

Frazis Fund

Information Memorandum

November 2020

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IMPORTANT INFORMATION

Issuer

This Information Memorandum, dated 23 November 2020, (**IM**) is issued by Frazis Capital Partners Pty Limited ABN 16 625 521 986 (**FCP, Frazis Capital Partners, Manager, us, we or Issuer**) in its capacity as manager of the Frazis Fund and relates to the issue of units in the Frazis Fund (**Fund**).

Frazis Capital Partners Pty Ltd ABN 16 625 521 986 is a corporate authorised representative (CAR No. 1263393) of Frazis Capital Management Pty Ltd ABN 91 638 965 910 (AFSL No. 521445). No persons other than the Issuer have caused or authorised the issue of this IM nor do they take any responsibility for the preparation of this IM.

The Fund

The Fund will be an Australian unregistered wholesale unit trust. The information in this IM is subject to change.

Trustee

The trustee of the Fund is Evolution Trustees Limited ABN 29 611 839 519, an Australian company holding AFSL No. 486217 (**Evolution Trustees or Trustee**).

Important information

This IM is supplied personally by the Issuer to the recipient subject to the conditions set out below. By accepting this document, the recipient agrees to these conditions. If these conditions are not acceptable the recipient must return the IM to the Issuer immediately.

No disclosure

Investments in the Fund will be by invitation only. The offer contained within this IM is only available in Australia to wholesale clients (as defined in section 761G of the Corporations Act) or to persons to whom disclosure is not required under Chapter 6D or Part 7.9 of the Corporations Act and where such offer would not contravene any applicable law. This IM has been made available to the recipient on the basis that the recipient is, and warrants and represents that it is such a person. If the recipient of this IM is not such a person, this document must be returned to the Issuer and any copies destroyed or deleted. This IM has not been, and will not be, lodged with the Australian Securities and Investments Commission (**ASIC**). Any invitation to acquire

units in the Fund will be an offer that does not require disclosure for the purposes of the Corporations Act. This IM is not a Prospectus or Product Disclosure Statement as defined in the Corporations Act. Accordingly, this IM is not required to, and does not, contain all the information which would be required to be contained in a Product Disclosure Statement or Prospectus. The Fund is not registered as a managed investment scheme under the Corporations Act.

Foreign jurisdictions

This IM does not constitute an offer or invitation in any place or to any person in or outside of Australia where it would be unlawful to make such an offer or invitation. The offer is not available in the United States or to US Persons (as defined in the relevant US securities law) unless otherwise approved by the Issuer. No public offer of units in the Fund will be made. Any person who receives a copy of this IM in circumstances where receipt of this IM is unlawful or unauthorised or requires the Manager to take any additional steps, including registration, must not accept the copy of the IM and must immediately return it to the Issuer. Any failure to comply with restrictions on receipt or distribution of this IM may constitute a violation of applicable securities law.

No obligation

The Manager is not obliged to accept applications and reserves absolute discretion in limiting or refusing any application.

No cooling-off

No cooling-off regime applies to the offer contained in this IM.

Non-exhaustive

This IM contains a non-exhaustive summary of certain proposed features of the Fund. Fees and costs stated in this IM are exclusive of any applicable GST. All dollar amounts are in respect of Australian dollars (unless specified otherwise). An investment in the Fund will be governed by the terms of the Governing Documents (defined in the Glossary) for the Fund. Any information provided in this IM and in any other document or communication is subject to the Governing Documents. To the extent of any inconsistency between this IM and the Governing Documents, the Governing Documents prevail.

No guarantee

No person guarantees the performance of, or rate of

return from, the Fund nor the repayment of capital from the Fund. Investments in the Fund are not deposits with or liabilities of the Issuer or any associated company and are subject to investment and other risks, including possible delays in repayment and loss of income or principal invested. Recipients of this IM should ensure they are fully aware of all these risks before investing in the Fund.

No responsibility for contents

To the maximum extent permitted by law, neither the Manager, the Trustee nor any of their related parties, officers, directors, advisers or associates of the respective entities provides any representations or warranties in relation to this IM or the Fund and disclaim all responsibility in relation to the IM and the Fund. The Manager makes no representation or warranty as to the accuracy or truth of the contents of this IM.

Any information or representation not contained in this IM may not be relied upon as having been authorised by the Issuer and should be disregarded. This IM supersedes all previous representations and communications (including investor presentations) in respect of the Fund. The Issuer may vary the offer without notice at any time, including to close the offer at any time, accept late subscriptions, or to increase or decrease the size or timing of the offer, without notice.

Forward looking statements

Any forward looking statements in this IM (including statements of intention, projections and expectations of investment opportunities and rates of return) are made only at the date of this IM based on current expectations and beliefs but involve risks, contingencies, uncertainties and other factors beyond the control of the Issuer which may cause actual outcomes to be materially different. Assumptions underlying such statements involve judgements which may be difficult to accurately predict. Therefore, such forward looking statements included in this IM may prove to be inaccurate and should not be relied upon as indicative of future matters.

No advice

Investors should read the IM in its entirety and understand that the IM is general in nature, is not to be considered as investment, legal or tax advice and does not take into account your personal financial situation or needs. Before making an investment decision in relation to the Fund, potential investors should consider whether investing in the Fund is suitable to their

own individual circumstances and seek advice from a qualified financial, legal and tax adviser tailored to your personal circumstances.

Certain risks

Investments made by the Fund are speculative and are subject to investment and other risks, including loss of principal invested. Prospective investors should carefully consider the key risk factors set out in section 5 of this IM in light of their personal circumstances.

Confidentiality

This IM and any other information provided in connection with this IM are confidential to the Fund and the Issuer. It is provided to prospective investors for the sole purpose of considering an investment in the Fund and must not be copied, supplied, disseminated or disclosed by any recipient (whether directly or indirectly) to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Issuer's prior written consent. The distribution of this IM in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this IM must seek advice on, and comply with, any such restrictions.

Certain capitalised expressed used in this IM have defined meanings which are explained in Section 12 'Glossary'.

By accepting this IM, you are:

- representing that you are a Wholesale Client; and
- agreeing to keep the IM and its contents confidential and not to provide it to other persons other than your advisers, provided they also maintain such confidentiality.

1 About Frazis Capital Partners

Frazis Capital Partners Pty Ltd is a specialist investment manager providing innovative benchmark independent investment strategies.

The Frazis Fund invests in leading innovative growth companies around the world, specifically those with intense customer love, exponential revenue growth, and genuine market leadership. The Fund has broad discretion to invest across various liquid asset classes.

The principal of Frazis Capital Partners managed a USD-denominated global investment fund from June 2016 to June 2018.¹ Frazis Capital Partners was founded by the principal to offer a similar strategy to Australian investors in an Australian- domiciled investment vehicle.

Evolution Trustees (AFSL 486217) (ABN 29 611 839 519) is the trustee of the Fund and Frazis Capital Partners is the manager of the Fund.

