



REVOLUTION

ASSET MANAGEMENT

REVOLUTION WHOLESALE PRIVATE DEBT FUND II

CLASS B | APIR: CHN2868AU

INFORMATION MEMORANDUM

28 APRIL 2022

This Information Memorandum ('IM') provides a summary of significant information about the Revolution Private Debt Fund II ('the Fund'). It is important that you read this IM before making a decision about the Fund.

Important information

This Information Memorandum ('IM') in respect of the Revolution Wholesale Private Debt Fund II ('Fund') and the Class B Unit class ('Class B Units') has been prepared and is issued by Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('CIML', 'Trustee', 'we', 'us', and 'our') as trustee of the Fund and issuer of this IM.

This IM is intended solely for the use of the person to whom it has been delivered ('Recipient') to allow them to evaluate a possible investment in Class B Units in the Fund. This IM is not to be reproduced or distributed to any other person without the Trustee's prior consent (other than the Recipient's professional advisers on a need to know basis). The offer made in this IM is only made to persons receiving it (electronically or otherwise) in Australia and to persons that are a wholesale client as defined in section 761G of the Corporations Act. By accepting this IM, you confirm that you are a wholesale client as defined in section 761G of the Corporations Act.

Despite the above, in limited circumstances, the offer in this IM may be made in New Zealand to, and can only be accepted by, persons in New Zealand who are 'wholesale investors' under clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Condition Act 2013 ('FMCA') or who are otherwise not required to receive disclosure under Part 3 of the FMCA. Those persons not familiar with the provisions of the FMCA, or who require further assistance and/or information, should consult their professional adviser.

The information in this IM is general information only and is not a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances. Prospective Investors should read and understand this IM in its entirety, rely upon their own enquiries and take their own financial and taxation advice in deciding whether to invest. All fees stated in this IM are exclusive of any applicable GST unless stated. This IM should be read in conjunction with the Trust Deed of the Fund and the Application Form, available upon request.

No person is authorised to give any information or to make any representations in connection with the Fund that are not contained in this IM. Any information or representation not so contained may not be relied upon as having been authorised in connection with the Fund. Information in this IM is subject to change from time to time. Information regarding the Fund that is not materially adverse may be updated without issuing a new or supplementary IM. Such updated information may be obtained from the Fund's website at www.channelcapital.com.au.

An investment in the Fund is an interest in an unregistered managed investment scheme, and is not a bank deposit, bank security or other bank liability. In considering whether to invest in the Fund, prospective Investors should consider the risks that could affect the financial performance of the Fund. Some of the risks affecting the Fund are summarised in section 8 of this IM.

An investment in the Fund is not a deposit with, or liability of, CIML or any other company of the Channel Capital group. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of CIML, the Investment Manager, the administrator of the Fund

or their related entities, shareholders, directors or officers, guarantees the performance of the Fund, the return of an investor's capital or any specific rate of return.

Any forward looking statements, projections, or expectations made in this IM are based on certain assumptions made at the date of this IM and may change at any time. Due to various risks and uncertainties, including those risks set out in section 8 of this IM, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The forward-looking statements included in this IM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CIML. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned to not place undue reliance on such forward-looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this IM are forward-looking statements and subject to this disclaimer.

This IM and all of the information contained in it must not be disclosed to any person or replicated in any form without the prior written consent of CIML. Any photographs, images, charts and diagrams in this IM are for illustrative purposes only and may not represent any current or proposed investments of the Fund or the Underlying Fund. Capitalised terms have the meaning given to those terms in section 16 of this IM, unless the context otherwise requires.

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1. Key features of the Fund

The Fund provides Investors with indirect exposure to the private debt market by investing in the Revolution Private Debt Fund II ('Underlying Fund'). The investment manager of both the Fund and the Underlying Fund is Revolution Asset Management Pty Ltd ('Revolution' or 'Investment Manager' or 'Underlying Fund Investment Manager').

