

H&G HIGH CONVICTION FUND

INFORMATION MEMORANDUM

Issued September 2021

ABN 75 150 106 154



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Sydney NSW 2001
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IMPORTANT NOTICES & DISCLAIMERS

This is the Information Memorandum (“IM”) for units (“Units”) in the H&G High Conviction Fund (previously called The Supervised Fund, referred throughout this IM as the “Fund”) and was issued on 1 September 2021.

This IM has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence (“AFSL”) No. 240975) in its capacity as the Trustee of the Fund (referred to throughout this IM as the “Trustee”, “Equity Trustees”, “us” or “we”). The issue of this IM is authorised solely by Equity Trustees. No other person (whether or not related to Equity Trustees) is responsible for any information contained in this IM. The investment manager of the Fund is H&G Investment Management Ltd (previously called Supervised Investments Australia Limited) and is referred to throughout this IM as the “Investment Manager”. The administrator of the Fund is Mainstream Fund Services Pty Ltd and is referred to throughout this IM as “Mainstream” or the “Administrator”.

This IM has not been, will not be and is not required to be lodged with the Australian Securities and Investments Commission (“ASIC”). It does not constitute a product disclosure statement, prospectus or other disclosure document within the meaning of the Corporations Act 2001 (Cth).

This IM is prepared for your general information only. It is not intended to be a recommendation by the Trustee, the Investment Manager or any associate, employee, agent or officer of the Trustee, the Investment Manager or any other person to invest in the Fund. This IM does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this IM. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs and you may want to seek professional advice before making an investment decision. A glossary of important terms used in this IM can be found in the “Glossary of Important Terms” section.

This IM does not constitute an offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended (“US Securities Act”). The Units in the Fund have not been, and will not be, registered under the US Securities Act or the laws of any State, and the Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended. The Fund may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

The Trustee, the Investment Manager, the Administrator and their respective employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or investment performance of the Fund. Past performance is no indication of future performance. Units are offered and issued by the Trustee subject to the Trust Deed of the Fund, and on the terms and conditions described in this IM. You should read this IM because you will become bound by it if you become a Unit holder of the Fund.

The offer made in this IM is available only to persons receiving this IM in Australia (electronically or otherwise) who are Wholesale Clients.

If you received this IM electronically, a paper copy will be provided free upon request. Please call Equity Trustees on +61 3 8623 5000 for a copy.

This IM should be read together with the Trust Deed of the Fund. A copy of the Trust Deed is available from Equity Trustees by calling +61 3 8623 5000 or from the Investment Manager by emailing IainThompson@hgl.com.au.

Certain information in this IM relating to the Fund is subject to change. Where considered appropriate by Equity Trustees, we will notify you in writing of any changes. Copies of any updated information may be obtained:

- by calling Equity Trustees on +61 3 8623 5000
- by calling the Investment Manager on +61 2 8667 4660

A paper copy of any updated information will be provided free of charge on request.

To the maximum extent permitted by law, the Trustee, the Fund and the Investment Manager:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this IM (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this IM (or any accompanying or subsequent information); and
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this IM.

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

CONTENTS

Fund Overview and Key Features	4
About the Investment Manager	6
About the Trustee	7
About the Administrator	7
Custodian and Auditors	7
Complaints Resolution	7
About the Fund Investments	8
Applications and Withdrawals	10
Taxation	12
Keeping Track of Your Investment	12
Fees and Other Costs	13
Key Risks	14
Other Important Information	16
Glossary of Important Terms	19

FUND OVERVIEW AND KEY FEATURES

Fund Structure

Fund name	H&G High Conviction Fund (the "Fund")
APIR code	SIA0002AU
Fund type	The Fund is an open-ended wholesale unit trust; unregistered managed investment scheme domiciled in Australia.
Investment form	Units in the Fund. The Trustee may offer and issue different classes of units in the Fund, but there is no intention to do so at the time of issuing this IM.
Investor eligibility	The Fund is only available to "wholesale clients" within the meaning of the Corporations Act 2001 (Cth).
Trustee	Equity Trustees Limited (ABN 46 004 031 298, AFSL 240 975)
Investment manager	H&G Investment Management Ltd (ABN 45 125 580 305, AFSL 317 155)
Fund administrator and custodian	Mainstream Fund Services Pty Ltd (ABN 81 118 902 891, AFSL 303 253)

Fund Investments

Investment return objective	The investment objective of the Fund is to provide investors with an annual return which out-performs the Benchmark, being 5% per annum. The Manager is targeting to provide long term performance of at least 15% p.a. (before fees) by investing predominantly in Australian Microcap companies listed on the ASX, whilst minimising the risk of a permanent loss of capital.
Investment strategy	The Fund seeks to invest its capital in companies with a significant discount in the share price relative to perceived inherent value. These companies have superior fundamental prospects, yet negative external events have attracted a flight of investors. The Fund seeks to assist investee companies to demonstrate, grow and realise their inherent value. Shares in such companies will be purchased on the primary and secondary markets.
Investors the Fund may suit	Investors seeking capital growth through exposure to Australian Microcap companies, with a long-term horizon and a higher risk tolerance.
Fund size	To remain nimble and focused, the Investment Manager expects to limit the size of the Fund to \$50 million in the short-term.

See "About the Fund Investments" in this IM for more information about the Fund's investment strategy, guidelines, philosophy and approach.

FUND OVERVIEW AND KEY FEATURES (CONT.)

Applications and Withdrawals

Applications (AUD)	Subject to Trustee discretion, initial and additional applications of at least \$50,000 can be made monthly, with applications required to be submitted at least 5 Business Days prior to month end. The Trustee may accept or reject applications in its sole discretion.
Withdrawals (AUD)	Subject to Trustee discretion, withdrawals of at least \$50,000, or an investor's total balance, can be made monthly by providing at least 21 days' written notice before month end. Withdrawals are subject to redemption limits and suspension events.
Minimum balance (AUD)	\$50,000 unless the Trustee accepts a lower amount, in its discretion.
Fund unit pricing	Monthly (on last business day). Valuations are generally undertaken by the Administrator and verified by the Investment Manager.
Distributions	Distributable income earned by the Fund is intended to be distributed at least annually.
Buy/sell spread	+/- 0.4%

See "Applications & Withdrawals" in this IM for more information about making, holding and realising investments in the Fund.

