund. MSC Abacus is an independent fund administrator dedicated to providing solutions to a wide range of asset managers, capital markets, family offices, private clients and wholesale investors.

The Administrator performs certain administrative, accounting and Investor registry services for the Fund under the administration agreement between it and the Trustee, subject to the supervision of the Trustee.

This includes the issue and redemption of Units, maintenance of the Fund's register of Investors, determining the Net Asset Value and unit prices under the Fund's valuation policies, and maintaining the Fund's financial books and records and Distributions. Under the administration agreement, the Administrator is required to exercise reasonable care in performing its duties but is not liable for any loss of the Fund for performance of its obligations except as noted below.

The Fund indemnifies the Administrator from all liabilities, damages, costs, claims and expenses arising under the administration agreement. This release and indemnity does not apply to the Administrator's own negligence, wilful misconduct, fraud or material breach.



# About the Fund

## Fund Overview

The Fund operates as a wholesale fund structured as a unit trust. In this framework, the money contributed by all Investors is pooled and utilised to acquire a diverse range of investments. These investments are actively managed by the Investment Manager, who leverages their expertise to optimise returns and manage risks. The Trustee holds the responsibility for the day-to-day operations of the Fund, ensuring that all activities are conducted in compliance with regulatory standards.

By investing in the Fund, Investors gain access to specialised knowledge and expertise in the investment arena. This includes market insights and specialised investment strategies that are designed to maximise returns while minimising risk. Aureus Funds' team of specialist professionals employ a disciplined and strategic approach to investment management, ensuring that the Fund's Portfolio is well-positioned to capitalise on market opportunities and navigate economic uncertainties.

## Investment Objective

The investment objective is to preserve and grow capital by strategically allocating the Portfolio to the following assets:

- listed Australian securities and options;
- listed U.S. securities and options;
- bonds;
- residential and commercial property (Australian only); and
- private equity (Australian and International).

The investment objective is to provide a return of 12% p.a. of the Fund NAV to Investors.

The Fund may have exposure to Australian and U.S. options which provides access to investments that can be profitable in a market downturn.

Certain private equity investments will also ensure

that investment returns continue in the event of a market downturn.

## Investment Philosophy

The Fund's investment philosophy is centred on a disciplined and strategic approach aimed at achieving long-term growth and stability for investors. Aureus Funds believes in the power of thorough research and due diligence, carefully analysing potential investments to identify opportunities that offer a strong balance of risk and reward.

Diversification is a cornerstone of Aureus Funds' strategy, as we spread investments across various active management, with continuous monitoring and timely adjustments to portfolios to respond to changing market conditions and capitalise on emerging opportunities.

Aureus Funds are committed to transparency and ethical practices, ensuring that Investors are well-informed. Ultimately, the Fund's investment philosophy is designed to protect and grow Investors' wealth through a prudent, proactive and principled approach.

## Investment Strategy

The Fund will actively invest in listed Australian securities and options, listed U.S. securities and options, bonds, residential and commercial property and private equity.

Market conditions will determine the Portfolio allocation to asset classes. Preservation of capital and investment returns are a priority.

The Fund will balance Liquid and illiquid investments to ensure funds are available for redemption when requested by Investors. For example:

- In an uptrend, the Fund can provide investment returns by buying and selling securities for a profit. This is made extremely difficult in a market downturn.
- Private equity can provide investment returns regardless of market sentiment or direction.

## About the Fund

- Australian and U.S. options provide access to short the market so that the Fund may make a profit in a downtrend.
- The Fund may obtain exposure to crypto currency through investing in funds or other investment vehicles which invest in that asset class (rather than the Fund investing directly).

### Asset allocation

The following table outlines the Fund's percentage allocation range for each asset class:

Asset Class	Portfolio Allocation %
International shares	0 - 25
Australian shares	0 - 25
Bonds etc	0 - 15
Property	0 - 25
Derivatives	0 - 15
Private Equity	0 - 50
Cash	0 - 15

## About the Fund

### Approach to Investing

The Fund's approach to investing is relevant to Investors' required rates of return. The Fund maintains an actively managed investment style to ensure exposure to asset classes with higher risk profiles are generating the required returns for Investors. Higher risk investments are complimented with investments which can provide greater certainty of investment returns.

Each investment is thoroughly analysed prior to investing. Analysis of the financial modelling and legal agreements is paramount to deliver the desired outcome for investors.

### Sourcing Investment Opportunities

The Fund will source investment opportunities as follows:

- **Bell Potter** – The team at Bell Potter will actively manage the Fund's exposure to Australian and U.S. securities and options. They provide in-depth market analysis prior to any recommendations, as well as trade execution services.
- **Aureus Accounting** – The team at Aureus Accounting interact on a regular basis with thousands of clients as well as the client's lawyers, financial advisers, mortgage brokers and real estate agents. This provides a large network of investment opportunities. Any opportunity is thoroughly vetted by Aureus Accounting prior to being presented as a proposal to the Fund.
- **Phillip Dwyer** – Phillip has an extensive network of high net wealth individuals who he has worked closely with over the past 10 years.

### Due Diligence

The Fund's rigorous due diligence process is focused on the preservation of capital and generating the required rate of return for investors.