The Fund is an Australian unregistered managed investment scheme in which amounts invested by individual Investors are pooled to buy assets on behalf of all Investors in the Fund.

An Investor's investment is not a direct investment in specific assets of the Fund or the Underlying Fund. The value of an Investor's investment changes whenever Unit prices are recalculated. The price of Units will vary as the market value of the Fund Assets rises or falls.

Fund Features	Summary	Section
Investment strategy	The investment strategy is to provide exposure to the Australian and New Zealand Leveraged Loan, Commercial Real Estate loan and ABS markets through investment in the Underlying Fund.	5
Fund structure	The Fund is an open-ended unit trust.	4
Trustee	Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('CIML' or 'Trustee').	3
Investment Manager	Revolution Asset Management Pty Ltd ACN 623 140 607 AFSL 507353 ('Revolution' or 'Investment Manager' or 'Underlying Fund Investment Manager').	4
Custodian	Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 236643 ('Perpetual') is the custodian of the Fund under the Custodian Agreement. It is also the custodian of the Underlying Fund.	3
Fund Administrator	Mainstream Fund Services Pty Ltd ACN 118 902 891 AFSL 303253 ('Mainstream') is the fund administrator and unit registrar of the Fund under the Fund Administration Agreement. It is also the fund administrator of the Underlying Fund.	3
Target asset allocation*	<ul style="list-style-type: none"> • 50-100% Underlying Fund units • 0-50% Investment Grade Securities and Asset Backed Securities ('ABS') (together 'Direct Assets') • 0-25% cash and cash equivalents <p>The Fund aims to be fully invested in the Underlying Fund whilst maintaining a small percentage of cash for Fund operations (expected to be less than 5%).</p>	6

*Please note, these parameters are set out as guidelines only and may be exceeded or not reached from time to time.

Benefits	<p>The Fund (via its investment in the Underlying Fund) offers Investors exposure to markets that have been largely bank-dominated and provides an opportunity to generate stable, attractive and uncorrelated returns to diversify existing fixed income portfolios. The Fund invests in the Underlying Fund, which aims to provide Investors with:</p> <ul style="list-style-type: none"> • exposure to Australian and New Zealand private debt assets - traditionally difficult for Investors to access; • a strong risk management approach with a focus on capital preservation and downside protection; • a regular income stream – contractual loan agreements stipulate the interest rate and payment frequency by the borrower to the lender (generally a floating rate plus a credit margin), for the life of the investment; • access to full portfolio economics, with all debt portfolio returns (base rate, margin and any transaction fees generated from private debt assets) passed on to Investors as it forms part of the Fund’s Assets; and • a floating rate portfolio, providing Investors with protection against inflation and rising interest rates relative to investments with a fixed interest rate portfolio or a fixed rate of return; and • diversification benefits - private debt markets offer exposure to companies and industries not readily available in public markets, whilst also offering exposure away from the Australian financial sector. 	5
Fees and expenses	<p>The management fee is 0.15% p.a. (exclusive of GST) of the Net Asset Value (‘NAV’) of the Fund properly referable to the Class B Units. However, an additional amount of 0.50% p.a. (exclusive of GST) of the NAV of Direct Assets held by the Fund, properly referable to the Class B Units, will also be charged as part of the management fee in relation to the Direct Assets held by the Fund. The management fee is calculated and accrued monthly and paid monthly in arrears.</p> <p>CIML is also entitled to a management fee of 0.65% p.a. (exclusive of GST) of the NAV of the Underlying Fund. This management fee is paid from the Underlying Fund.</p> <p>CIML pays Revolution its investment management fee under the Investment Management Agreement from CIML’s management fee from the Fund and the Underlying Fund.</p> <p>Administration costs include registry, fund administration, custody, accounting, audit, and legal costs. It is estimated that administration costs will be between 0.04% and 0.05% of NAV per annum, based on FUM of \$500m. These costs are accrued in the Unit Price and paid from the Fund Assets as and when they are payable.</p>	9, 11
Applications	<p>The cut-off time for receipt of completed applications is 5.00pm (ADST) on the 13th Business Day prior to an Application Closing Date (generally the end of each calendar month).</p> <p>An applicant is required to complete and submit an Application Form (including the provision of other documentation required for identification purposes) and pay the application amount to the Application Account in cleared funds, by the cut-off time for the relevant Application Closing Date. The Trustee reserves the right to accept or reject applications in whole or part, in its absolute discretion.</p> <p>Application Forms can only be withdrawn or altered with the consent of the Trustee.</p>	11
Minimum application amount	<p>The minimum application amount is \$100,000 and further increments must be in multiples of \$25,000. The Trustee reserves the right to accept lower application amounts in its absolute discretion.</p>	11