The Manager is a Corporate Authorised Representative (CAR No. 1263393) of Frazis Capital Management Pty Ltd (AFSL No. 521445).

Investment Process: Global Equities²

The Manager conducts detailed research into areas of high innovation, and identifies the industries driving global growth, such as software, the life sciences, renewable energy, and the technology sector more broadly.

The manager then undertakes deep analysis to identify the market leaders and category creators with the strongest industry tailwinds, and the most robust competitive positioning.

The Manager believes leading innovative companies with explosive growth and devoted customers will structurally outperform market indices, and will take market share from larger industry incumbents. Typically, such companies screen poorly on traditional value metrics like cash flow, EBITDA or net profits, as they invest heavily in growth.

The median market capitalization of the Fund's

holdings is typically well in excess of \$1 billion.

The Manager will not limit Fund investments to any category of the global market and the Fund may therefore have exposure to developed markets and developing markets.

Companies in technology and the life sciences are expected to be more volatile than equity market indices. The Fund will be substantially more concentrated than major equity market indices, and is expected to be correspondingly more volatile. The Manager may invest excess cash in government Securities and use options and other derivatives to manage risk. The Manager has full discretion to utilize leverage and opportunistically invest across the full range of listed securities.

This adds significant additional risk factors to the Fund, particularly when compared to typical equity managers. In addition, the Manager intends to deploy a broad and opportunistic approach to investing across various global markets (including developing or non-developed markets). The Manager's investment approach will increase the risk profile of the Fund. Prospective investors should carefully consider the key risk factors set out in section 5 of this IM.

Investment Universe

Securities listed on global exchanges as determined by the Manager.

Number of positions

The Fund will typically hold 15-40 different equities and will occasionally hold a small number of positions in other liquid markets, including Derivatives based on market indices, volatility, credit, and interest rates.

¹ Past performance is no guarantee of future performance. The prior fund is not comparable to the Fund due to its domicile and strategy.

² The Fund may not be successful in achieving this investment strategy.

Parameters

Underwriting or sub-underwriting of issues in respect of authorised investments is permitted, provided that in the event that commitments pursuant to any underwriting or sub-underwriting agreements should revert to the Fund, the relevant investment restrictions of the Fund must not be breached. The Fund's total exposure to underwriting or sub-underwriting must not exceed 5% of the Net Asset Value at the time of investment.

Derivatives

While a relatively minor part of the overall strategy, the Manager may use a range of Derivatives in the investment strategy of the Fund. The bulk of the Fund's capital will be invested directly into equities. The Manager may utilize leverage with associated risks. Options are also used.

Refer to section 5 below, Risk.

The Fund may invest through Underlying Funds, including in funds with a substantially similar investment objective, philosophy and universe managed by us or an entity related to us provided that the relevant investment restrictions of the Fund must not be breached. We will rebate or offset additional management and performance fees payable in respect of such investments in accordance with the Governing Documents.

2. About the Frazis Fund

A high-level summary of the key features of the Fund are set out below.

Fund	Frazis Fund
Structure	Australian unregistered unit trust. The Fund will be registered as an Australian managed investment trust.
Trustee	Evolution Trustees Limited ABN 29 611 839 519, holding AFSL No. 486217.
Manager	Frazis Capital Partners Pty Ltd, a corporate authorised representative (CAR No. 1263393) of Frazis Capital Management Pty Ltd (AFSL No. 521445)

Custodian and Administrator	Mainstream Fund Services Pty Ltd ABN 81 118 902 891
Investment Objective	To generate return to Unitholders of 15% per annum net of fees and costs. This is a target only and may not be achieved.
Investment Strategy	The Fund will invest mainly in a portfolio of listed global equities, cash, and government Securities. Options and other derivatives may also be used.
Minimum investment	\$100,000. Lesser amounts may be accepted at the Manager's discretion from Eligible Investors.
Minimum Subsequent investment	\$5,000. Lesser amounts may be accepted at the Manager's discretion from Eligible Investors.
Eligible Investors	Wholesale Clients.
Recommended Investment Timeframe	At least 5 years.
Management Fee	1.5% (plus GST) per annum of Net Asset Value.
Performance Fee	20% of the Unit Return in the relevant calculation period and subject to the applicable High Water Mark. The Performance Fee is calculated and payable daily.
Buy/Sell Spread	0.25% paid to the Fund. The Buy/Sell Spread may vary without notice from time to time.
Applications	Monthly or as otherwise determined by the Trustee.
Redemptions	Monthly on 30 days' written notice.
Distributions	Annual distributions, with a reinvestment option available.

3. How the Frazis Fund works

The Fund is an open-ended Australian wholesale unregistered unit trust and is governed by the Governing Documents.

The Fund seeks to invest in leading innovative growth companies around the world. The Fund's assets will be invested in assets and geographies at the Manager's discretion.

Units

When you invest in the Fund, you are allocated a number of units in the Fund (**Units**). Each Unit represents a share in the Net Asset Value. As a result, each Unit has a dollar value. The Unit price will vary as the Net Asset Value rises or falls.

When you make an investment in the Fund, we will allocate Units to you based on the Application Price for the relevant Transaction Day, which is the first Business Day of each month. When you redeem, we will redeem your Units based on the Redemption Price for the relevant Transaction Day. See "Processing Applications and Redemptions" below for further details.

Application Prices are usually higher than Redemption Prices due to the Buy/Sell Spread. The Buy/Sell Spread is built into the Application Price and Redemption Price and represents your contribution to the costs of buying and selling the underlying assets in the Fund. See "Buy/Sell Spread" on page 5 for further details.

The Fund may issue different Classes from time to time.

Unit prices

Unit prices are determined daily. The Unit price is equal to the Net Asset Value at that time, divided by the number of Units on issue also at that time. Unit prices will fluctuate with changes in the value of the investments held in the Fund's portfolio.

Assets of the Fund are valued in accordance with the Fund's Trust Deed and based on market value. Any income received by the Fund during a distribution period will be reflected in the Unit price. At the end of a distribution period, Unit prices will generally fall by the amount to be distributed per Unit. For more information regarding the Fund's unit discretion pricing policy, please contact FCP.

The Administrator and custodian

Unit prices are provided by the Fund's administrator and custodian, Mainstream Fund Services Pty Ltd ABN 81 118 902 891 (**Mainstream**). The Trustee has appointed Mainstream to hold the assets of the Fund. Mainstream has no supervisory role in relation to the operations of the Fund and is not responsible

for protecting its interests. Mainstream has no liability or responsibility for any act done or omission made in accordance with the terms of the appointment. The assets held by Mainstream are not investments of Mainstream or any other members of Mainstream's group of companies. Mainstream is a specialist fund administrator for the financial services industry, with over \$130 billion of assets under administration. Mainstream's ultimate holding company, Mainstream Group Holdings Limited, is listed on the Australian Stock Exchange (ASX code: MAI).

Eligible investors

The Fund is only available to investors within Australia who are "wholesale clients" as defined by the Corporations Act.