The due diligence process comprises the following:

#### 1. Aureus Accounting

- Where required, Aureus Accounting will provide the analytics and modelling to the Investment Manager for review.
- They will engage the relevant providers such as valuers, industry experts, research houses, etc. for the necessary data. This data will be compiled into a report and provided to the Investment Manager for review.
- The report will provide the Investment Manager with necessary financial information to make an informed decision about the preservation of capital and income of the investment.

#### 2. King Irving

- Where required, King Irving will be instructed to review the project on behalf of the Investment Manager to ensure it is legally compliant for the Fund to invest in. This includes, but is not limited to, confirming the activities undertaken by the Investment Manager are within the specific powers granted to them as a CAR under an Australian Financial Services Licence as well as compliance with privacy, FATCA/CRS and AML/CTF requirements.

#### 3. Legal Requirements

- Where required, a law firm will be directed to prepare the legal agreements for investment by the Fund.

### Debt

- The Fund will not be borrowing any money and, therefore, will have nil debt.

### Derivatives and FX

- The Fund may invest in listed derivatives, specifically options, listed on Australian and International markets. This may expose the Fund to leverage. It is not expected that this exposure will exceed 5% of the Portfolio.
- The Fund may use FX spot contracts for the purpose of investing in overseas assets. The Investment Manager does not intend to hedge currency exposure by using FX contracts.

## Managing Risk

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy.

The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

The Trustee does not guarantee the liquidity of the Fund's investments, the repayment of capital or any rate of return. The level of returns will vary, and future returns may differ from past returns.

### Key Risks

Some of the things that may cause the Fund's value to move up or down are summarised below. These risks are not exhaustive.

#### Investment return risk

Past performance is no guarantee of future performance. As we are an active manager, there is a risk the Fund may underperform compared with its investment objective or with the market.

#### Market risk

Returns of the Fund will be affected by the performance of investments chosen for the Fund, which may in turn, be affected by the performance of investment markets generally. This risk, includes demand and supply in these markets and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, pandemic outbreaks, environmental and technological issues, and consumer demand.

#### Liquidity risk

The realisation of Assets is subject to a number of factors such as extreme economic and market conditions. Although the Fund's investments include listed securities there may be times when these securities cannot be readily sold and other Assets of the Fund may be less

liquid. This will affect the Fund's overall liquidity. Some investments may not be easily converted into cash without loss of capital or minimum delay, due to insufficient buyers, suspension of trading of markets or of the entity involved, Fund outflows, or disruptions in the marketplace. necessary financial information to make an informed decision about the preservation of capital and income of the investment.

#### Currency risk

Where underlying investments are invested in jurisdictions outside of Australia, returns may be affected by movements between the other currencies and the Australian dollar. Although the Investment Manager may employ hedging strategies, it is not part of the Fund's Investment Strategy to hedge the Fund's exposure to foreign currency.

#### Digital asset risk

An investment in digital assets including where invested in through another investment vehicle may be affected by unexpected changes in the digital asset's operations and software development. The underlying protocol may fail to function and/or may be attacked and rendered inoperable. Digital assets are subject to extreme price volatility, being a significant, unstable rise in the value of the digital asset. As a result, the underlying asset of the Fund could face a loss or lose all their value.

#### Derivative Risk

The use of derivatives can lead to higher gains or losses than a portfolio that does not use derivatives. A derivative may involve gearing, that is, liability for a loss from a change in price of a security, currency or index which exceeds the amount of cash or assets initially required to establish the derivative.

#### Leverage Risk

The Fund may leverage the Portfolio, including through the use of derivatives by buying listed options. The risk associated with leverage, is that it increases the gross exposure of the Fund which may have the effect of magnifying both the profits and losses of the Fund. This may expose the Fund to leverage. It is not expected that this exposure will exceed

## Managing Risk *continued*

5% of the Portfolio. Returns from leveraged investments are generally more volatile than returns from unleveraged investments.

### Counterparty Risks

Counterparty risk is the risk of loss resulting from another party, including but not limited to a broker used by the Investment Manager to execute trades, defaulting on its financial obligations either because the counterparty becomes insolvent or cannot otherwise meet its obligations to the Fund. We aim to keep this risk to a minimum by regularly monitoring all counterparties.

### Security Or Asset Specific Risk

The prices of securities and other assets which the Fund invests in, can rise or fall independently of changes in the broader market. While the Fund mitigates this risk through diversifying its holdings across a wide selection of available securities and assets in the relevant indexes of the Fund, the Fund may still be exposed to independent security or asset specific risk.

### Fund of Fund Risk

The Fund intends to invest into other funds managed by specialist investment managers. An investment of the Fund in an underlying managed fund may be affected by unexpected changes in that underlying managed fund's operations or business environment. There may also be a risk that the underlying managed fund may have its assets frozen for a period of time or that the manager of that fund suspends withdrawals. This may have an impact on your ability to withdraw from the Fund.

### Other General Risks

#### Service provider risk

You could be adversely affected if any of the various parties involved in the operation of the Fund fail to perform their obligations. This could impact your returns or the ability to withdraw your investment. All key service providers are actively monitored regarding their performance.

#### Personnel risk

The Fund relies heavily upon the Investment Manager to execute the investment strategy to deliver the targeted returns. Despite the investment strategy being applied as outlined, there is no certainty that the Investment Manager will produce the intended result.