Fees and Other Costs

Management fee	1% per annum (plus GST) of the Gross Asset Value of the Fund which is calculated and accrued on a monthly basis.
Estimated Ordinary Expense Recovery	Calculated at 1% per annum (plus GST) of the Gross Asset Value of the Fund to allow for all day to day ordinary expenses in managing the Scheme including but not limited to the Responsible Entity fee, the Administrator's fee, the Custodian's fee, ASIC, ATO, APIR, printing, legal and the accounting/tax/compliance auditor's fees.
Management Fee Soft Cap	The management costs of the Fund (including the management fee and Estimated Ordinary Expense Recovery but excluding performance fees) are subject to a Cap of 2% per annum (plus GST) of the gross asset value of the Fund. If the management costs of the Fund are greater than the Cap, the Investment Manager will cover the excess by reducing its management fee accordingly.
Performance fee	20% (plus GST) of the Fund's return in excess of the benchmark, accrued monthly and paid semi-annually, as at 30 June and 31 December, and subject to a high watermark. The Fund's benchmark is 5% per annum.

See "Fees and Other Costs" in this IM for more information about fees and other costs that can affect the value of an investment in the Fund.

Risks

Risks	Investments in the Fund are subject to a number of risks. See "Key Risks" in this IM for more information about some of the key risks that can affect the value of an investment in the Fund.
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ABOUT THE INVESTMENT MANAGER

H&G Investment Management Ltd

Equity Trustees has appointed H&G Investment Management Ltd as the Investment Manager of the Fund.

The Investment Manager was established as Supervised Investments Australia Limited in May 2007 and initially launched the Fund (previously called The Supervised Fund) in December 2007. In March 2021, HGL Limited ("H&G Limited", ACN: 009 657 961, ASX: HNG) acquired all of the shares in Supervised Investments Australia Limited and rebranded the company as H&G Investment Management Ltd. In addition, The Supervised Fund was rebranded as H&G High Conviction Fund.

H&G Limited is a diversified, ASX-listed, investment group with interests in private equity, listed equities and funds management. It is one of the oldest publicly listed companies in Australia, having been incorporated in 1904 as Hancock & Gore Limited.

For more information on H&G Limited please visit the company's website: www.hancockandgore.com.au.

Directors & Management Team of H&G Investment Management Ltd

At the date of this IM, the key people involved in the management of the Investment Manager are:

Sandy Beard, BCom, FCA, MAICD – Chair

Sandy has been Chair of H&G Limited since 29 October 2020. He has been a Director of numerous public and private companies over the past 25 years. He is the former Chief Executive Officer of CVC Limited (ASX: CVC) (between 2000-2019) where he oversaw annual shareholder returns in excess of 15% per annum.

He has extensive experience with investee businesses, both in providing advice, assisting in acquisitions and divestments, capital raisings and in direct management roles, especially bringing management expertise to small cap companies and driving shareholder returns.



Joseph Constable, BA (Hons), MPhil, GAICD – Director and Portfolio Manager

Joseph is the Portfolio Manager of the Fund at the Investment Manager. He began working in funds management in 2014 and has experience with UK-based Smith and Williamson, and Hunter Hall International.

He has been with the Investment Manager since 2016. In addition, he has been a director of H&G Limited since June 2020.



Iain Thompson, BEc (Accg), CA, GAICD, GradDipCSP – Company Secretary and Compliance Manager

Iain has been CFO and Company Secretary of H&G Limited since May 2015. He has nearly 20 years' experience in finance and company secretarial roles, having been Group Company Secretary at Brickworks Limited prior to joining H&G Limited.



Management Team of H&G Limited

In addition to the key people, the Investment Manager is also able to draw on the general investment resources of the H&G Limited group.

Nick Atkinson, MBA, BCom, GradDipAppFin – Investment Director

Nick was Executive Director of Institutional Equities with Morgans Financial for 14 years where he oversaw rapid growth in divisional profitability. Nick has over 27 years of experience in equity capital markets across trading, research, sales, corporate finance and investment management.

Nick has specialty expertise in the Energy, Healthcare/Life Sciences and Small Capitalisation sectors garnered from working both domestically and internationally in London and New York.



Phil Christopher, BEc, BCom – Investment Director

Phil has over 10 years of experience across private equity, M&A, capital markets and investment management. He spent 6 years at Alceon Group, where he was a Director in the Private Equity team and prior to that was a member of the Investment Banking division of Goldman Sachs.



ABOUT THE TRUSTEE

Equity Trustees Limited

Equity Trustees was established in 1888, by an Act of the Victorian Parliament, to provide trustee and executor services. The company has evolved into a sophisticated financial services provider offering a broad range of products and services to a diverse client base. In addition to traditional trustee and estate management duties, the range of services offered by Equity Trustees includes portfolio management, superannuation, philanthropy and responsible entity services for external fund managers.

Equity Trustees' responsibilities and obligations as the Trustee of the Fund are governed by the Fund's Trust Deed as well as the general trust law.

Equity Trustees has appointed H&G Investment Management Ltd to act as the Investment Manager of the Fund and Mainstream Fund Services Pty Ltd to act as the Administrator of the Fund.

ABOUT THE ADMINISTRATOR

Mainstream Fund Services Pty Ltd

The Trustee has appointed Mainstream Fund Services Pty Ltd to act as administrator of the Fund. In such capacity, the Administrator performs all general administrative tasks for the Fund, including keeping financial books and records and calculating the Net Asset Value of the Fund.

The Trustee has entered into an Administration Agreement with the Administrator, which governs the services that will be provided by the Administrator of the Fund.

The Investment Manager may at any time, in consultation with the Trustee, select any other administrator to serve as administrator to the Fund.

CUSTODIAN AND AUDITORS

Mainstream Fund Services Pty Ltd, the Administrator of the Fund, is also the Custodian of the Fund, and has an arrangement with J.P. Morgan Nominees Australia Pty Ltd to hold the assets of the Fund on behalf of Unit holders.