Investing in the Fund

Applications to invest in the Fund are made by way of the application form provided by the Administrator (**Application Form**). Applications may be refused in full or in part by the Manager or Trustee in their absolute discretion. Refer to "Processing Applications and Redemptions" below and page 7 for more information about the application process.

Copies of the Governing Documents may be made available during the offer period on a confidential basis to prospective investors by request to the Manager.

Minimum Initial Investment

The minimum initial investment is A\$100,000. We may in our absolute discretion waive or reduce this minimum requirement. In certain circumstances, we may reject an application or accept only part of an application. Refer to "Processing Applications and Redemptions" below and page 7 for more information about the application process.

Additional Investments

The minimum additional investment is \$5,000. We may in our absolute discretion waive or reduce this minimum requirement. If you wish to invest more in the Fund, please send the Administrator or Frazis Capital Partners your additional Application Form or signed written instructions with your payment.

How to Redeem

Generally, you can redeem some or all of your investment by giving the Administrator 30 days' written notice. See "Processing Applications and Redemptions" below for further details.

The minimum redemption amount is \$5,000 unless otherwise approved by us. Redemptions will generally be paid to you within nine Business Days of the following Transaction Day.

Redemption proceeds will equal the number of Units being redeemed by a Unitholder multiplied by the applicable Redemption Price.

There may be circumstances where your ability to redeem on request from the Fund within the usual period is restricted pursuant to the Governing Documents. For example, there may be a freeze on redemption requests where we are unable, or determine that it is impracticable to value the Fund's assets, for example where:

- Frazis Capital Partners believes there would be significant uncertainty over the value of the Fund's investments because securities exchanges are closed or subject to trading restrictions or because of an emergency or other extreme state of affairs;
- Frazis Capital Partners anticipates a significant amount of the Fund's assets must be sold to meet withdrawals; and
- the Trustee reasonably considers it to be in the interests of Unitholders, or it is otherwise permitted by law.

In some circumstances, such as when there is a freeze on withdrawals, Unitholders may not be able to withdraw their Units within the usual period upon request.

Compulsory withdrawal

The Trustee may, in its absolute discretion and in accordance with the Governing Documents, upon a minimum of three days' notice, withdraw all or a portion of a Unitholder's Units in the Fund in the following circumstances:

- Units are held in breach of prohibitions contained in the Governing Documents;
- Units are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect;
- a Unitholder holds less than the minimum balance of Units (being Units with an aggregate Net Unit Value of \$10,000);
- a Unitholder holds or controls 10% of the Units on issue (in these circumstances the Trustee may alternatively require that the Units be transferred to a third party not under that Unitholder's control);
- the Fund is uneconomical to operate;
- the Unitholder made a misrepresentation in acquiring Units; or
- the Unitholder's continued participation may cause the Trustee, Manager or any other Unitholder to violate any law or cause any litigation to be commenced or threatened against the Trustee, Manager or any other Unitholder.

The Trustee may also redeem a Unitholder's Units in the fund with no cause in accordance with the Governing Documents.

Transfers

Units may not be sold, transferred or otherwise disposed of, directly or indirectly, without the prior written consent of the Trustee or Manager (which may be granted, on certain terms and conditions, or delayed or withheld in its sole and absolute discretion).

Transfer requests should be made in writing to the Administrator. The Trustee may require prescribed transfer documentation to be completed by the transferor including without limitation the completion of an Application Form. Any Units sold or transferred without such consent may be compulsorily redeemed by the Trustee in its absolute discretion.

Processing Applications and Redemptions

Applications

Generally, if the Administrator receives a completed Application Form, including all related documents and application monies, by 2:00pm (Sydney time) at least one Business Day prior to an Application Day (or such other time as we may determine), the application will generally be processed at the Application Price as at the next Application Day. It is intended that an Application Day will occur monthly on or about the first day of each month, however the Trustee may determine to change the Application Day, including determining that additional Application Days will occur or removing Application Days from time to time.

The Administrator, the Manager or the Trustee may in their absolute discretion reject or decline to accept applications (in part or in full). Any interest payable on application amounts will accrue to the benefit of the Fund.

Any Application Forms received after 2.00pm on a Business Day will be deemed received by the Administrator on the following Business Day.

Application amounts paid in respect of rejected or the scaled back portion of applications will be returned to such persons without interest.

Redemptions

Where redemptions are not suspended, you may redeem Units by giving the Administrator 30 days' notice of such redemption (**Notice Period**). The redemption request must be in the form approved by the Administrator (**Redemption Request**). The Notice Period commences on the Business Day at which the Redemption Request is received by the Administrator. Where a Redemption Request is received after 2.00 pm on a Business Day it will be deemed to be received on the following Business Day.

The redemption will be processed on the next Transaction Day, following the expiry of the Notice Period (**Redemption Date**) and at the

relevant valuation on that Redemption Date. The Trustee expects to pay redemption proceeds within 9 Business Days of the relevant Redemption Date.

Distributions

Distributions will be calculated on a pro rata basis, by reference to the number of Units held by a Unitholder. The distribution policy of the Fund is to distribute (where available) as soon as practicable after each yearly period ending 30 June (or otherwise as determined by us) the income of the Fund less expenses. Distributions from the Fund may comprise income and/or capital as determined by us under the Trust Deed. Unitholders may elect to reinvest distributions from the Fund (refer to the Application Form). If you do not make a choice, your distributions will be automatically reinvested. Units issued on reinvestment of distributions will generally be issued at the NAV per Unit (with no Buy/Sell Spread). We may, from time to time, distribute additional amounts where we believe it is appropriate. The amount of distributions will vary from period to period and there may be periods in which no distribution is made. Distributions received by Unitholders are generally assessable and can be made up of both income and capital components.

4. Benefits of Investing in the Fund

Significant Features³

- The Manager seeks to invest the Fund in a portfolio of diverse, high-quality, global equities, with a keen focus on innovative growth technology and the life sciences companies.
- Frazis Capital Partners takes an active, research-driven, benchmark independent approach to investing.
- Unitholders will have the ability to apply for and redeem Units on a monthly basis in accordance with the Governing Documents.

Significant Benefits⁴

The Manager believes that investing in the Fund offers Unitholders a range of benefits:

- Potential for long term capital growth and income distributions. This approach aims to generate returns that are superior to the Benchmark returns.
- The Fund provides access to experienced investment specialists and a benchmark independent investment approach; and Regular updates including reports, investment statements and an annual tax statement to keep you up-to-date on your investment.

You should read the important information about other features and benefits of the Fund before making a decision. Go to section 11 of the "Additional Information". The material relating to the other features and benefits of the Fund may change between the time when you read this IM and the day when you complete your Application Form.

3. Subject to the risks set out in the IM, refer section 5.

4. The Manager may not be successful in achieving these returns or capital growth.

5. Risks of investing in the Fund

All investments carry risk. The likely investment return and the risk of losing money is different for each fund as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund. Those assets with potentially the highest long-term return (such as shares) may also have the highest risk of losing money in the shorter term.