#### Investment Manager Risk

The skill and performance of Minotaur as Investment Manager can impact the Fund's investment returns. Changes in the key personnel and resources of these entities may also have an impact on the Fund. As a result, the Fund may underperform compared to other funds with a similar investment strategy.

#### Fund Risk

As with all managed funds, there are risks particular to the Fund including that the Fund could be terminated, the fees and expenses could change, or service providers are changed.

#### Regulatory and tax risk

Fund performance may be affected by regulatory changes and changes to tax legislation in Australia or other jurisdictions which could impact the value of your investment in the Fund.

#### Redemption risk

The risk the Fund cannot make redemption payments on time, caused by a possible mismatch between the liquidity profile of the investments and the amount required to meet redemptions. The Fund has the right to defer redemptions if it is believed the realisation of Assets to meet a redemption is impracticable to calculate the Fund's Net Asset Value.

#### Cyber risk

There is a risk of fraud, data loss, business disruption or damage to information of the Fund or to an Investor's personal information due to a threat or failure to protect the information or personal data stored within the IT systems and networks of the Trustee or other service providers.



## Managing Risk *continued*

### **Business and Early Stage investments**

If investing in private equity investments, the Fund will be exposed to risks specific to the particular business or sector in which each investment operates. An early stage is a start-up and may not have developed complete businesses, products, customer bases or management systems. It is possible some of the investments will not be successful and will result in a loss of capital by the Fund. The Investment Manager believes diversification of asset classes will help minimise the impact on the Fund of these outcomes so that the overall performance of the Fund is maximised.

## Investing in the Fund

The minimum initial application in the Fund is \$100,000 with additional investments of \$50,000. The Trustee may waive or increase the minimum application amount and additional investment amounts at its discretion on the recommendation of the Investment Manager.

### Making an Application

To invest, please complete and sign the Application Form accompanying this IM.

The completed Application Form, together with the required AML/KYC documents, can be emailed to the Administrator at [[Phillip.Dwyer@AureusFunds.com.au](mailto:Phillip.Dwyer@AureusFunds.com.au)] or completed online by going to [[www.AureusFunds.com.au](http://www.AureusFunds.com.au)].

Correctly completed Application Forms accompanied by cleared funds, must be received by the Administrator by 2 pm on the last Business Day of the month. The Trustee may accept applications more frequently at its discretion.

While originals are generally not required – the Administrator may, in its absolute discretion, request the original “wet ink” signed documents or any additional AML/KYC documents.

Neither the Fund, the Trustee or the Administrator accept any responsibility for any loss arising from the non-receipt or illegibility of any Application Form sent by email or for any loss caused for any action taken as a consequence of an email believed in good faith to have originated from properly authorised persons.

### Investment Method

Your initial investment amount may be made by Electronic Funds Transfer or Direct Deposit to the application account details provided in the Application Form.

Please note the application cannot be processed until cleared funds are received. Cash cannot be accepted.

Under the AML/CTF Act, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all necessary information has been

provided. As a result, delays in processing your application may occur.

The Trustee reserves the right to refuse any application without giving a reason. If for any reason the Trustee refuses or is unable to process your application to invest in the Fund, the Trustee will return your application money to you, less any bank fees in connection with the application. Interest does not apply to application money.

### Issue Price

The Issue Price is determined by dividing the NAV of the Fund for the Valuation Date by the number of Units on issue. The Valuation Date is the last Business Day of a month during which the application is received and accepted by the Trustee.

Units will generally be issued on the first Business Day of the month following the month in which an application is received.

### Valuation of the Fund

The first Units will be issued at \$1.00. From then on, the Unit Price fluctuates with changes in the NAV.

The Trustee will value the Fund according to its Valuation Guidelines. These may include the ‘International Private Equity and Venture Capital Valuation Guidelines’ or any amendment or replacement of those guidelines for private equity investments.

Listed investments usually are valued at the closing price on the market on which they are listed. Any income entitlement or cash held for the Fund and any amount of GST recoverable by the Fund from the ATO are also included in the value of the Fund’s Assets and used to calculate the value of Units.

The Fund will be valued on the last Business Day of a month for which the NAV is calculated.

### Classes of Units

Under the Trust Deed we may issue additional classes of Units. Currently, there is one class of Units in the Fund.

# Redeeming from the Fund

## Making a Redemption

Investors may redeem Units by sending a Redemption Request to the Trustee in the form required by the Trustee. The Redemption Request should be sent to the Administrator by [registry@msc.group](mailto:registry@msc.group) and mailing an original copy to the below address]:

MSC Abacus  
PO Box 16070  
Collins Street West VIC 8007

Redemption Requests must be signed by authorised signatories and for companies, by at least 2 directors (unless a sole director company). Original “wet ink” signed Redemption Requests may also be required by the Administrator.

There is no minimum redemption amount. Your redemption must not result in the balance of your investment falling below \$100,000.

The Trustee has the right to fully redeem an Investor’s investment in the Fund where their holding falls below the minimum balance of \$100,000.

## Access to funds

Although the Trustee is not obliged to redeem Units, the Trustee will generally allow Investors to access their investment monthly unless the Fund is not sufficiently Liquid to meet a Redemption Request.

Units will usually be redeemed on the next occurring Business Day when the NAV is calculated following the month during which a Redemption Request is accepted by the Trustee.