Redemptions	<p>The Fund will offer quarterly redemptions. Generally each of 31 March, 30 June, 30 September and 31 December will be a Redemption Date.</p> <p>The cut-off time for receipt of a completed Redemption Form is 5.00pm (ADST) on the 15th Business Day prior to the pending Redemption Date.</p> <p>The amount available to fund redemption requests is subject to the liquidity of the Fund at the relevant Redemption Date.</p> <p>The liquidity of the Fund may, from time to time, be limited and the Fund may not be able to satisfy redemption requests from time to time. If the Fund does not have sufficient available cash to meet all the redemption requests for a Redemption Date, it may need to redeem some of its investment in the Underlying Fund.</p> <p>The Underlying Fund has limited liquidity and is only expected to offer two redemption opportunities a year and there is no guarantee that it will have sufficient liquidity to meet the entirety of the redemption requests it receives on each occasion. If that is the case, then payments by the Underlying Fund of redemption proceeds to the Fund may take some time. Further, the Fund may not be able to redeem those of its units in the Underlying Fund that have undrawn Committed Capital or that have not been held for 12 months.</p> <p>If the Fund does not have sufficient liquidity to meet all redemption requests for a Redemption Date, Redemption Forms will be processed pro-rata across all redeeming Investors based on the value of Units they wish to redeem, divided by the amount of cash the Trustee reasonably considers is available to fund redemptions on the relevant Redemption Date.</p> <p>A Redemption Form not fully paid on a Redemption Date will be carried over to the next Redemption Date for processing on the same basis as other redemptions at the next Redemption Date. It may take several Redemption Dates for a redemption request to be paid in full.</p>	12
Distributions	<p>Distribution of net income will be made to Investors on a quarterly basis. Investors can make an election on the Application Form whether to receive the distribution in cash or reinvest it in further Units. If no election is made, or if bank account details are incomplete or inaccurate, distributions will be automatically reinvested.</p>	13
Unit pricing	<p>Monthly</p>	13
Valuation frequency	<p>The Fund's Direct Assets (other than cash and units in the Underlying Fund) will be valued by an independent valuer at least monthly and normally as soon as possible before an Application Closing Date.</p>	6