A high level summary of significant risks of the Fund include:

- **Nature of Investments** – the Fund has been established to invest mainly in a portfolio of listed global equities, cash, and government Securities. As such, the Fund is undertaking high risk investments and investors could experience a partial or total loss or their invested capital.
- **Investment risk** - individual investments made by the Fund will fluctuate in value, meaning that on occasion they may fall in value. A company's share price may fluctuate for a number of reasons. A company may undergo changes in its financial or operating circumstances and may also face broader influences such as political and industry changes. Unlisted securities are considerably less liquid than listed securities. The buying power of your invested money may decrease over time due to inflation.
- **Foreign investment risk** – the majority of the Fund's investments will be in markets other than Australia. The market price of foreign securities may fluctuate more than those of Australian securities. Foreign markets such as emerging or less developed markets may be less stable, less liquid and less regulated than the Australian market, and the costs of trading may be higher. In addition, foreign transactions may be subject to foreign taxes.
- **Emerging market risk** - The Fund may become exposed to emerging markets. These markets are generally considered riskier than developed markets due to factors such as lower liquidity than more mature markets, the likelihood or potential for political unrest, the increased likelihood of sovereign intervention in the economy (including default and currency intervention), currency volatility, and increased legal risk. Accordingly, the Fund's investments in these markets may be subject to increased asset price volatility, and face higher currency, default and liquidity risk.
Equities in these jurisdictions may be exposed to more volatile risk factors than developed market equities. Those risks intensify with fewer countries and regions and may include:
 - offshore investment restrictions affecting repatriation of investment income, capital and proceeds of asset sales;
 - government actions, such as expropriation of assets, trade barriers and other protectionist

measures, nationalisation, forced mergers of companies, price controls and taxation changes;

- greater currency volatility due to less stable currencies;
 - war, internal conflicts and civil war;
 - default, fraud, and fewer laws providing investor protection;
 - losses from sub-custodians, as custodian and settlement risks are less developed, and
 - leverage increasing losses (as well as profits).
- **Interest rate risk** – changes in interest rates can also have a positive or negative impact directly or indirectly on investment values or returns. For example, hybrid securities, cash and other interest-bearing securities are very sensitive to fluctuations in interest rates.
 - **Volatility risk** – changes in volatility can have a positive or negative effect on the fund's investments, through both options and direct volatility Derivatives (such as the VIX index and associated Derivatives).
 - **Exchange Traded Fund risk** – The Fund will utilise exchange traded funds. The mandate and terms of these funds can be changed with little notice, negatively affecting the value of the Fund's holdings.
 - **Business, credit or financial risk** – an individual issuer or counterparty may default on its obligations relating to a particular security or Derivatives issued by it.
 - **Political or social risk** – changes in government policy, laws and regulations may adversely affect the value or tax treatment of the Fund's investments. Geopolitical and other events, as well as changes in foreign and domestic social, economic and political conditions, may disrupt securities markets and adversely affect global economies and markets and the value of the Fund's investments.
 - **Coronavirus risk** – On 30 January 2020 the World Health Organisation declared a global emergency and pandemic with respect to a strain of the coronavirus which is the cause of the COVID-19 virus (**COVID-19**) following its emergence in Wuhan, China and its subsequent global spread including to the United States, Europe, the United Kingdom, Japan and Australia. Travel between most countries is largely suspended and the timing of any resumption of largescale international travel is unknown. Many assets, including some to which the Fund may have exposure, may be reliant to a greater or lesser extent on counterparties in countries which have been economically affected by COVID-19. In order to combat the continued spread of COVID-19, many national governments (including Australia) have instituted social distancing measures which have and continue to cause widespread disruption to business and economic operations. The continued spread of, or inability to combat, COVID-19 may have significant adverse impact to the global economy which may impact borrowers of the Fund. The future of any economic impact caused directly or indirectly by COVID-19 is uncertain and may affect the ability of

borrowers to repay debts, companies to pay dividends and the ability of the Fund to exit investments. Accordingly, the Fund's returns and its ability to pay distributions or redemptions may be negatively impacted by the spread or the inability to definitively combat COVID-19.

- **Currency risk** – changes in relative exchange rates may adversely affect the value of a foreign denominated investment.
- **Liquidity risk** – if there is an interruption of regular trading in a market or for a particular asset of the Fund (or if official quotation of stocks is denied), there may be delays in processing withdrawal requests.
- **Single manager risk** – there can be risks involved with investing in one particular manager or investment which can be reduced by diversifying.
- **Large Unitholder risk** – the risk that a redemption of a large number of Units may disrupt the Fund's operations and could increase transaction costs or accelerate the realisation of taxable income to Unitholders.
- **Fund risk** – the risk that changes to the Fund such as changes to fees or the termination of the Fund can affect your return. An investment in the Fund may give different results, including distributions, than investing directly in the underlying assets of the Fund.
- **Focused investment risk** – focusing investments in countries, regions, sectors or companies, or in industries with high positive correlations to one another, creates more risk than if the Fund's investments were less correlated.
- **Smaller company risk** The Fund may hold securities with small market capitalisation that are often less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more than the securities of companies with larger market capitalisations.
- **Taxation risk** - taxation laws are complex and may adversely affect an investment in the Fund or the tax treatment of investment returns where a tax authority or court determines to apply the laws differently to the manner in which those laws were interpreted and applied by the Fund. 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.
Prospective investors should obtain their own tax advice in relation to an investment in the Fund.
- **Market risk** – The risk that the value of the Fund's investments will fluctuate as a result of factors such as economic variables (including interest rates, unemployment, inflation and economic growth), market conditions and sentiment. Changes in government regulations (e.g. tax), local and international political events and environmental and technological issues may impact on the Fund's ability to implement its strategy. Market risk may have different impacts on

each type of asset, investment style and Unitholder.

- **Security specific risk** –The risk that the price of shares in a particular company may be affected by the operational and financial circumstances of the issuer of those securities such as the state of their underlying businesses (including the level of debt they carry, the availability of debt financing and level of interest rates), their profits, earnings and cash flows. The Fund is able to sell stocks short and bears associated risks.
- **Management risk** –The success of the Fund depends upon our ability to develop and implement the Fund's investment strategy and identify investment opportunities that achieve the Fund's investment objective. The Manager is a newly established entity with no prior track record or management history other than via its principal operating with fund structures and jurisdictions that differ to the Fund.
- **Key person risk** – As at the date of issue of the IM the Manager is operated by one principal. There is a risk that if the principal leaves or becomes unavailable that the Fund may not achieve its investment objectives and may fail.
- **Change of control risk** – If there is a change of control or ownership of the Manager, there is a risk that the personnel of the Manager may change.
- **Distribution risk** – The Fund is not designed for investors seeking regular income payments. There is no guarantee that any distributable income will be generated. In certain circumstances, Unitholders may be liable for tax on distributions even if they have not received any distribution in cash.
- **Derivatives risk** – the value of Derivatives may not move as expected relative to changes in the value of the relevant underlying assets, and are subject to market risk, liquidity and counterparty risk.
- **Leverage risk** – leverage can magnify both the gains and losses and Unitholders may experience increased volatility in the value of their investments. Where the Fund uses leverage in order to magnify its returns, the Fund risks magnified losses that could exceed the Net Asset Value of the Fund. Additionally, the use of leverage may cause the Fund to be liable to pay interest.
- **Classes are not a separate legal entity** – Classes of Units not a separate legal entity. Additional Classes of Units may be offered from time to time. Expenses and other amounts referable to a particular Class will generally be allocated only to that Class. As separate Classes do not constitute separate legal entities, the creditors of one Class may seek to claim reimbursement from the assets of another Class. Further, if the losses attributable to a Class exceed its value, then such losses could negatively impact the value of other Classes.
- **General risks** – Risk can be managed but it cannot be completely eliminated. It is important to understand that:
 - The value of your investment in the Fund will go up and down.
 - Investment returns in the Fund will vary and future returns may be different from past returns.
 - Returns are not guaranteed and there is always the chance that you may lose money on any investment you make in