Where the Trustee is unable to satisfy Redemption Requests for a month in whole or part, the Redemption Requests for the month which are unable to be satisfied will lapse.

The Trust Deed also allows the Trustee to stagger redemption payments over several days or to delay making payments for a Redemption Request in unusual circumstances, such as when the Trustee is unable to

satisfy a Redemption Request due to suspended trading in a market.

The Trustee will refuse to comply with any Redemption Request if the requesting party does not satisfactorily identify themselves as the Unit Holder.

Redemption payments will not be made to third parties (including authorised representatives) and will only be paid directly to the Investor’s designated bank account held in the name of the Investor.

## Redemption Price

Redemption Requests accepted by the Trustee and received by 2 pm on the last Business Day of a month will receive the Redemption Price for that day.

The Redemption Price is determined by dividing the Net Asset Value of the Fund for the Valuation Date by the number of Units on issue. The Valuation Date is the last Business Day of the month where a Redemption Request has been received and accepted by the Trustee during the month.

Refer to ‘Valuation of the Fund’ on page 10 for how the Fund is valued.

## Transfer Of Units

There is no established secondary market for Units in the Fund and the Trustee does not intend to list the Fund on any securities exchange. The Units may be transferred in the form and manner determined by the Trustee.

The Trustee may, in its discretion, refuse to register any transfer of Units. If a Unit Holder dies or becomes subject to a legal disability, only the survivor or legal personal representatives will be recognised as having any claim to Units registered in the Unit Holder’s name.

## Email Requests

Investors may provide instructions on their account and effect investments and redemption requests to the Trustee by electronic communications including email. The Trustee and its employees, advisers and agents will assume any instruction received for a Unit Holder’s investment has



## Redeeming from the Fund *continued*

been authorised by the Unit Holder, and the Trustee and its employees, advisers and agents will not investigate or confirm that authority (unless the Trustee is actually aware that the instruction was not authorised). By lodging electronic instructions the Unit Holder releases, discharges and agrees to indemnify each of the Trustee and MSC Abacus from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any electronic instructions.

The Unit Holder agrees that any payment made in accordance with a Redemption Request provided by electronic instructions is in complete satisfaction of the obligations of the Trustee and MSC Abacus notwithstanding any fact or circumstance, including that the payment was made without the Unit Holder's knowledge or authority.

The Unit Holder agrees that if the payment is made in accordance with a Redemption Request provided by electronic instruction, the Unit Holder or any person claiming through or under them will have no claim against the Trustee or MSC Abacus or any other party for the payment.

## Other Investor Information

### Distributions

A Distribution comprises a Unit Holder's share of any distributable income earned by the Fund and may also include capital returns. A Unit Holder's share of any distributable income for a distribution period is generally based on the number of Units held by the Unit Holder at the end of the distribution period.

Generally, Distributions are paid monthly and distributed within 10 Business Days after the date they are determined, although the Distribution may take longer (for example, if there is a delay in completing an audit).

As an Investor in the Fund, you will have your Distribution directly credited to your nominated bank account.

### Appointment of Authorised Representative to Operate an Account

Investors may elect to appoint an authorised representative to operate their account. The relevant sections on the Application Form needs to be completed, including the name and signature of the authorised representative, the signature of the Investor and the date. Only Investors can appoint authorised representatives. If you appoint an authorised representative, we suggest you ensure that:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or by the Trustee.

If the Trustee determines that the circumstances require it, the Trustee may cancel an appointment by giving an Investor 14 days' notice in writing. If an appointment is cancelled, the Trustee will not be obliged to act on the instructions of the authorised representative. If the instructions are varied, the Trustee will act only in accordance with the varied instructions.

By completing and lodging the relevant sections on authorised representatives on the Application Form, you release, discharge and agree to indemnify the Trustee from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Trustee acting on the instructions of your authorised

representative.

You also agree that any instructions of your authorised representative to the Trustee, which are followed by the Trustee, are a complete satisfaction of the obligations of the Trustee, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority.

### Powers of an Authorised Representative

An authorised representative can, among other things:

- apply for additional Units;
- request that Distribution instructions be altered;
- change bank account details;
- redeem all or part of your investment; and
- enquire as to the status of your investment and obtain copies of statements.

Redemption payments will not be made to third parties.

If a company is appointed as an authorised representative, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

### Reporting to Investors

Regular reports are provided to Investors. These reports comprise:

- **Fund reports** – the investment Manager will send monthly commentaries about the Fund to Investors including investment returns compared to index returns.
- **Distribution statements** – monthly in line with Distribution frequency, notifying you of the Distribution paid from your investment in the Fund and confirming payment to your nominated account.
- **Tax statements** – issued annually, providing Investors with taxation information, including a detailed summary of the components of any Distributions.

## Other Investor Information *continued*

You can contact the Investment Manager for updated information on performance, Unit prices, Fund size and other general information about the Fund by emailing us at [Phillip.Dwyer@AureusFunds.com.au](mailto:Phillip.Dwyer@AureusFunds.com.au).

### **Enquiries and complaints**

The Trustee seeks to resolve complaints over the management of the Fund to the satisfaction of Investors. If you wish to lodge a formal complaint, please contact us by emailing us at: [Phillip.Dwyer@AureusFunds.com.au](mailto:Phillip.Dwyer@AureusFunds.com.au).