<p>Risks</p>	<p>There are risks associated with an investment in the Fund. The following risks are provided as an example:</p> <p>Capital deployment timing risk</p> <p>From time to time the Fund may hold what the Trustee considers to be an excess of cash, particularly whilst waiting for a call on the Fund's Committed Capital by the Underlying Fund. This, excess of cash, may have a negative impact on the performance of the Fund.</p> <p>Liquidity risk</p> <p>Although the Fund is expected to offer quarterly redemptions, Investors should be aware that, from time to time, the Fund may not hold sufficient cash to fund all redemption requests for a particular Redemption Date. If that is the case, units in the Underlying Fund may need to be redeemed. Investors wishing to redeem from the Fund will then also be subject to the liquidity of the Underlying Fund which is limited. The assets of the Underlying Fund are not liquid, and it may take the Fund an extended period of time to redeem the necessary number of its units in the Underlying Fund to meet the Fund's redemption requests.</p> <p><i>As the Fund principally holds units in the Underlying Fund, the Fund's returns and performance will also be subject to the risks of the Underlying Fund and the private debt assets it holds. For example:</i></p> <p>Credit and default risk</p> <p>Credit risk is the risk that one or more of the loan investments held made by the Underlying Fund declines in value, does not generate interest or is not repaid when due because a borrower experiences a deterioration in its financial situation.</p> <p>Interest rate risk</p> <p>The majority of interest rate exposures in the Underlying Fund will be floating rate, with any fixed rate exposures being hedged back to a floating rate using interest rate swaps. Therefore, absolute returns on loans will rise and fall largely in correlation with the RBA Cash Rate.</p> <p>Leverage risk</p> <p>The Underlying Fund intends to use leverage to fund investments, through the use of a Subscription Finance Facility and also potentially a Revolving Credit Facility. The Underlying Fund is still obliged to service its interest and principal payment obligations under the Subscription Finance Facility and (if applicable) the Revolving Credit Facility, regardless of whether one or more of the counterparties to its loan investments fails to pay interest or principal to the Underlying Fund when due. If the Underlying Fund is unable to meet its obligations, the facility provider may take action under the relevant facility terms to recover amounts owed to it by the Underlying Fund. The facility provider would be senior to Underlying Fund investors (including the Fund) from a repayment perspective and have a first claim over the Fund's uncalled Committed Capital.</p>	<p>8</p>
<p>Taxation and legal matters</p>	<p>Each prospective Investor should consult their own tax and other advisers in determining the possible tax or other consequences of the purchase and ownership of Units in the Fund, under the laws of the jurisdictions of which an Investor is a citizen, resident or domiciliary, or in which it conducts business, or in which it otherwise may be subject to tax.</p>	<p>10</p>

2. Key features of the Underlying Fund

Fund Features	Summary	Section
Underlying Fund Investment Committee	<p>Revolution's Investment Committee ('IC') members are also the Executive Directors of Revolution namely:</p> <ul style="list-style-type: none"> • Bob Sahota; • Simon Petris; and • David Saija. <p>The IC operates in accordance with its charter and is empowered to make investment decisions for the Underlying Fund.</p>	4
Underlying Fund target return[#]	RBA Cash Rate plus 4% to 5% p.a. (net of fees and expenses).	5
Underlying Fund target allocation ranges[#]	<ul style="list-style-type: none"> • 20%-80% Leveraged Loans • 20%-80% Asset-Backed Securities ('ABS') • 0%-60% Commercial Real Estate loans • 0%-30% Bonds • 0%-30% Cash 	6
Committed Capital	<p>The Underlying Fund works on a capital call model. The amount the Fund agrees to invest becomes the Fund's Committed Capital to the Underlying Fund. The Fund will pay an initial instalment of 5% upon each application in the Underlying Fund. The Committed Capital is paid to the Fund by way of instalments; after the initial instalment, subsequent instalments will be payable as a result of a Capital Call by the trustee of the Underlying Fund.</p>	5
Underlying Fund redemptions	<p>The Underlying Fund may offer two redemption opportunities per calendar year should the Fund want to redeem part or all its units – generally 31 March and 30 September each year. However, generally the Fund will not be able to take advantage of a redemption opportunity unless it is fully invested or during the 12 month lock up period on its investment.</p> <p>The amount available to fund redemption requests is subject to the liquidity of the Underlying Fund for the relevant redemption period.</p> <p>If Fund liquidity is limited, the Fund will have the option to utilise a redemption run off process. All redeeming Investors that choose the run off process for a particular redemption opportunity, will be allocated to a separate run off class of units. Redemptions will be paid out, subject to liquidity, as and when Run Off Assets for that redemption opportunity pay principal or realisation proceeds. This process can last several years depending on the amortisation schedule of the relevant assets. During the process the Fund will continue to receive distributions, albeit at a potentially different rate relative to other investors in the Underlying Fund.</p> <p>Each run off class of units administered will incur an administration fee of \$8,000 per annum which will be pro-rated across investors in that run off pool, based on the total value of their redemption amount in each run off pool.</p> <p>Other than when the Underlying Fund trustee provides a redemption opportunity, the Fund will have no right to redeem from the Underlying Fund.</p>	12

[#]Please note, these parameters are set out as guidelines only and may be exceeded or not reached from time to time.