As at the date of this IM, the auditors of the Fund are Ernst & Young.

COMPLAINTS RESOLUTION

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@egt.com.au

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:
Online: www.afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

ABOUT THE FUND INVESTMENTS

Investment return objective

The investment objective of the Fund is to provide investors with an annual return which out-performs the Benchmark, being 5% per annum. The Manager is targeting to provide long term performance of at least 15% p.a. (before fees) by investing predominantly in Australian Microcap companies listed on the ASX, whilst minimising the risk of a permanent loss of capital.

Investment strategy

The Fund seeks to invest its capital in companies with a significant discount in the share price relative to perceived inherent value. These companies have superior fundamental prospects, yet negative external events have attracted a flight of investors. The Fund seeks to assist investee companies to demonstrate, grow and realise their inherent value. Shares in such companies will be purchased on the primary and secondary markets.

Investors the Fund many suit

Investors seeking capital growth through exposure to Australian Microcap companies, with a long-term horizon and higher risk tolerance.

Recommended investment timeframe

5-7 years

Investment guidelines

- No more than 15% of net assets invested in a single position (by cost value)
- Minimum of 70% of the portfolio invested in publicly listed companies
- Maximum of 95% of the portfolio invested in publicly listed companies
- Specific focus on ASX-listed companies with a market capitalisation of up to \$100m
- Maximum cash weighting of 30% of net assets
- Minimum cash weighting of 5% of net assets
- At least 85% of the portfolio invested in listed equities and cash
- No leverage within the portfolio – i.e. no gearing of equity positions
- No more than 10% of capital allocated (at cost) to hedging activities. This capital is inclusive of any hedge deposits required.

The Investment Manager will endeavour to work within the portfolio weighting guidelines as set out above. However, these should be viewed as guidelines only, not as absolute limits. Where the guidelines are not complied with for any reason, the Investment Manager will endeavour to make adjustments in order to bring the portfolio back within the limits.

The Investment Manager may amend these rules from time to time, without notice to or approval by Unit holders in the Fund. Any changes will be communicated to unit holders via the Fund's monthly performance report.

Investment Manager's philosophy

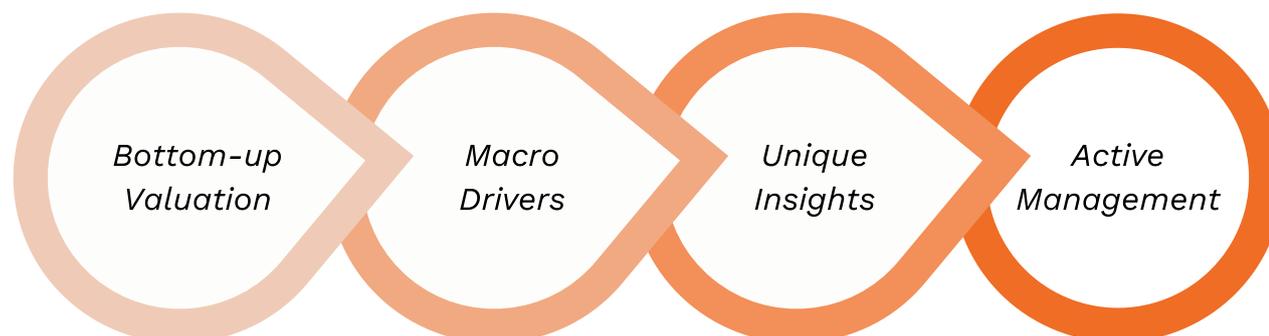
The Investment Manager's philosophy is to grow the wealth of Unit holders by supporting emerging Australian businesses whilst using responsible investing practices, in line with the following approach:



ABOUT THE FUND INVESTMENTS (CONT.)

Investment Manager's approach

The Investment Manager invests using a fundamental, research driven investment strategy. The Investment Manager undertakes fundamental research in selecting investments that it believes are undervalued and expected to rise in value.



Investment selection commences with bottom-up stock selection. The Investment Manager spends considerable time meeting with management teams of companies, their suppliers, customers and competitors. The Investment Manager tends to invest in companies run by passionate people committed to the long-term success of their companies. Microcaps run by teams composed of individuals who have substantial shareholdings in the business tend to be more driven, resulting in outperformance compared to career managers.

The Investment Manager looks for companies with limited downside risk and significant potential return. The Investment Manager then identifies macro factors and trends which are affecting or have the potential to impact the company, and determines where there is a large differential between market and inherent unlocked value.

The Investment Manager applies its unique insights in determining potential changes that could be made to the management of the company in order to unlock its true value. Historical financial results are only part of the picture.

The Investment Manager then actively engages with management in the formulation and implementation of strategic change and remains actively engaged with management.

Competitive edge

The Investment Manager believes that the combined investment strategy, philosophy and approach gives the Fund overall competitive advantages as follows:

WE FISH IN UNCROWDED WATERS

- *We focus on Microcaps flying under the radar*
- *We intend to keep Net Asset Value of the Fund below \$50m for the foreseeable future*
- *For many of our investments, we will be one of few institutional investors*
- *We believe that small, concentrated funds can generate larger longer-term returns*

WE MEET CHALLENGES THAT OTHERS AVOID

- *The Microcaps we invest in have superior assets that have been adversely impacted by non-operational externalities such as fractious shareholders, domineering directors or industry pressures*
- *Such externalities tend to cause uncertainty and undervaluation by the market, offering us an opportunity that many others don't see*

WE ARE ACTIVE INVESTORS

- *We work with management to develop and implement strategic change to improve business performance and unlock value for our Unit holders*
- *We engage with all company stakeholders to achieve strategic alignment*
- *We will occupy board positions where required to drive our change strategy*

APPLICATIONS AND WITHDRAWALS

Investing in the Fund

Only Wholesale Clients can apply for Units.

Applications must be received at least 5 Business Days prior to the end of a month for the application to be processed at the end of that month at the application price determined for that month. The cut-off time for Applications on the last Business Day in which applications can be made is 2:00pm. This minimum timing requirement can be waived in Equity Trustees' sole discretion. Equity Trustees may accept or reject applications in its sole discretion.