the Fund.

- Laws affecting your investment in the Fund may change over time.

Choosing the right investment to suit your needs is an important decision. You should ensure any investment in the Fund is in line with your investment objectives, financial situation and personal needs. We have not taken these into account in preparing this IM and this IM does not constitute personal advice or a recommendation to invest. You should consider seeking professional financial planning advice. We have not described all of the risks of investing in the Fund in this IM.

6. How We Invest Your Money

Warning: You should consider the likely investment return, risk and your investment time frame when choosing to invest into the Fund.

Frazis Fund	
Investment objective	The investment objective of the Fund over time is to return 15% per annum net of all fees and costs. This is a target only and the Fund may not be successful in achieving this objective.
Minimum suggested investment time frame	At least 5 years.
Benchmark	The Manager is benchmark unaware and targets absolute returns.
Suitability	The Fund is intended to be suitable for Wholesale Clients with a medium to long term investment timeframe who are looking to invest in an actively managed portfolio of liquid and hedged global securities. Unitholders should be able to withstand the loss of the entire amount of capital invested.
Asset classes and asset allocation ranges	We typically target a global equity exposure of 90-100%, although the Fund's exposure and correlation with markets will vary significantly. There is no guarantee that we will be successful in managing this risk. Due to the Fund's potential use of Derivatives, net equity exposure may be considerably higher or lower than this. Leverage may also be utilized.
Description of Fund	<p>The Manager targets an allocation to global equities of approximately 90-100%, with a focus on the consumer, technology and the life science sectors, however this target is a guideline rather than firm restriction.</p> <p>The Manager has broad discretion to use Derivatives and Leverage, and thus the Fund is exposed to additional risk factors when compared to a typical unlevered long only fund.</p> <p>Correlation with the global equity indices is expected to vary considerably, which may result in profits and losses for the Fund that are uncorrelated to market movements.</p>
Currency	The Fund will be denominated in AUD. Refer to section 5 above, Risk .
Portfolio guidelines	<p>The fund will invest in securities listed on global exchanges, and is restricted to 'liquid' investments, as determined by the Manager.</p> <p>The Fund typically holds 15-40 equities, and positions in equity, volatility, interest rate and commodity Derivatives.</p> <p>Underwriting or sub-underwriting of issues in respect of authorised investments is permitted, provided that in the event that commitments pursuant to any underwriting or sub-underwriting agreements should revert to the Fund, the relevant constraints must not be breached. The total exposure to underwriting or sub-underwriting at any one time may not exceed 5% of the Net Asset Value of the Fund.</p>
Changes to Fund details	We have the right to change the Fund's investment return objective, asset classes and asset allocation ranges and currency strategy, without prior notice in some cases. We will inform Unitholders of any material change to the Fund's details in the next regular Unitholder communication or as otherwise required by law.

Reporting	Unitholders will be provided with the reports set out below. The Manager may (but is under no obligation to) provide further information upon request.	
	Report	Timing
	Unit Price	Monthly
	Transaction statements	To each Unitholder within 30 days of the Transaction.
	Income distribution and tax statement (including details of income entitlements)	To each Unitholder within 75 days of the end of the financial year.
Annual report (including the Fund's audited accounts)	Audited financials available on request.	

7. Fees and Cost

This section provides summary information about the main fees and costs that you may be charged for the Fund. The fees and costs charged by the Fund may be deducted from your account, from the returns on your investment or from the Class assets as a whole.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

You can use this information to compare the fees and costs with those of other funds.

The fees and costs outlined in this IM are for the Fund only.

The fees and costs set out below are applicable for investments in the Fund as at the date of this IM. The Manager will give prior written notice of any variation of fees or costs charged.

Fees are disclosed exclusive of GST. The Manager may be paid fees directly from the Fund.

The Manager may accept lower fees or defer payment of fees for any period. The Manager may pay Unitholders from its own resources any amount in its discretion by way of offset or rebate of fees in accordance with the Trust Deed. Any deferral of fees will in no way affect the Manager's right to receive the applicable fees.

Type of Fee or Cost	Amount
Fees when your money moves in or out of the Fund	
<i>Establishment fee</i>	Nil. The Manager reserves the right to apply such fees at a later stage upon written notice to Unitholders.
<i>Contribution fee</i>	Nil. The Manager reserves the right to apply such fees at a later stage upon written notice to Unitholders.
<i>Withdrawal fee</i>	Nil. The Manager reserves the right to apply such fees at a later stage upon written notice to Unitholders.
Expenses	
<i>Expenses</i>	<p>All costs or general expenses incurred (or to be incurred) by the Trustee or Manager in connection with the management of the Fund and the offer are payable out of the Fund. The Manager and the Trustee are responsible for providing their respective office personnel, office space and office facilities required for the performance of their services. The Fund bears all other expenses incidental to its operations, including, but not limited to, fees payable to the Fund's service providers (e.g. trustee, prime broker (if any), administrator and custodian); taxes imposed on the Manager, Trustee or the Fund; governmental charges and duties; the Fund's advisers (e.g. consultants, legal, accounting and audit); expert networks; printing and distributing the IM, subscription materials, trading software licences, data subscriptions, costs relating to AFSL licensing, insurance, marketing materials, computer equipment, and any reports and notices to Unitholders or prospective investors. The Fund may also incur unanticipated expenses arising from its business, such as litigation and indemnification expenses.</p> <p>The Unit price of a Class will reflect expenses, costs and liabilities (including Management Fees and Performance Fees) that have accrued in respect of that Class over the relevant period but have not been paid. If some, or all, of such amounts are not payable at the end of the period, the Net Asset Value (and therefore the Unit prices) would be expected to increase. Similarly, if the accrued amount is less than the actual amount payable at the end of the period, the Net Asset Value (and therefore the Unit prices) would be expected to decrease.</p>