Underlying Fund investment limits	<p>(Country rating) minimum sovereign risk rating of not less than A- (on the basis of ratings substantially equivalent to Standard & Poor's ratings). ^</p> <p>(Credit quality) minimum of 90% internally rated by the Underlying Fund Investment Manager as B- or higher at initial investment (on the basis of ratings substantially equivalent to Standard & Poor's ratings).^</p> <p>(Individual transaction concentration limit) maximum allocation of 7.5% per transaction of the total Committed Capital as at each transaction date.</p>	6
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^Examples of ratings include credit ratings issued by Moody's, Fitch and Kroll Bond Rating Agency.

3. The Trustee and key service providers

Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('CIML', 'Trustee', 'we', 'our' or 'us') is a trustee and manager of a number of managed investment schemes. In particular, CIML is the Trustee of the Fund and the trustee of the Underlying Fund. CIML maintains conflicts of interest policies and procedures to ensure the appropriate management, recording and disclosure of all conflicts of interest.

Channel Capital Pty Ltd provides investment infrastructure services across several asset classes and is the holding company of CIML.

Custodian Agreement

The Trustee has appointed Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673 under the Custodian Agreement. Perpetual is responsible for holding the Fund Assets and, among other things, arranging for the settlement of sales and purchases of assets. The Custodian Agreement sets out the remainder of the terms and conditions upon which the assets of the Fund will be held and complies with the relevant regulatory requirements. Perpetual is also the custodian of the Underlying Fund.

Fund Administration Agreement

The Trustee has appointed Mainstream Fund Services Pty Ltd ACN 118 902 891 AFSL 303253 under the Fund Administration Agreement. Mainstream provides fund administration services including independent unit pricing, administration and registry services, and some accounting services for the Fund. Mainstream also provides fund administration services to the Underlying Fund.

Investment Management Agreement

Revolution is appointed as the Investment Manager of the Fund and the Underlying Fund under the Investment Management Agreement. The Investment Management Agreement sets out when CIML, as the trustee of the Fund and the Underlying Fund, can terminate the services of the Investment Manager. The initial term of the Investment Management Agreement is a period of 7 years. Automatic 3 year extensions apply thereafter, unless six months' termination notice is given by either party. The trustee may also immediately, by written notice to the Investment Manager, terminate the Investment Management Agreement where the Investment Manager goes into administration, receivership, liquidation, breaches the terms of the Investment Management Agreement and fails to remedy the breach within the time specified, or where termination of the Investment Management Agreement is required under an applicable law.

4. Revolution

About Revolution

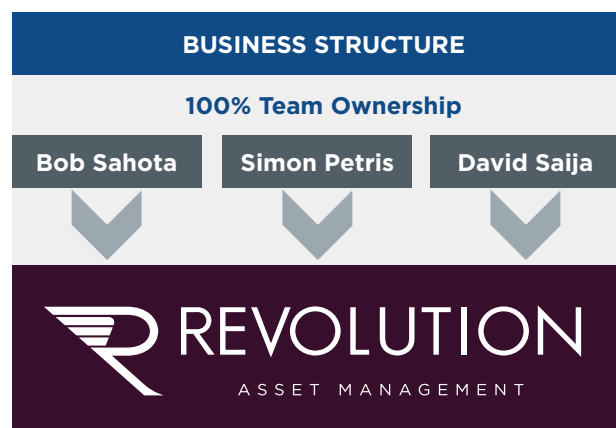
Revolution is a boutique, Australian owned, private debt specialist investment manager. Revolution is wholly owned by its investment team and is centered on providing experienced portfolio management with the aim of achieving strong returns for Investors. Revolution believes its boutique structure creates a clear focus on investment outcomes.