Making an application

Applications can be made online or using the Fund's application form. To invest online, please visit: <https://hgim.mainstreamfs.com/apply>.

For non-online initial applications the duly completed application form, together with the relevant certified identification documents, must be mailed to the Administrator via the following postal address:

Mainstream Fund Services Pty Ltd
Attn: Client Services Registry Team
GPO Box 4968
Sydney NSW 2001

Cheques should be made payable to "Equity Trustees Limited as trustee for H&G High Conviction Fund".

Alternatively, you can direct credit your application as follows:

Account name: Equity Trustees Limited as Trustee for H&G High Conviction Fund
BSB number: 082401
Account Number: 788219904

If using direct credit, please send the original, completed application form via mail. Please note the application will not be accepted until cleared funds are received and cash cannot be accepted.

The minimum initial investment in the Fund is \$50,000 unless the Trustee agrees to accept a lower amount, in its discretion. The Trust Deed allows the Trustee to accept, in its absolute discretion, a transfer of property, including assets of any kind, as payment of part or all of an application for Units in the Fund.

For additional applications

Unit holders can apply for additional Units, and the minimum additional investment amount is \$50,000 or such other amount as the Trustee determines from time to time. Additional applications can be made by post, email or fax.

If payment is made by way of electronic transfer, then you must complete and duly sign the application form and mail it to:

Mainstream Fund Services Pty Ltd
Attn: Client Services Registry Team
GPO Box 4968
Sydney NSW 2001

Or email it to: registry@mainstreamgroup.com

Or fax it to: +61 2 9251 3525

If payment for additional Units is made by cheque, please follow the instructions given for initial applications above.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and the US Foreign Account Tax Compliance Act (FATCA), applications made without providing all the information and supporting identification documentation requested on the application form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees or the Administrator refuses or is unable to process your application to invest in the Fund, the Administrator will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Valuation of the Fund and application price of Units

The value of the investments of the Fund and Unit prices are generally determined monthly.

The value of a Unit reflects the value of the assets of the Fund less the liabilities of the Fund and is determined in accordance with the Trust Deed. The application price of a Unit is, in general terms, based on the NAV of the Fund divided by the number of Units on issue. The NAV per Unit can be increased by the Trustee to make an allowance for transaction costs required for buying investments; this is known as the Buy Spread.

The Buy Spread is currently 0.40%.

The Trustee has no intention to issue additional classes of units at the time of issuing the IM.

Making a withdrawal

Subject to the withdrawal limitations described in this IM, Unit holders of the Fund can withdraw all or a portion of their investments by completing a written request and mailing it to:

Mainstream Fund Services Pty Ltd
Attn: Client Services Registry Team
GPO Box 4968
Sydney NSW 2001

Or emailing it to: registry@mainstreamgroup.com

Or faxing it to: +61 2 9251 3525

The minimum withdrawal amount is \$50,000 or investor's full balance, unless the Trustee agrees to accept a lower amount, in its discretion. Refer below for "Terms and conditions for withdrawals".

APPLICATIONS AND WITHDRAWALS

(CONT.)

Withdrawal price

The withdrawal price of a Unit is based on the NAV of the Fund divided by the number of Units on issue.

As with the issue of Units, where Units in the Fund have been issued in a class of Units to which specific assets in the Fund are directly referable, the withdrawal price will be calculated on the basis of the NAV of the assets of the Fund which are directly referable to the class of Units. The NAV per Unit can be reduced by the Trustee to make an allowance for the transaction costs required for selling investments, which is known as the Sell Spread.

The Sell Spread is currently 0.40%.

The amount a Unit holder will receive on the withdrawal of their Units will be the withdrawal price, less any withdrawal charge which is applicable.

Access to funds on withdrawal

Withdrawal requests need to be received in writing at least 21 days prior to the end of each month. All withdrawal requests should be received by 2:00 pm (AEST) on the last Business Day on which withdrawal requests can be made for processing for the relevant month.

In the ordinary course of business, it is expected that proceeds from withdrawals will be available within 10 business days. However, the Trust Deed allows 60 days from the withdrawal date within which to return the proceeds of a withdrawal request. Under the Trust Deed, the Trustee may also, at any time, suspend the withdrawal of Units and the payment for the withdrawal of units if it believes it is in the best interest of the Unit holders as a whole.

Fund liquidity

Applications and withdrawals may be made on a monthly basis. However, the Fund may invest, indirectly, a significant proportion of its assets in illiquid investments. Accordingly, the Trustee may not be able to satisfy withdrawal requests received from time to time.

If withdrawal requests representing more than 20% (or such percentage as Equity Trustees may determine) of the Units on issue are received in respect of any Withdrawal Day, Equity Trustees may reduce each withdrawal request in respect of the Units prorated to ensure that only 20% (or such percentage as Equity Trustees may determine) of the Units are withdrawn and may defer the residual withdrawal request in excess of that amount by treating items as though they were received for the next withdrawal day (subject again to the 20% restriction for that withdrawal).

Equity Trustees may at any time, suspend the withdrawal of Units and the payment of fees if Equity Trustees considers it to be in the best interest of the Unit holders as a whole.

Under the Trust Deed, the Trustee has the power to deny any withdrawal request. The Trustee and Investment Manager are not required to and may not be in a position to give Unit holders any prior notice before withdrawal requests are denied or temporarily suspended.

Terms and conditions for withdrawal

The Trustee may deny a withdrawal request if it is for less than the minimum amount determined by the Trustee from time to time and does not relate to the balance of a Unit holder's investment.

Equity Trustees has the right to fully redeem a Unit holder's investment in the Fund after giving the Unit holder notice, where their holding falls below the minimum balance amount. At the time of this IM, the minimum balance is \$50,000.

Equity Trustees will refuse to comply with any withdrawal request if the requesting party does not satisfactorily identify themselves as the Unit holder. Withdrawal payments will not be made to third parties (including authorised nominees) and will only be paid directly to the Unit holder's bank account held in the name of the Unit holder at a branch of an Australian domiciled bank. By lodging a facsimile withdrawal request the Unit holder releases, discharges and agrees to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile withdrawal request.