Fees	
<i>Management Fee</i>	Management Fee – 1.50% p.a. of the Net Asset Value of the relevant Class.
<i>Performance Fee</i>	<p>The Manager has determined that the Fund will charge a Performance Fee in on a 'whole of fund basis', equal to 20% per annum of the Unit Return in the relevant calculation period, subject to the High Water Mark for such calculation period. The Performance Fee will be calculated, accrued and payable daily to the Manager from the Fund. The Manager has determined that whilst Performance Fees will be borne by Units daily, it will in fact receive the Performance Fees on a monthly basis.</p> <p>Each time the Performance Fee is payable, a High Water Mark is calculated. The High Water Mark is the previous highest NAV per Unit immediately after payment of a Performance Fee with respect to the Units (or if none has been paid, the initial issue price of the Units) adjusted for distributions and the reorganisation of Units. The application of the High Water Mark seeks to ensure that until any previous losses per Unit incurred by the Fund have been recovered, the Manager does not earn, or earns a reduced, Performance Fee.</p> <p>Additions and withdrawals of assets attributable to subscriptions and redemptions of Units will be taken into account in the calculation of the Performance Fee. Performance Fees will also accrue where Units are redeemed at any time other than on a Transaction Day.</p>
<i>Fees waiver and deferral</i>	The Manager may, in its sole discretion, elect to defer receipt of any fees from time to time. Any such deferral will in no way affect the right to receive any fees payable. The Manager may also offset or rebate all or part of any fees applicable to Units for certain Unitholders and/or pay all or part of such fees to third parties for services related to the placement of Units.
<i>Underlying Fund fees</i>	The Fund may invest in Underlying Funds that may charge fees such as management, performance and other fees. Where the Underlying Fund fees are payable to the Manager or a related party, those fees will be rebated to the Unitholder.
<i>Termination fee</i>	If the Manager is terminated other than for cause (for example misconduct or where the Manager is insolvent), the Manager will be entitled to an amount equal to five times the aggregate Management Fees that the Manager was entitled to receive for the previous 12 months from the effective date of termination. In addition, the Manager will be entitled to any accrued but unpaid performance fees as at the date the Manager ceases to be the manager of the Fund.

All fees set out in this section are inclusive of the net effect of Goods and Services Tax (**GST**) (i.e. includes GST net of input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances.

Buy/Sell Spread

The Buy/Sell Spread is effectively deducted from the Unitholder's application and redemption monies. This amount is currently 0.25%. For example, if you invested \$100,000 in the Fund the cost of your Buy/Sell Spread would be \$250. We may vary the Buy/Sell Spread from time to time and prior notice will not ordinarily be provided. This amount is paid to the Fund on account of our estimate of costs associated with buying and selling assets represented by the relevant application or redemption and is not paid to us. Such costs are, however, an additional cost to you and will impact on the return on your investment. Such costs could include estimated brokerage and stamp duties, taxes and other charges and expenses from buying or selling Fund investments. The amount is paid so as to mitigate any unfairness from an application or redemption

affecting other Unitholders. Expenses do not include the Buy/Sell Spread.

You should read the information about fees and costs before making a decision to invest in the Fund. The material relating to fees and costs may change between the time when you read this IM and the day when you acquire the product.

8. How the Fund is Taxed

WARNING: Investing in the Fund is likely to have tax consequences and you are strongly advised to seek professional tax advice before investing.

Australian Taxation Implications

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

This summary is based on the taxation laws as at the date of this IM. Investing in an unregistered managed investment scheme such as the Fund is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders concerned. It is recommended that Unitholders and prospective investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

The income tax treatment of the Fund and its Unitholders will depend on whether the Fund is eligible, and the Trustee elects, to apply the Attribution Managed Investment Trust ("AMIT") provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts ("MIT") that provide for flow-through taxation to Unitholders. Where the Fund qualifies as a MIT for income tax purposes, the Trustee may seek to make an election to treat the disposal of covered assets (including shares) on capital account.

Where the AMIT provisions do not apply to the Fund, the ordinary trust taxation provisions will instead apply. While the AMIT provisions are not expected to materially change the way in which Unitholders would be taxed (as compared to the ordinary trust taxation provisions), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Fund and its Unitholders.

Where the general taxation rules on trusts apply to the Fund, it is intended that Unitholders will be presently entitled to all of the income of the Fund for each financial year such that no taxation liability will accrue to the Trustee. This means that Unitholders should be taxed on their share of the Fund's net taxable income.

If a Unitholder's share of the taxable income of the Fund includes an amount that consists of discount capital gains derived by the Fund, the Unitholder needs to first 'gross up' the discount capital gain (by multiplying it by 2). However, (after grossing up any discount capital gains) Unitholders may be able to reduce the capital gains distributed by the Fund by any capital losses which are available to them. Furthermore, after applying any loss, individual, fund, and complying superannuation fund, Unitholders may then be entitled, in determining the net capital gain that is to be included in their assessable income, to discount that capital gain by 50% for individuals and funds and 33.3% for complying superannuation funds. Unitholders should seek their own professional tax advice to determine the tax implications of investing in the Fund.

Australian resident Unitholders may be required to include in their assessable income their share of any foreign taxes borne by the Fund. Unitholders may be entitled to a tax credit for foreign taxes borne by the Fund.

If an Australian resident Unitholder transfers or redeems their units in the Fund (transfers only being possible with the Manager's consent), this will constitute a disposal for tax purposes. Where a Unitholder holds their Units on capital account, a capital gain or loss on the disposal may arise and each Unitholder should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and funds, or 33.33% for complying Australian superannuation funds, may be allowed where Units have been held for 12 months or more. No capital gains tax discount is available to corporate Unitholders.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Unitholder may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

Attribution Managed Investment Trusts

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for AMITs. Trusts that meet the eligibility criteria and that have made an irrevocable election may apply the AMIT rules. The Trustee is considering

whether the Fund is eligible to make this election.

Taxation of Financial Arrangements

The TOFA Rules may apply to financial arrangements held by the Fund when calculating its assessable income. Broadly, the TOFA Rules may impact the timing of the recognition of gains and losses in the Fund for tax purposes and will also treat relevant gains and losses as being on revenue account.

Goods and Services Tax

The Fund will be registered for GST. The acquisition and disposal of Units by Unitholders should not be subject to GST. Similarly, the distributions paid by the Fund should not be subject to GST. GST is payable on some ongoing expenses, however the Fund may be able to claim a reduced input tax credit ("RITC") of at least 55% of the GST paid, depending on the precise nature of the expenses incurred. All fees and expenses are quoted inclusive of GST, unless specified otherwise.

The issue or redemption of Units should not attract any duty. Unitholders should confirm the duty consequences of transferring units with their taxation adviser.

As the Fund will be an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number ("TFN") or Australian Business Number ("ABN") in certain cases from its Unitholders.