The Trustee will seek to resolve any complaint and will respond within 14 days of receiving the complaint.

## Fees and Costs

### Management Costs

The management costs are inclusive of the Investment Manager and Trustee fees.

The management costs are calculated and accrued monthly in arrears based on the Gross Asset Value of the Fund and are reflected in the Issue and Redemption Prices. The management costs include the day to day expenses of the Fund but do not include abnormal expenses or transaction costs.

The management costs are currently 2% p.a. of the Fund GAV, exclusive of GST, which accrues monthly and is payable to the Investment Manager monthly in arrears.

### Fund Expenses

All expenses properly incurred in managing the Fund will be paid from a capped allowance of 1% p.a. of the Fund GAV ex GST. These expenses include custody fees, administration fees, audit fees and other ordinary expenses related to the establishment and operation of the Fund.

We may recover separately from the Fund abnormal expenses such as the costs of Unit Holders' meetings, legal advice or proceedings and other irregular expenses.

### Capital Call

Generally the management fee and Fund expenses (up to the cap of 1%) is payable by the Fund. In unusual circumstances, such as where the illiquid portion of the Fund grows significantly in value, the management fee may be payable by a Capital Call. The Trustee must give Unit Holders at least 10 Business Days' written notice of a Capital Call specifying the amount, purpose and due date for payment, which will be the same for all Unit Holders.

If a Unit Holder has not paid a Capital Call within 10 Business Days, the Unit Holder may be subject to interest charges calculated at 8% above the RBA cash rate and if the Capital Call remains unpaid, the Trustee may forfeit the person's Units or seek other appropriate remedies, relief or damages.

### GST and Taxes

All government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. Relevant tax information is provided in the 'Taxation' section on page 14. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund.

### Entry Fee

An entry fee of 2% p.a. excluding GST will be incurred by Investors with this fee to be rebated to Investors in the form of Units in the Fund over a 12 month period in equal monthly instalments. There are no exit fees.

### Buy/Sell Spread

The Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty.

The Buy/Sell Spread reflects the estimated transaction costs associated with buying or selling the assets of the Fund when Investors invest in, or redeem from the Fund. The Buy/Sell Spread is an additional cost to the Investor but is included in the Unit price and is incurred when an Investor invests in, or redeems, from the Fund. The Buy/Sell Spread is paid into the Fund and is not retained by the Trustee.

At the date of this IM, the Buy/Sell Spread of the Fund is 0.0% this may change at the discretion of the Trustee.

### Performance Fees

Below the Hurdle, the Investment Manager will not receive a performance fee. The Investment Manager will be entitled to a performance fee of 50% of any amount (including GST and net of RITC) by which the Outperformance, or investment return, of the Fund (before the management fee) is above the Hurdle. The Hurdle is 8% per annum of the adjusted Fund GAV, calculated on a rolling basis, inclusive of GST and net of RITC.

Payment of the performance fee is subject to a High Water Mark. This means the Investment Manager will not receive a performance fee unless the adjusted Gross Asset Value of the

## Fees and Costs *continued*

Fund is at least the previous highest value when the previous performance fee was charged plus the Hurdle.

The performance fee will be calculated and accrued monthly based on the GAV of the Fund and is paid monthly in arrears. The performance fee calculation in relation to the Hurdle will reset annually.

The Gross Asset Value for the purposes of the calculation of the performance fee has been structured, or adjusted, to consider capital movements within the Fund. Capital movements include applications, redemptions and Distributions.

### Worked example

The GAV of the Fund on 1 July 2026 was \$1,000,000 (performance commencement period).

The GAV of the Fund on 30 June 2027 was \$1,200,000 (performance end period).

The Hurdle was \$1,080,000.

A performance fee is payable as the closing Gross Asset

Value above the Hurdle. The performance fee is 50% of the gain above the Hurdle and is calculated as:  $((\$1,200,000 - \$1,080,000) \times 50\% = \$60,000$ .

### Can the Fees Change?

All fees can change without Investors' consent, subject to the maximum fee amounts specified in the Trust Deed. Reasons might include changing economic conditions and changes in regulations.

We will generally provide Investors with at least 30 days' notice of any proposed change to the management costs.

Expense recoveries may change without notice, for example, when it is necessary to protect the interests of existing Investors.

### Differential Fees

The Investment Manager may from time to time negotiate a different fee arrangement with certain Australian Wholesale Clients

## Taxation

The taxation information in this IM is of a general nature and is current as at its date. This information provides a general overview of the tax implications for Australian tax resident Investors that hold their Units on capital account. The application of these laws depends on the individual circumstances of the Investor. The following comments should not be regarded as tax advice, and it is recommended that Investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident Unit Holders only.

### Taxation of the Fund

The Fund is an Australian resident trust estate for Australian tax purposes. Under the Trust Deed, where Unit Holders are entitled to all of the distributable income of the Fund for a Financial Year, the Fund itself should not be liable for income tax. The taxation liability for the taxable income of the Fund will rest with the Unit Holders. However, if for any reason there is taxable income to which no Unit Holder is presently entitled, the Fund will be taxed at the highest marginal tax rate for that income.

If the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Unit Holders. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses (including to the extent the Fund has carried forward capital losses) to offset against income or capital gains (as appropriate) in subsequent years.