The Unit holder also agrees that any payment made in accordance with a facsimile withdrawal request shall be a complete satisfaction of the obligations of Equity Trustees, 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 facsimile withdrawal request, the Unit holder and any person claiming through or under them shall have no claim against Equity Trustees in relation to the payment.

Unit Pricing

When you invest in the Fund you are allocated a number of units in the Fund. Each of these units represents an equal undivided part of the market value of the portfolio of investments that the Fund holds. As a result, each unit has a dollar value or unit price. The unit price (or Net Unit Value) is calculated by dividing the Net Asset Value by the total number of units in the Fund held by Unit holders on that Valuation Day. Should more than one class of units be on issue, and the Net Asset Value referable to a particular class is being determined, reference to each of the value of the Trust liabilities and the value of the Trust property, is a reference to each in proportion to those variables that the Investment Manager has determined is properly referable to the class to which the units for which the Net Asset Value is being calculated belongs. All unit prices are calculated to four (4) decimal places. The number of units issued in the Fund is calculated and rounded to the nearest whole number.

Units are priced on the last Business Day of each month, and/or such other time or times as the Investment Manager may determine ("Valuation Day").

Net Asset Value

Whilst the Fund may use the latest available published price in respect of each investment in order to calculate the NAV, it reserves the right to use more recent or alternative valuations where this is considered more appropriate. Such valuations may be based on an estimate of a more recent price of any Unit or share in an underlying investment fund or other collective investment undertaking in which the Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents.

APPLICATIONS AND WITHDRAWALS

(CONT.)

Distributions

Distributions are intended to be made by the Fund at least annually ("Distribution Period") as at 30 June. These will be paid out of the proceeds of realised profit, if any, from the sale of underlying investments of the Fund. The Fund does not target a certain level of distribution and its primary focus in investing is capital growth rather than dividends.

A distribution comprises a Unit holder's share of any distributable income earned by the Fund (or the relevant class of Units in the Fund in which a Unit holder has invested). A Unit holder's share of any distributable income is generally based on the number of Units held by the Unit holder at the end of the Distribution Period.

Generally, the income entitlements of Unit holders of the Fund will be distributed within 15 days after the date they are determined, although the distribution at the end of a financial year (i.e. 30 June) may take longer (for example, if there is a delay in completing an audit). Under the Trust Deed, the Trustee has 2 months after the end of any Distribution Period to make any distributions. If you are a Unit holder in the Fund, you can:

- have your distribution reinvested back into the Fund; or
- have your distribution directly credited to your nominated bank account.

If you do not make an election when completing your application form, your distribution will automatically be reinvested and will be taken to be received and accepted on the day you become entitled to the distribution. The Trust Deed provides for money payable to a Unit holder to be reinvested, or paid by cheque where the Trustee attempts to pay the money by electronic transfer and the electronic transfer fails.

Appointment of authorised nominee to operate account

Unit holders may elect to appoint an authorised nominee to operate their account. If you wish to appoint an authorised nominee, then the relevant sections in the application form which are attached to this IM need to be completed, including the name and signature of the authorised nominee, the signature of the Unit holder and the date.

Only Unit holders can appoint authorised nominees. If you appoint an authorised nominee we suggest that 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, the Trustee may cancel an appointment by giving the Unit holder 14 days' notice in writing. If an appointment is cancelled, the Trustee will not be obliged to act on the instructions of the authorised nominee. 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 nominees in 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 nominee.

12. H&G High Conviction Fund Information Memorandum

You also agree that any instructions of your authorised nominee to the Trustee, which are followed by the Trustee, shall be 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.

You agree that if the authorised nominee's instructions are followed by the Trustee, you and any person claiming through or under you shall have no claim against the Trustee in relation to the instructions.

Powers of an authorised nominee

An authorised nominee can, among other things:

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

Withdrawal payments will not be made to third parties. If a company is appointed as an authorised nominee, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

TAXATION

Investing in a wholesale unit trust scheme (such as this Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund. The Fund is an Australian resident for tax purposes and does not pay tax on behalf of its members. Australian resident Unit holders are assessed for tax on income and capital gains generated by the Fund to which they become entitled.

KEEPING TRACK OF YOUR INVESTMENT

Regular, simple to read reports are provided to Unit holders in the Fund. These reports comprise:

- Annual Report including financial statements and auditor's report, which will be made available on the Equity Trustees website at www.eqt.com.au/insto from 30 September each year (you may elect to receive a hard copy of this report by indicating this in the appropriate place in the application form);
- Transaction Reports confirming current Unit holding and valuation and all additional investments, withdrawals, and payments (issued monthly, following transactions and on request);
- Distribution Statements - issued in line with distribution frequency, notifying you of the value of your investment, income from investments and confirming the reinvestment or payment to your nominated account; and
- Tax Statements issued annually, providing Unit holders with taxation information including a detailed summary of the components of any distributions.

You can contact Equity Trustees on +61 3 8623 5000 for updated information on performance, Unit prices, fund size and other general information about the Fund.

FEES AND OTHER COSTS

Management costs

The management costs of the Fund are as follows:

- management fee: 1% per annum (plus GST) of the Gross Asset Value of the Fund which is calculated and accrued on a monthly basis; and
- Estimated Ordinary Expense Recovery: calculated at 1% per annum (plus GST) of the Gross Asset Value of the Fund, to allow for all day to day ordinary expenses in managing the Scheme including but not limited to the Responsible Entity fee, the Administrator's fee, the Custodian's fee, ASIC, ATO, APIR, printing, legal and the accounting/tax/compliance auditor's fees.

The management costs of the Fund (including the management fee but excluding performance fees) are subject to a Fee Soft Cap of 2.00% per annum (plus GST) of the Gross Asset Value of the Fund. If the management costs of the Fund are greater than the cap, the Investment Manager will cover the excess by reducing its management fee accordingly.

The management costs are reflected in the NAV and in the Unit price of the Fund. Management costs do not include transaction costs and abnormal expenses.

In addition to the management costs set out above, the Trustee may also charge any transaction costs and abnormal expenses to the Fund.