It is not compulsory for a Unitholder to quote their TFN or ABN. If a Unitholder is making this investment in the course of a business or enterprise, the Unitholder may quote an ABN instead of a TFN. Failure by a Unitholder to quote an ABN or TFN or claim an exemption may cause the Trustee to withhold tax at the top marginal rate, plus levies, on gross payments including distributions of income to the Unitholder. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

Annual Investment Income Report ("AIR")

The Trustee is required to lodge annually an Annual Investment Income Report to the ATO containing Unitholder identity details and investment income paid to Unitholders for the relevant financial year.

Foreign Account Tax Compliance Act ("FATCA")

The Fund is required to comply with FATCA. FATCA enables the US Internal Revenue Service ("IRS") to identify and collect tax from US residents that invest in non-US entities. To comply with these requirements, the Trustee or the Manager will collect and disclose information about certain Unitholders such as your US Taxpayer Identification Number to the ATO or IRS. If you do not provide this information, we may be required to withhold tax on any payments made to you.

If the Fund suffers any amount of FATCA tax, neither Frazis Capital Partners, the Trustee nor the Fund will be required to compensate you for any such tax, and the effects of these amounts will be reflected in the returns of the Fund. A credit for such foreign taxes may be available in your jurisdiction of residence. You should seek your own advice in this regard.

Common Reporting Standard ("CRS")

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Trustee or the Manager will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

9. How to Apply

To invest directly, applicants should complete the Application Form available from the Manager. Details of where to send your completed Application Form, customer identification documents and application monies are on the Application Form. The offer made in this IM is only available to Eligible Investors receiving this IM (electronically or otherwise) within Australia. Applications from outside Australia will not be accepted unless otherwise determined by Frazis Capital Partners. See page 6 for more information on how applications are processed.

If you have a complaint, please notify Frazis Capital Partners. We will acknowledge your complaint within 30 days of receipt, and will generally investigate complaints and aim to provide a response (if not resolve the complaint) within 60 days although some complaints may take significantly longer to deal with.

10. Valuations

Net Asset Value

The Net Asset Value of the Fund will be equal to the value of its total assets less its total liabilities.

A separate account will be established in the books of the Fund for each Class to which amounts which are referable to that Class will be allocated. Likewise, if the Fund issues series of Units separate series accounts will be maintained in the books of the Fund to which amounts referable to that series will be allocated.

The Manager may use its discretion to determine the most appropriate method of valuing the assets of the Fund. The Manager may also rely upon the value determined by an independent valuer or the valuations supplied by third parties, the accuracy of which may not be verifiable. There is no assurance that the calculation of the Net Asset Value described will reflect the actual realised value of assets of the Fund.

The Manager may make such modifications to the means of calculating the Net Asset Value as it may from time to time consider reasonable to ensure that such changes accord with good accounting practice.

Situations involving uncertainties as to the valuation of positions may have an adverse effect on the Fund's net assets if the Manager's judgements regarding appropriate valuations should prove incorrect. Valuations may also be suspended where the Fund's assets cannot be valued or would yield a valuation which would be, in the opinion of the Manager, to the detriment of Unitholders.

NAV per Unit

The NAV per Unit is the Net Asset Value of the Class (i.e. total value of the property less liabilities each attributable to that Class), divided by the number of Units in that Class as at that Valuation Date (rounded to four decimal places).

This is used to determine the Application Price and Redemption Price for Units. The Manager has delegated the calculation of the Net Asset Value to the Administrator.

Fund Accounting

The Fund uses unit accounting, on a whole of fund basis.

Units issued under this IM comprise ordinary Units. Units are issued at the Net Asset Value as at the time of their issue. Each Unit represents an equal undivided beneficial interest in the property of the Fund. Fund expenses (including the Management Fee and Performance Fee) will ordinarily be allocated pro rata across all Units regardless of the Class to which they comprise except where an expense is disproportionately or (only) referable to a certain Class. The Fund may from time to time issue additional Units (including in separate Classes) to new or existing Unitholders.

11. Additional information

Management Agreement

The Trustee and Manager have entered into a Management Agreement whereby the Trustee delegates certain investment powers it has been given under the Trust Deed to the Manager. The Manager is entitled to the Management Fee and Performance Fee under the Management Agreement.

Administration Agreement

The Trustee and Administrator have entered into an Administration Agreement whereby the Trustee delegates certain administrative functions and the custody of the Fund's assets to the Administrator. The Administrator is entitled under the Administration Agreement to be paid a fee for the services it provides to the Fund.

Manager, Trustee and Administrator's indemnity and liability

The Manager, Trustee and the Administrator are entitled to be indemnified from the Fund for any amounts properly incurred in acting as manager, trustee or administrator/custodian of the Fund, subject to the Trust Deed, Management Agreement and Administration Agreement (as the case may be) and the law. Subject to the law, the Trust Deed and the Management Agreement, the Manager and Trustee are not liable to the Fund or Unitholders for any losses in any way relating to the Fund except to the extent of dishonesty, wilful misconduct or material breach of an investment document ("Material Misconduct"). Subject to the law and the Administration Agreement, the Administrator indemnifies the Fund in connection with its fraud, wilful default, negligence or breach of the Administration Agreement or the required standard of care by the Administrator.

The Manager and Trustee's liability is, subject to the law, the Trust Deed and the Management Agreement limited to their ability to be indemnified out of the assets of the Fund except to the extent that such indemnity is reduced by any Material Misconduct.

Unitholders' liability

The liability of Unitholders is limited to the amount subscribed for Units, subject to the Trust Deed. The effectiveness of these provisions has not been conclusively determined by an Australian Court and therefore no absolute assurance can be given that Unitholders will be protected from liability to third parties.

Each Unit confers a proportional beneficial interest in the Fund and does not carry any entitlement to any particular part of the Fund's assets or to partake in the management or operation of the Fund (other than through meetings of Unitholders).

Amending the Trust Deed

The Trust Deed may be modified, repealed or replaced in accordance with the provisions as set out in the Trust Deed. For example, the Trust Deed may be amended where the Manager or Trustee reasonably considers that it will not adversely affect Unitholders' interests in the Fund or if the change is approved by Unitholders.

Conflicts of Interest

The Manager and any of their associates may from time to time:

- (a) represent or act for, or contract with, their affiliates and associates;
- (b) invest in and deal in any capacity with the same investments as that of the Fund, on similar or different terms;
- (c) act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of Unitholders;
- (d) recommend that investments be purchased or sold on behalf of the Fund, regardless of whether at the same time they may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to themselves or other clients;
- (e) appoint any agents and use brokers, custodians and clearing houses and other persons, including related parties, for the purposes of it meeting their obligations and responsibilities in respect of the Fund;
- (f) appoint placement agents or similar professionals to introduce potential investors to the Fund and pay commissions to such persons from time to time; and / or

- (g) receive and retain profits or benefits of any nature, in connection with the Fund, and may do so without being liable to account to the Fund or Unitholders.

Anti-Money Laundering

The Trustee, the Manager and the Administrator are required to comply with the AML/CTF Law. This means that the Manager, the Trustee and the Administrator may require prospective investors and Unitholders to provide personal information and documentation when investing in the Fund. The Manager, the Trustee and the Administrator may need to obtain additional information and documentation to process applications or subsequent transactions or at other times.