### Distributions

Where a Unit Holder is presently entitled to a share of the Fund's income for a Financial Year, the Unit Holder will be liable to tax on their proportional share of the taxable income of the Fund. Investors will be assessed on their proportionate share of the Fund's net taxable income in the Financial Year for which their entitlement to the distributable income arises, even though it may not have been received in that Financial Year.

Distributions from the Fund may comprise different components including interest, dividends, net capital gains, other income, franking credits, foreign income, foreign

income tax offsets, tax-deferred amounts and a return of capital (which may affect the cost base of Units).

For Unit Holders who hold their Units on capital account, the tax-deferred income should not form part of their assessable income in the year that the tax-deferred Distribution is paid. Instead, the Investor's cost base in the Units will be reduced by the tax-deferred amount and may affect the CGT position of the investment. However, for those Unit Holders who have a zero-cost base in their Units, or where the tax-deferred Distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the Unit Holder. Investors should maintain records of their adjustments.

### Franking Credits

Where the Fund receives franked dividends, the taxable net income of the Fund includes franked dividends and related franking credits. A credit for these amounts may be available in calculating Unit Holders' tax liabilities, depending on their specific circumstances and subject to various integrity rules, including the 45-day holding period rule. Excess franking credits may be refundable to certain resident individuals and complying superannuation entities and in certain cases, may generate tax losses for corporate entities.

### Disposal or Redemption of Units

Unit Holders must include any realised capital gain or loss on disposal or redemption of their Units (together with any capital gain distributed by the Fund) in calculating their net capital gain or loss for a Financial Year. The Fund may determine that part of the Redemption Price of a unit represents a Distribution of income for tax purposes for the Financial Year.

Where the Redemption Price includes a Distribution of income, any capital gain made is reduced by the taxable income amount included in the Investor's assessable income. A net capital gain will be included in a Unit Holder's assessable income. A net capital loss may be carried forward for offset against capital gains of the Unit Holder in subsequent years but may not be offset against ordinary income.

## Taxation *continued*

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the Units have been held for 12 months or more.

### Other Matters

If the Fund qualifies as a MIT, the Trustee may determine that it will make an irrevocable election to apply the AMIT tax legislation. The AMIT legislation applies an attribution model whereby the Trustee attributes amounts of trust components of a particular character to Investors on a fair and reasonable basis consistent with the operation of the AMIT's Trust Deed.

GST is not applied to the application for or redemption of Units. However, GST generally applies to Fund's management fees and expense costs. The Fund is entitled to claim Reduced Input Tax Credits (**'RITC'**) at the prescribed percentage from the ATO for part of the GST paid.

An Investor is not required to quote their Tax File Number (**'TFN'**) or Australian Business Number (**'ABN'**). However, if the Unit Holder is an Australian resident for taxation purposes and a TFN or ABN is not provided, or an exemption is not claimed, we are required to withhold tax at the highest marginal rate, plus the Medicare levy, from Fund Distributions.

## Other Important Information

### Cooling Off Period

No cooling off period applies to Units offered under this IM as you must be a Wholesale Client to invest in the Fund. Cooling off protections do not apply to Wholesale Clients.

### Unit Holder Liability

The Trust Deed provides that unless there is a separate agreement with a Unit Holder, no Unit Holder can be called on to contribute to the Assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. As a result, it is expected that Unit Holders will not be under any obligation if a deficiency in the Assets of the Fund was to occur. This view has not been tested in court.

However in general, the liability of a Unit Holder is limited to the amount (if any) which is unpaid for their application for Units and certain amounts for tax.

### Non-Listing of Units

The Units of the Fund are not listed on any stock exchange.

### Termination of the Fund

The Trustee may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Trust Deed. The Fund may otherwise terminate if required by law. Notice will be provided to Unit Holders advising of the Fund's termination. Upon termination and after conversion of Fund Assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unit Holders according to the number of Units they hold in the Fund.

### Our Legal Relationship with You

You will receive Units when you invest. Subject to the rights, obligations and liabilities of any Unit class, each Unit represents an equal proportionate beneficial interest in the Assets of the Fund as a whole, less Fund liabilities, but does not give you an interest in any particular Asset of the Fund.

The Trustee's responsibilities and obligations as the

trustee of the Fund are governed by the Trust Deed as well as by general trust law. The Trust Deed contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Trustee and Unit Holders.

Some of the provisions of the Trust Deed are discussed elsewhere in this IM. These provisions relate to a Unit Holder's rights under the Trust Deed, and include:

- a Unit Holder's right to Distributions, and how we calculate it;
- a Unit Holder's right to redeem from the Fund - subject to the times when we can cease processing redemptions - such as if the Fund becomes 'illiquid';
- the nature of the Units - identical rights attach to all Units within the fund or if there is more than one class, within a class;
- what you are entitled to receive when you redeem or if the Fund is wound up; and
- a Unit Holder's rights to attend and vote at meetings.

There are also provisions governing our powers and duties, including:

- how we calculate Unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Trust Deed - generally we can only amend the Trust Deed where we reasonably believe that the changes will not result in the rights to the income and capital of the Fund arising from each Unit not being clearly defined for the purposes of the Tax Act (otherwise the Trust Deed can only be amended with the consent of unit Holders);
- when we can retire, or be removed, as trustee of the Fund;
- our broad powers to invest, borrow money and generally manage the Fund.