Performance fees

The Investment Manager is entitled to a performance fee equal to 20% (plus GST) of the Fund's return in excess of the Benchmark. The Fund's return is calculated net of the management costs of the Fund, and represents the increase in value of the Fund and distributions over the period. The Benchmark is 5% per annum. The fee is accrued monthly, payable semi-annually, as at 30 June and 31 December.

Importantly, there is a 'High Water Mark' used in calculating the performance fee. The 'High Water Mark' was reset at 31 March 2021 and will be reset whenever a Performance Fee is paid. The 'High Water Mark' ensures that any under-performance against the Benchmark since the last reset date has to be recouped by the Fund before any future Performance Fee can be earned.

Further information regarding fees and other costs

What do the management costs pay for?

The management costs include trustee fees, investment management fees, custodian fees, administration fees and other expenses of the Fund. The management costs are calculated and accrued monthly based on the NAV of the Fund. The accrued fees are paid in arrears from the assets of the Fund within 14 days of the end of each month. The management costs reduce the NAV of the Fund and are reflected in the unit price.

Transaction and other costs

All government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund.

Buy/Sell Spread

The Buy/Sell Spread reflects the estimated transaction costs associated with buying and selling the assets of the Fund when Unit holders invest in, or redeem from, the Fund. The Buy/Sell Spread is an additional cost to the Unit holder but is included in the Unit price and incurred when a Unit holder invests in or redeems Units from the Fund and is not charged as an additional fee.

Where a fee or transaction cost is specifically applicable to a particular class of Units, the Trustee may allocate the cost to that particular class of Units.

The Buy/Sell Spread is paid into the Fund and not retained by Equity Trustees or the Investment Manager. At the date of this IM, the Buy/Sell Spread for the Fund is 0.40%/-0.40%.

Abnormal expenses

In addition to the management costs, the Trustee may additionally recover abnormal expenses (such as the cost of Unit holders' meetings, legal advice/proceedings and other irregular expenses). The Trust Deed does not place any limit on the amount of the abnormal expenses that can be paid from the Fund.

Alternative forms of remuneration

As a member of the Financial Services Council, the Trustee maintains an Alternate Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from Australian Financial Services licensees, fund managers or representatives (if any are paid or received at all in relation to the Fund).

Can the fees change?

All fees can change without Unit holder consent, subject to the maximum fee amounts specified in the Trust Deed of the Fund. Reasons might include changing economic conditions and changes in regulation. Equity Trustees have the right to recover all proper expenses incurred in managing the Fund and as such these expenses may increase or decrease accordingly. We will notify Unit holders of any changes to fees and expenses in accordance with the law and the Trust Deed. The Trust Deed in some circumstances defines the maximum fees that can be charged for some fees described in this IM.

Apportionment of fees and costs

In circumstances where the Trustee issues different classes of Units in the Fund, the fees and costs will generally be apportioned by the Trustee across all Unit classes (on a pro-rata basis, having regard to the value of the assets in the Fund). However, fees and expenses which are directly referable to a particular class of Units will be charged to Unit holders in that particular class of Units.

Alternative fee arrangements

The Scheme allows for alternative management fee arrangements to be directly negotiated by the Manager with certain investors, usually institutional investors. All such alternative fee arrangements will be communicated by the Manager to the Trustee and Administrator. Any rebates from the management fee shall be paid by the Manager out of its own monies.

KEY RISKS

Investment in any fund carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each asset class, whether it is cash, fixed interest, property or Australian or international shares has associated investment risks and the return achieved by each will vary accordingly.

You should be aware that an investment in the Fund contains risks and neither the performance of the Fund nor the security of your investment is guaranteed by Equity Trustees or the Investment Manager. Investments in the Fund are generally subject to risks, including possible delays in the payment of withdrawal proceeds and loss of income and/or capital. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all the risks involved in an investment in the Fund. We recommend you talk to an adviser about the risks involved in investing in the Fund and how it might impact on your individual financial circumstances.

Market risks

Investors should be aware that there are risks inherent in the holding of securities. An investment may fall in value due to changes in market sentiment or economic, technological, political or legal conditions.

Past performance is no guide to the future performance. The value of units, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full. The tax treatment of the Fund may change and such changes cannot be foreseen.

Liquidity risks

Investments that trade less can be more difficult or more costly to buy, or to sell, than more liquid or active investments. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within a time period deemed desirable by the Investment Manager.

Portfolio turnover risks

The Fund does not intend to extensively trade, directly or indirectly, portfolio securities for the purpose of realising short-term profits. However, the Investment Manager will adjust the Fund's portfolio as considered advisable in view of prevailing or anticipated market conditions and the Fund's investment objective, and there is no limitation on the length of time securities must be held, directly or indirectly, by the Fund prior to being sold. Portfolio turnover rate will not be a limiting factor and will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly or indirectly by the Fund. In addition, the Fund may realise significant short term and long-term capital gains.

Emerging markets risks

The Fund is able to make investments in emerging markets that carry a higher risk than investing in mature markets. This is mainly because of the volatility of the markets and local regulations, and custody and registration arrangements, which may be less developed than in more mature markets.

Microcap company risks

Listed Microcap companies are generally more likely than other larger listed companies to have limited markets, product lines or financial resources and they may depend heavily on key personnel. There are greater corporate governance risks for Microcap companies compared to larger listed companies as generally, Microcap companies tend to have smaller, less experienced Board or committee members. Securities in Microcap companies may also fluctuate more sharply in price than those of many other companies. They may also trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than shares in many other companies (see "Liquidity risks" above).

Concentration risks

If the Fund's investment portfolio is concentrated in a small number of investments, the portfolio may be subject to a greater level of volatility. Also, the use of a single investment manager applying generally similar trading methodologies could mean lack of diversification and, consequentially, higher risk.

Key personnel risks

The Investment Manager is a small operation. Loss of key personnel could have a detrimental effect on the performance of the Fund.

Application and redemption pricing risks

The unit price of units in the Fund may change significantly during the time required between an application for and the issue or redemption of units in the Fund.

Regulatory and compliance risks

The Trustee and Investment Manager has an established regulatory compliance and governance framework. The Trustee and Investment Manager monitors compliance with existing laws and regulations, the political and regulatory environment and its adherence to internal processes.