The Manager, the Trustee and the Administrator may need to identify:

- (a) a prospective investor (including all investor types noted on the Application Form) prior to acquiring Units. The Trustee will not issue Units until all relevant information has been received and the prospective investor's identity has been satisfactorily verified;
- (b) an estate – if a Unitholder dies, there may be a need to identify the Unitholders' legal personal representative prior to redeeming Units or transferring ownership; and
- (c) anyone acting on behalf of a Unitholder, including under power of attorney. In some circumstances, there may be a need to re-verify this information.

By applying to invest in the Fund, you acknowledge that the Manager, the Trustee or Administrator may delay or refuse any request or transaction (with or without notice) including the payment of distributions or the issue or withdrawal of Units, if it is concerned that the request or transaction may breach any obligation of, or cause the Manager, the Trustee or Administrator to commit or participate in an offence under, under the AML/CTF Law or any law. The Manager, the Trustee and the Administrator together with any of their associates will incur no liability to you in respect of such delay or refusal.

Privacy policy

The Manager, the Trustee and the Administrator may collect, hold and use prospective investors' information in assessing applications for Units, administering Unitholder accounts, providing Unitholders with information about the Fund and related products and services or for other purposes permitted under the Privacy Act. Tax and company law also require information to be collected in connection with an application. The Manager, the Trustee and the Administrator may disclose information about Unitholders to any affiliates, related bodies corporate, agents and service providers provided that they do not use it for purposes other than that permitted under the Privacy Act. This information may be passed to another entity if required by law, and may be provided to authorised regulatory or law enforcement agencies.

Under the Privacy Act, Unitholders may request a copy of their personal information held by or on behalf of the Fund by using the contact details as set out in the corporate directory.

Service Providers

The Trustee has appointed the following service providers in respect of the Fund:

- (a) Mainstream to provide administration services;
- (b) Ernst & Young as auditors of the Fund's accounts.

Consents

- (a) Mainstream as the Administrator;
- (b) Ernst & Young as auditor; and
- (c) MinterEllison as Australian legal counsel,

who are each named in this IM:

- (i) have not authorised or caused the issue of this IM;
- (ii) do not make or purport to make any statement in this IM (or any statement on which a statement in this IM is based) other than as specified; and

- (iii) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this IM other than the reference to their name in a statement or report included in this IM with their consent as specified.

12. Glossary

Terms used in this IM

Administration Agreement means the administration and custody agreement entered into by the Trustee and the Administrator dated on or about the date of the Trust Deed.

Administrator means Mainstream Fund Services Pty Ltd, to whom Application Forms and redemption requests may be sent.

AFSL means Australian financial services licence.

AMIT or attribution managed investment trust has the meaning given to it in the Tax Act.

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

Application Day means a day on which the Trustee determines to accept applications or issue Units from time to time.

Application Form means the application form provided by the Administrator whereby a Unitholder subscribes for Units.

Application Price means Net Asset Value per Unit of the relevant Class plus the Buy/Sell Spread as set out in the Trust Deed.

ASIC means the Australian Securities and Investments Commission.

ATO means Australian Taxation Office.

Benchmark has the meaning set out on section 6 of this IM.

Business Day means any day that is not a Saturday, Sunday or public holiday in New South Wales, Australia.

Class means a class of Units of the Fund.

Corporations Act means the Corporations Act 2001 (Cth).

CRS means the Common Reporting Standard approved by the OECD Council.

Derivative means a financial instrument where the value depends on, or is derived from, the value of an underlying designated asset or market index (e.g. an individual share or a broad share market index).

EBITDA means earnings before interest, tax, depreciation and amortization.

Eligible Investor means a Wholesale Client.

FATCA means *The Foreign Account Tax Compliance Act* (US).

Frazis Capital Partners, we, our or us means Frazis Capital Partners Pty Ltd ACN 625 521 986, the manager of the Fund.

Fund or Frazis Fund means the Frazis Fund as constituted by the Trust Deed.

Governing Documents means the Trust Deed and the Application Form.

GST means the Australian Goods and Services Tax, as established under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

High Water Mark means the previous highest NAV per Unit of the Fund immediately after payment of a Performance Fee (or if none has been paid, the initial issue price of the Units).

IM means this information memorandum.

Management Agreement means the management agreement between the Trustee and the Manager dated on or about the date of the Trust Deed.

Management Fee means the management fee payable to Frazis Capital Partners as set out on page 13 of this IM.

Material Misconduct has the meaning provided in section 11.

MIT means managed investment trust.

NAV per Unit has the meaning provided in section 10.

Net Asset Value means the net asset value of the relevant Class or the Fund, as appropriate, as determined under the Trust Deed.

Net Unit Value means the Net Asset Value divided by the number of Units referable to that class of Units.

Performance Fee means the performance fee payable to the Manager as set out on page 13 of this IM.

Privacy Act means *Privacy Act 1998* (Cth).

Redemption Price means Net Asset Value of the relevant Class at the relevant Transaction Day adjusted for any transaction and operation costs such as brokerage and stamp duties, taxes and other charges and expenses applicable from selling Fund investments and less the Buy/Sell Spread as set out in the Trust Deed.

RITC means reduced input tax credit.

Securities mean equity interests in a company, managed investment scheme or investment organisation including but not limited to shares, units, preference shares, convertible preference shares, stapled securities and instalment receipts

Short and **Short Selling** refers to the practice of expressing a view that a Security is overvalued and may decline in value. This may be expressed by Derivatives, and often as borrowing the Security and selling it to a third party with the obligation or right to purchase it back at a particular price. Given that a Security's ability to increase in value is not limited, where a person 'shorts' or 'short sells' a Security that person bears the risk of losing more than 100% of the amount of their investment. This practice is often used by speculative investors to seek to limit the downside risk of a portfolio in the event of market stress, but in times of market strength this may have the effect of reducing the gains of a wider portfolio.

Tax Act means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and the *Taxation Administration Act 1953* (Cth), as applicable.

TOFA Rules means the Taxation of Financial Arrangements rules as found in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

Transaction Day has the meaning set out on page 6 of this IM.

Trust Deed means the deed constituting the Fund executed by the Trustee dated 13 June 2018, as amended from time to time.

Trustee or **Evolution Trustees** means Evolution Trustees Limited ABN 29 611 839 519, an Australian company holding AFSL No. 48217.

Underlying Funds means trusts, companies or partnerships into which the Fund may invest. These may include funds with a substantially similar investment objective, philosophy and universe to the Fund that are managed by us or an entity related to us, cash management trusts, exchange traded funds and listed managed funds.

Unit a unit or units in the Fund offered under this IM.

Unitholder means a person entered on the register of the Fund as a holder of Units.

Unit Return means the change in the NAV per Unit plus any distributions paid or payable to Unitholders.

Valuation Date the day on which the Net Asset Value is calculated.

Wholesale Client has the meaning provided in the Corporations Act.