Revolution is a dedicated team of experienced private debt managers, with an investment process proven across multiple market cycles that includes a significant investment in proprietary modeling, technologies and systems integrated within a fundamental credit platform. Revolution's investment team has long-standing relationships with private equity sponsors, banks and specialty finance companies providing sourcing and origination channels that contribute to a differentiated opportunity set with limited competition.

The firm was established to provide investors with access to the Australian and New Zealand private debt markets. Revolution's highly disciplined credit analysis is focused on capital preservation with significant due diligence and scenario analysis conducted prior to each individual investment.

Revolution board of directors

The Revolution board is responsible for the overall governance, management and strategic direction of the Investment Manager. The board is chaired by Bob Sahota, with Simon Petris and David Saija both being Executive Directors and Glen Holding (Managing Director of Channel Capital Pty Ltd) holding the position of Non-Executive Director.



Revolution investment team

Combining more than 64 years of experience, the Revolution investment team has a strong track record in private debt.



Bob Sahota
*Managing Director
and Chief Investment Officer*

Mr Sahota has held senior roles as Head of Direct Lending at Kapstream Capital and Head of Fixed Income at Challenger Limited, the latter role from 2005 to 2016. At Challenger, Mr Sahota led an investment team of 14 staff managing leveraged finance/private debt, real estate debt, ABS, investment grade corporate credit and alternatives portfolios on behalf of both Challenger Life Company and a number of Australian superannuation funds.

During his tenure, funds under management increased from A\$1 billion to A\$9 billion.

Before Challenger and Kapstream Capital, Mr Sahota spent three years as a Credit Analyst and Portfolio Manager at PIMCO, responsible for credit analysis, security selection and portfolio management of corporate credit portfolios in the Asia Pacific (ex-Japan) region. He previously served as Portfolio Manager, Infrastructure and Private Debt at AMP Capital, where for three years he was responsible for the origination and monitoring of a portfolio of loan exposures in the infrastructure and private acquisition finance sectors.

Mr Sahota holds a Bachelor of Commerce in Accounting and Finance from the University of NSW, a Graduate Diploma in Applied Finance from FINSIA and a Master of Applied Finance from Macquarie University.



Simon Petris Ph.D.
*Executive Director
and Senior Portfolio Manager*

From 2011 to 2017, Dr Petris was a Senior Portfolio Manager for Westpac's Credit Relative Value

Fund. Dr Petris specifically focused on RMBS, CLOs, and Consumer, Equipment and Transport ABS. In addition to credit investing, he had overall responsibility for currency and interest rate hedging and asset/liability management of the fund.

Previously, Dr Petris was a Senior Portfolio Manager in Fixed Income at Challenger alongside Bob Sahota and has held Credit Trading and Structuring roles at CBA and ANZ.

Dr Petris holds a Ph.D. in Applied Mathematics from the University of Melbourne, a Bachelor of Science with First Class Honours in Theoretical Physics from Monash University and a Graduate Certificate in Applied Finance from FINSIA.



David Saija CFA
*Executive Director and
Senior Portfolio Manager*

Prior to establishing Revolution, Mr Saija was a Portfolio Manager with Kapstream from 2015 to 2018. In this role, he was responsible for credit analysis and portfolio management, covering multiple sectors including property, infrastructure, airports, diversifieds and technology, media and telecommunications.

Prior to joining Kapstream, Mr Saija served as an Associate Director, Credit, at Challenger where he was responsible for fundamental credit research and management across multiple sectors such as leveraged finance/private debt, non-residential real estate debt, as well as financial institutions and corporates. In this role, he focused on the bottom-up analysis of leveraged loan opportunities, which included detailed business, industry and financial analysis together with extensive financial modelling, and the assignment of internal credit ratings.

Mr Saija joined Challenger in 2006, initially serving as a Corporate Accountant within the Funds Management business before progressing to manage Financial and Performance Reporting functions. He previously served as a Financial Accountant at ABN AMRO Bank N.V. where he was employed between 2004 and 2006.