Conflicts of interest risks

The interests of investors and the investment manager and its related parties may not always be perfectly aligned. For example, the Investment Manager is a wholly owned subsidiary of H&G Limited, an ASX-Listed diversified investment group, which may have competing investment and commercial interests. There is a risk that the policies and procedures implemented by the Investment Manager, to address and manage such conflicts of interest issues, may not fully alleviate the financial risks to the Fund.

Operational and information security risks from cyberattacks

The Fund and its service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviours, efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, stealing or corrupting data maintained online or digitally, the unauthorised release of confidential information or various other forms of cybersecurity breaches.

Cyberattacks are viewed as a constantly evolving risk and the scope of the risk and related mitigation techniques are subject to continuing change.

KEY RISKS (CONT.)

Derivatives and counterparty risks

The Fund may use futures, options, swaps, forwards and other derivative instruments for investment purposes and for the purposes of hedging against either price or currency fluctuations. The Investment Manager's ability to use such strategies may be limited by market conditions, regulatory limits and tax considerations.

Use of derivatives involves certain special risks, including:

- imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Fund;
- the absence of a liquid market for any particular instrument at any particular time;
- the degree of leverage inherent in futures trading, i.e., the low margin deposits normally required in futures trading, means that futures trading may be highly leveraged;
- accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund; and
- possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Fund's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Fund.

For derivative instruments other than purchased options, any loss suffered may exceed the amount of the initial investment made or the premium received by the Fund. OTC derivative instruments involve an enhanced risk that the counterparty will fail to perform its contractual obligations. If a Fund enters into a transaction in OTC markets, a Fund is exposed to the credit of its counterparties, and their ability to satisfy the terms of such contracts. For example, a Fund may enter into agreements, or use other derivative techniques, each of which exposes a Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy, or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such a period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above-mentioned agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change of tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.

Some derivative instruments are not readily marketable or may become illiquid under adverse market conditions. In addition, during periods of market volatility, a commodity exchange may suspend or limit trading in an exchange-traded derivative instrument which may make the contract temporarily illiquid and difficult to price. Commodity exchanges may also establish daily limits on the amount that the price of a futures contract or an option thereon can vary from the previous day's settlement price. Once the daily limit is exceeded, no trades may be made that day at a price beyond the limit. This may prevent the Fund from closing out positions and limiting its losses.

International investments risks

The Fund can invest in international investments which may involve certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Security prices in different countries are subject to different economic, financial, political and social factors. In addition, investments may be subject to non-recoverable withholding taxes.

Fixed interest securities risks

The Fund can invest in fixed interest securities. Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, companies may not be able to honour repayment on bonds they issue.

Foreign exchange and currency risks

The NAV of the Fund will be computed in the base currency whereas the investments held for the account of the Fund may be acquired in other currencies. The Fund's NAV may change significantly when the currencies other than the base currency in which some of the Fund's investments are denominated strengthen or weaken against the base currency. Currency exchange rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by government or central banks or by currency controls or political developments.

In addition, currency hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty. In addition, where the Fund enters into "cross-hedging" transactions (e.g., utilising a currency different from the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fund securities.

Forward currency contracts and currency futures involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract's maturity, the possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that an active forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for the Fund and are unrelated to the qualitative rating that may be assigned to any particular security.

Legal and tax risks

The Fund is not required to be registered under the Corporations Act 2001 (Cth) and accordingly the investors do not receive the protections provided under a regulated scheme. Legal and tax regulations that apply to the Trustee, Investment Manager, the Fund and its investments may change. Changes to tax law, interpretation or practice could adversely affect the tax treatment of an investment in the Fund and the tax treatment of the Fund's investments. Investors should obtain their own tax advice in relation to any investment in the Fund.

KEY RISKS (CONT.)

Pandemic and other unforeseen event risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Fund's investments.

Further, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted.

OTHER IMPORTANT INFORMATION

Registration as a registered scheme under the Corporations Act 2001 (Cth)

The Fund is not registered as a managed investment scheme under the Corporations Act 2001 (Cth) and there is currently no intention to register the Fund as a managed investment scheme.

Cooling off period

No cooling off period applies to Units offered under this IM.

Unit holder's liability

The Trust Deed for the Fund 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. Therefore, it is expected that Unit holders will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested and so it is not possible to give an absolute assurance that a Unit holder's liability will be limited in all circumstances.

In general, the liability of a Unit holder is limited to the amount (if any) which remains unpaid in relation to their subscription for Units and certain amounts in respect of tax. The Trustee is permitted to deduct certain amounts owed to the Trustee from amounts payable to Unit holders.

Non-listing of Units

The Units of the Fund are not listed on any stock exchange and no application will be made to list the Units of the Fund on any stock exchange.

Classes of units

The Trustee may issue different classes of Units in the Fund. Different classes of Units that are issued in the Fund will have rights to the specific assets of the Fund that have been acquired using the application monies paid by Unit holders to acquire those assets. Unit holders holding Units of such class will not have rights to other assets held by the Trustee on behalf of other classes of Unit holders in the Fund, though they may under certain circumstances be exposed to the losses of other classes.

Our legal relationship with you

You will receive Units when you invest. Subject to the rights, obligations and liabilities of a class, each Unit represents an equal proportionate beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular assets or property of the Fund. We note in this regard that the Trustee may determine that it is appropriate to issue Units of different classes and may determine that specific assets of the Fund should be directly referable to particular classes of Units.

Equity Trustees' responsibilities and obligations, as the Trustee of the Fund, are governed by the Trust Deed of the Fund as well as general trust law. The Trust Deed contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Trustee, and Unit holders. Some of the provisions of the Trust Deed are discussed elsewhere in this IM. Other provisions relate to a Unit holder's rights under the Trust Deed, and include:

- a Unit holder's right to share in any Fund income, and how we calculate it;
- what a Unit holder is entitled to receive when they redeem, or if the Fund is wound up;
- 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 a class; 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 by deed, although we will generally only do so where we reasonably believe that the changes will not adversely affect Unit holders' rights or if the amendments are approved at a meeting of Unit holders;
- when we can retire as the Trustee of the Fund - when permitted by law;
- when we can be removed as the Trustee of the Fund - which is when required by law; and
- our broad powers to invest, borrow money and generally manage the Fund - we do not currently intend to borrow funds to acquire assets for the Fund, although this is permitted under the Trust Deed of the Fund.