The Trust Deed also deals with our liabilities for the Fund and when we can be reimbursed out of the Fund's Assets, for example:



## Other Important Information *continued*

- we are not liable for acting in reliance and good faith on professional advice;
- we are not liable for any loss unless we act in breach of trust or breach of duty, or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties for the Fund.

Our responsibilities and obligations as the Trustee of the Fund are governed by the Trust Deed as well as under general trust law, which generally require that we:

- act in the best interests of Unit Holders and, if there is a conflict between interests of Unit Holders and our own, give priority to Unit Holders;
- ensure the property of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly; and
- ensure payments from the Portfolio are made in accordance with the Trust Deed.

Copies of the Trust Deed are available free of request from the Trustee.

### Indemnity

Aureus Funds, as the Trustee of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties for the Fund. To the extent permitted by the law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Trustee. The Trustee may retain and pay out from the Fund all sums necessary to affect this indemnity.

### Related Party Transactions

The Trustee, Investment Manager and their respective associates are entitled to enter into, or be interested on their own account, in any transactions entered into for the Fund or with any company or body in which the Fund is invested or which provides services to the Fund. Any such transactions will be exercised at the Trustee's discretion while exercising its best commercial judgement. The Trustee, Investment Manager and their respective associates are also permitted to hold Units in any capacity.

### Privacy Statement

The Privacy Act 1988 (Cth) ('**Privacy Act**') and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. We may collect personal information about you and individuals associated with you to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation).

You must ensure all personal information which you provide to us is true and correct in every detail, and should those personal details change, it is your responsibility to ensure you promptly advise us of the changes in writing. If you do not provide the information requested, we may not be able to process your application, pay or transfer your investment. We may also obtain or confirm information about you from publicly available sources to meet regulatory obligations.

We may disclose your information to other members of our corporate group or to third parties, where it is necessary, to provide you with the products or services. These third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Administrator or auditors,;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO and AUSTRAC.

Details of the Privacy Policy applying to the collection of data by us is available by emailing us at: [Phillip.Dwyer@AureusFunds.com.au](mailto:Phillip.Dwyer@AureusFunds.com.au).

# Automatic Exchange of Financial Account Information

## Automatic Exchange of Financial Account Information

The Australian Government has enacted laws and entered into international agreements. These laws implement automatic exchange of information ('**AEOI**') with:

- the United States ('**US**') under a system known as the Foreign Account Tax Compliance Act ('**FATCA**'). This is for US citizens and tax residents only and applied from 1 July 2014.
- other countries under the Common Reporting Standard ('**CRS**'). The CRS applies to all foreign tax residents from 1 July 2017.

The CRS is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Under it, banks and other financial institutions will collect and report financial account information on non-residents to the local tax authority.

For the Fund, that is the ATO. The ATO will exchange this information with the participating foreign tax authorities of those non-residents. In parallel, the ATO will receive financial account information on Australian residents from other countries' tax authorities.

Each investor must certify their residence for tax purposes. You may be required to complete additional documentation. If you are a foreign tax resident, you will need to provide your taxpayer identification number or an equivalent. This is the number used to identify you to the tax authority in the foreign country. If you don't have one, you will be asked to provide a reason.

FATCA is a US regulatory requirement that aims to deter tax evasion by US taxpayers. The Australian Government has entered into an Inter-Governmental Agreement (IGA) with the US Government for the exchange of US tax payer information. Under the IGA, financial institutions (including managed investment schemes) must report US tax payer information via the Australian Tax Office to the US IRS.

To meet these obligations, each investor must complete and sign the FATCA Self-certification Declaration form

included in the Subscription Agreement.

The Trustee is unable to provide you with any tax or professional advice in respect of CRS, FATCA or the IGA and you are encouraged to seek the advice of a tax or professional advisor in relation to completing the Application Form.

## AML/CTF

The Trustee is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 ('**AML/CTF Law**'). This means that the Trustee will require potential investors to provide personal information and documentation in relation to their identity when they invest in the Fund. The Trustee may, through the Administrator, need to obtain additional information and documentation from Investors to process applications or subsequent transactions or at other times during the period of the investment.

The Trustee or Administrator (as applicable) may need to identify:

- an Investor prior to purchasing Units in the Fund. The Trustee will not issue Units until all relevant information has been received and an Investor's identity has been satisfactorily verified; and
- anyone acting on behalf of an Investor, including a power of attorney.

In some circumstances, the Trustee or Administrator (as applicable) may need to re-verify this information.

By applying to invest in the Fund, Investors also acknowledge that the Trustee may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of Units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause the Trustee to commit or participate in an offence under, any AML/CTF Law, and the Trustee will incur no liability to Investors if it does so.

## Dictionary

**Administrator** – MSC Abacus Pty Ltd (ABN 24 630 730 684).

**AFSL** - Australian Financial Services Licence.

**AMIT** - attribution managed investment trusts.

**AML/CTF Act** - Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

**AML/KYC** - Anti-Money Laundering/Know Your Customer.

**Application Form** - the application form to apply for Units and accompanying this IM.

**ASIC** - Australian Securities and Investments Commission.

**Asset** – all of the property, rights and income of the Fund.

**ATO** - Australian Tax Office.

**AUSTRAC** - Australian Transaction Reports and Analysis Centre.

**Business Day** - a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.

**Capital Call** – a notice from the Trustee to a Unit Holder to pay their proportion of unpaid management fees.

**CGT** - Capital Gains Tax.

**Corporations Act** - the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

**CRS** - Common Reporting Standards.

**Distribution** - an amount paid to Investors for a distribution period. This generally includes any income and realised capital gains.