Mr Saija holds a Bachelor of Business (Distinction) from the University of Technology Sydney. He is also a member of Chartered Accountants Australia and New Zealand, and is a CFA charter holder.

Revolution's Investment Committee

Revolution's Executive Directors also serve as Revolution's Investment Committee (IC) members. The IC operates in accordance with its charter and is empowered to make the following investment decisions to maintain the investment and trading portfolios (including the Underlying Fund's portfolio):

- adding new investments to the portfolios;
- increasing existing investments in the portfolios (including participating in corporate actions/distribution plans offered by investments in the portfolios);
- reducing existing investments in the portfolios; and
- disposing of an investment in the portfolios.

5. Investment overview

Fund overview

The Fund is an Australian open-ended, unregistered managed investment scheme that is designed to provide Investors with exposure to a diversified portfolio of actively managed exposures to the Australian and New Zealand loan markets and ABS via an investment in the Underlying Fund. The Underlying Fund's focus will be on Leveraged Loans, Commercial Real Estate loans and ABS.

The Fund (via its investment in the Underlying Fund) offers Investors access to markets that have been largely bank-dominated and provides an opportunity to generate stable, attractive and uncorrelated returns to diversify existing fixed income portfolios. The Underlying Fund aims to provide Investors with:

- direct exposure to Australian and New Zealand loans and ABS;
- a strong risk management culture with a focus on capital preservation and downside protection;
- exposure to a diversified and well-constructed portfolio;
- access to full portfolio economics, with all returns (base rate, margin, and any transaction fees generated) passed on to the Fund; and
- a floating rate portfolio designed to provide Investors with protection against inflation and rising interest rates.

If the Trustee considers that the Fund is holding excess cash, the Investment Manager may from time to time invest this excess cash in cash equivalents, Investment Grade Securities and Asset-Backed Securities. See Section 6 for information on the Fund's 'Investment strategy and process'.

Investing in the Underlying Fund

An investment in the Underlying Fund, including the Fund's investment, is made under a subscription agreement pursuant to which investors, including the Fund, agree to invest an amount over time (this amount is referred to as the investor's Committed Capital).

The Fund expects to sign a subscription agreement and agree to invest an amount of Committed Capital in the Underlying Fund shortly after each Application Closing Date. On each occasion the Fund's Committed Capital will largely reflect the value of Units issued for that Application Closing Date (some cash will be retained for the Fund's operations).

However, the Fund will only invest its funds in the Underlying Fund and receive units in the Underlying Fund, when a Capital Call is made by the trustee of the Underlying Fund. As a result the Fund will from time to time, be holding cash, cash equivalents, Investment Grade Securities or ABS pending a Capital Call(s) for the Underlying Fund.

At this stage, the Trustee expects each of the Fund's Committed Capital amounts to be fully invested in Units in the Underlying Fund within 18 months of the relevant Application Closing Date.

The private debt market opportunity

Private debt is a subset of broad credit markets often resulting from private equity and securitisation activities across assets and companies, with specialised financial needs spanning a diverse industry spectrum. The Australian private debt market has been dominated by a concentrated group of local and international banks, which has made it difficult for non-bank investors to access. The dominance of the Australian major banks, which have a long operating history and extensive relationships, have made it uneconomic for new entrants, given the ancillary services/offers that banks have been able to provide, coupled with the typically high fixed cost bases incurred by new industry participants.

Domestic Australian banks have historically acted more like asset managers than their counterparts in the U.S. and Europe. Their growth model has been designed to originate and retain the majority of corporate and consumer credit assets on balance sheet, and fund them largely via deposits and unsecured bond issuance. Bank balance sheet efficiency and Return On Equity ('ROE') is now highly scrutinised internally, and the offshore model of "originate to distribute" is being more actively embraced.

In comparison to other geographies such as North America and Europe, the Australian private debt market has traditionally been bank dominated and is in the early stages of transitioning to an institutional driven market. This has resulted in returns in the Australian market being largely stable over the last 5 -10 years, while other markets have seen a contraction in spreads. This has been driven by the large number of institutional investors in offshore markets together with other dynamics, such as Collateralised Loan Obligation ('CLO') demand for loans, which has seen strong demand push spreads to their current tight levels.