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

- we are not liable for acting in reliance and good faith on professional advice;
- we are not liable for any loss unless we fail to act in good faith 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 in respect of the Fund.

Copies of the Trust Deed are available, free of charge, on request from Equity Trustees.

OTHER IMPORTANT INFORMATION (CONT.)

Indemnity

Equity Trustees, 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 in relation to the Fund. To the extent permitted by law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Trustee. Equity Trustees may retain and pay out any monies in its hands all sums necessary to effect such an indemnity.

Related party transactions

The Trustee and its associates are entitled to enter into or be interested on their own account in any transactions entered into on behalf of the Fund or with any company or body in which the Fund is invested or who provides services to the Fund. Any such transactions will be on arm's length commercial terms. The Trustee and its associates are also permitted to hold Units in any capacity.

Investment Manager consents

H&G Investment Management Limited has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the Investment Manager of the Fund; and
- to the inclusion of the statements made about it, the Fund and to the statistical information attributed to it in the form and context in which this information appears.

H&G Investment Management Limited has not otherwise been involved in the preparation of this IM, nor has it caused or otherwise authorised the issue of this IM. Neither H&G Investment Management Limited nor their employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

Administrator consents

Mainstream Fund Services Pty Ltd has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the Administrator of the Fund; and
- to the inclusion of the statements made about it and the Fund in the form and context in which this information appears.

Mainstream Fund Services Pty Ltd has not otherwise been involved in the preparation of this IM, nor has it caused or otherwise authorised the issue of this IM. Neither Mainstream Fund Services Pty Ltd nor their employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to a Unit holder in the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the Unit holder to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Indemnification of the Trustee

Under the terms of the Trust Deed, Equity Trustees is entitled to be indemnified out of the assets of the Fund for any liability incurred by Equity Trustees by reason of Equity Trustees acting as trustee of the Fund. Equity Trustees will not, however, be entitled to be indemnified in relation to any such liability to the extent to which Equity Trustees' right of indemnity out of the assets of the Fund is reduced by reason of Equity Trustees' negligence, fraud or dishonesty.

Indemnification of the Investment Manager

Under the terms of the Investment Management Agreement, Equity Trustees, in its capacity as trustee of the Fund, indemnifies and agrees to hold harmless the Investment Manager against any loss or liabilities reasonably incurred by the Investment Manager, and any direct costs, charges and expenses incurred by the Investment Manager by reason of the Investment Manager performing its duties and obligations under the Investment Management Agreement. The Investment Manager will not be entitled to be indemnified in relation to any such loss, liability, cost, charge or expense to the extent to which it is caused by the Investment Manager's negligence, fraud or dishonesty.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees knows certain information about investors in the Fund.

To meet this legal requirement, we need to collect certain identification information and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with AML/CTF laws. Processing of applications will be delayed or refused if investors do not provide the applicable KYC Documents when requested.

Under the AML/CTF laws, Equity Trustees is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may not be able to tell you when this occurs.

The Trustee shall not be liable for any loss you may suffer because of compliance with the AML/CTF laws.

Termination of the Fund

The Trustee may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Fund's Trust Deed. The Fund may otherwise terminate if required by law. A 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.

OTHER IMPORTANT INFORMATION (CONT.)

Foreign Account Tax Compliance Act (“FATCA”)

In April 2014, the Australian Government signed an intergovernmental agreement (“IGA”) with the United States of America (“U.S.”), which requires all Australian financial institutions to comply with FATCA enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (“ATO”). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate Unit holders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard (“CRS”)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

Privacy Statement

The Privacy Act 1988 (Cth) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act 2001 (Cth), the AML/CTF Act and tax related legislation). You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. If you do not provide the information requested we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those 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 or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” by contacting Equity Trustees.

Equity Trustees’ Privacy Policy contains information about how you can access information held about you, seek a correction if necessary and make a complaint if you think there has been a breach of your privacy, and about how Equity Trustees will deal with your complaint.

Full details of Equity Trustees’ Privacy Policy is available at www.eqt.com.au. You can contact Equity Trustees’ Privacy Officer on +61 3 8623 5000, or email to privacy@eqt.com.au to request a copy.

GLOSSARY OF IMPORTANT TERMS

Administrator

Mainstream Fund Services Pty Ltd

AFS

Australian financial services.

ASIC

Australian Securities and Investments Commission.

Business Day

A day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney.

Buy/Sell Spread

The Buy Spread is the difference between NAV price and the application price, whereas the Sell Spread is the difference between the NAV price and the redemption price of Units. Collectively this is known as the Buy/Sell Spread. The Buy/Sell Spread reflects the estimated transaction costs associated with buying and selling the assets of the Fund, when Unit holders invest in or redeem Units from the Fund. The purpose of the Buy/Sell Spread is to protect the interests of non-transacting Unit holders of the Fund from dilution from transaction costs.

Corporations Act

The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

Distribution

The amount that is paid to Unit holders after the end of a distribution period. This generally includes any income and realised capital gains.

Gross Asset Value (GAV)

The value of the assets of the Fund without taking into account the liabilities of that Fund.

GST

Goods and Services Tax.

Net Asset Value (NAV)

The value of assets of the Fund (or a class of Units in the Fund) less the value of the liabilities of the Fund (or a class of Units in the Fund), as the context requires.

RITC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

Trust Deed

The constitution of the Fund which sets out the rights, responsibilities and beneficial interest of both Unit holders and the Trustee in relation to the Fund.

Unit

A beneficial interest in the Fund.

US Person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- any citizen of, or natural person resident in, the US, its territories or possessions; or
- any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- any agency or branch of a foreign entity located in the US; or
- a pension plan primarily for US employees of a US Person; or
- a US collective investment vehicle unless not offered to US Persons; or
- any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or
- any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

Wholesale Client

A person or entity defined as such under the Corporations Act 2001 (Cth).