**FATCA** - Foreign Account Tax Compliance.

**Fund** - the Aureus High Yield Fund.

**Gross Asset Value or GAV** – the sum of the market value of the Assets of the Fund, any prepaid expenditure for the Fund, any unpaid amounts due to the Fund, and other

increments or decrements the auditor or valuer approves to be included.

**GST** - Goods and Services Tax.

**High Water Mark** - Any negative performance fee accrual is carried forward to future periods and must be recovered before a performance fee becomes payable.

**Hurdle** –8% of the adjusted Fund GAV, exclusive of GST.

**IGA** - intergovernmental agreement.

**Issue Price** - the NAV of the Fund divided by the number of Units on issue on the Valuation Date.

**Liquid** – where the Trustee determines the Fund's liquid Assets account for sufficient value of all of the Fund in a particular circumstance. Liquid Assets include cash and any other Asset which the Trustee determines can be realised for its Market Value where sold in an orderly fashion over a reasonable period, taking into account the nature of the asset.

**Market Value** – the current market value of the Fund Assets or other value as appropriate to the nature of the Asset, as determined by the Trustee.

**MIT** - managed investment trust.

**Net Asset Value or NAV** - The value of Assets of the Fund less the value of the liabilities of the Fund.

**Outperformance** – the number derived by subtracting from the GAV of the Fund at the end of a financial year the amount of the GAV of the Fund at the end of the prior financial year.

**Portfolio** - all Assets held by the Fund, including listed Australian securities and options, listed U.S. securities and options, bonds, residential and commercial property (Australia only) and private equity (Australia and International).

**Redemption Price** - the NAV of the Fund divided by the number of Units on issue on the Valuation Date.

**Redemption Request** - a written request by an Investor for redemption of some or all of the Investors' Units.

**RITC** - Reduced Input Tax Credit. The Trustee will apply for reduced input tax credits on behalf of the Fund, where

## Dictionary

applicable, to reduce the GST cost to the Fund.

**Trust Deed** - the trust deed of the Fund which sets out the rights, responsibilities and beneficial interest of both Unit Holders and the Trustee.

**Trustee, Investment Manager or Aureus Funds** - Aureus Funds Investment Management Pty Ltd (ACN 677 255 131) CAR No. 001310033 of Sandford Capital Pty Limited ABN 82 6000 590 887, AFSL 461981.

**Unit** - an interest in the Fund.

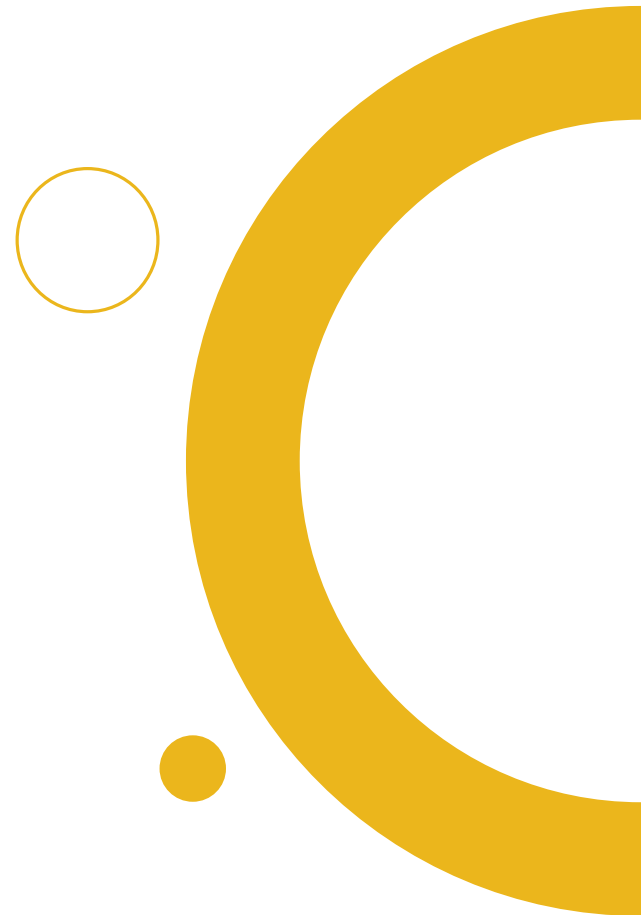
**Unit Holder, Investor or you** - a person listed in the register as the holder of a Unit, including persons jointly registered.

**U.S.** - United States of America.

**Valuation Date** - the date on which the Net Asset Value of the Fund is calculated.

**Valuation Guidelines** – the guidelines and policies recommended by the Trustee for Fund valuation, which may include the 'International Private Equity and Venture Capital Valuation Guidelines' or any amendment or replacement of those guidelines for illiquid private equity investment.

**Wholesale Client** - persons or entities defined as non-retail clients under the Corporations Act.





Information Memorandum – Aureus High Yield Fund