Additionally, covenants have largely disappeared from foreign markets, while leverage levels have been increasing, resulting in greater risk for investors. The Australian private debt market is still characterised by a much higher proportion of transactions with full covenant packages, while leverage levels remain largely in check. These factors, coupled with generally shorter tenors in Australia (typically 5 years compared to 5-7 years in North America) and higher upfront fees for investors (typically 1-4% in Australia compared to 0.25-1.00% in North America) result in the Australian private debt market providing a compelling investment case.

Similarly, the global wave of regulation has driven up capital charges across the board for mortgage lending, securitisation and derivatives. Balance sheet pressures have caused mezzanine securitisation tranches and Commercial Real Estate loans to become prohibitive to retain on bank balance sheets from a capital perspective thus, sophisticated non-bank investors are filling this void.

The Fund has been established to capitalise on all of these market opportunities and allow Investors to gain exposure to an asset class that has not been readily accessible.

Investment philosophy

Revolution's investment philosophy is centred on capital preservation and long term value. Revolution is focused on identifying relative value opportunities, to capture illiquidity premia and generate alpha from specialist debt markets. Australian private debt generates significant illiquidity premia over equivalent traded liquid benchmarks.

Revolution seeks to maximise returns for the Underlying Fund by ensuring that all income generated by the Underlying Fund is received by it and distributed to the Underlying Fund's investors, with no payment to Revolution or CIML (other than the management fee and expense recoveries). The Underlying Fund does not pay any form of transaction or asset origination fee to Revolution or CIML.

Investment Landscape: Private Debt

The Australian and New Zealand private debt opportunity is driven by two key themes: a supportive macro environment and compelling fundamentals.

Supportive macro environment

- **Low interest rates:** Absolute yields are low and the 'cost' of liquidity is material;
- **Global banking changes:** Reform and regulation are causing traditional lenders to withdraw, creating an opportunity for alternative lenders;
- **High public market volatility:** Private debt offers strong diversification with low volatility and low correlation to public markets; and
- **Changing fixed income return drivers:** Interest rate duration is no longer a positive tailwind and inflation concerns are increasing. Fixed income illiquidity premia remains largely untapped in Australia.

Fundamentals

There are also a number of factors that contribute to make the overall fundamentals of Australian private debt compelling, such as:

- **An investment manager's direct relationship and high degree of influence:** Investment managers may hold key relationships with sponsors and borrowers allowing them to negotiate a tailored set of terms and conditions which could include: covenants and information packs comprising monthly/quarterly accounts; covenant compliance tests; and frequent performance reviews to ensure ongoing credit quality;
- **Capital structure:** With investments being typically Senior Secured Loans, this means that Investors are at the top of the capital structure with more protections available than traditional bonds (unsecured) and equity (bottom of the capital structure);
- **Diversification:** The Australian private debt market provides access to non-public businesses, which Investors otherwise would not have been able to access. Additionally, with all investments being floating rate in nature, conventional duration risks are mitigated, while also offering a hedge to inflation; and

- **Supporting Australian businesses:** Lending in the domestic market contributes to building and enhancing the Australian economy through avenues such as growth, employment and taxes.

There are high barriers to entry for global players, the market is largely dominated by banks and there are only a few domestic investment managers. The spreads on 'B' credit rated U.S. loans are currently in line with 'BB' credit rated Australian loans. Revolution considers this a significant premium for liquidity.

The Australian private debt market offers an investment opportunity, driven by a supportive macro environment and strong fundamentals with superior economics to other jurisdictions. It also offers Investors in the Fund diversity and an illiquidity premium secured by real assets.

Investment objective

The investment objective of the Fund is to invest in the Underlying Fund to gain exposure to a portfolio of Australian and New Zealand loans and ABS with the target of generating a return of the RBA Cash Rate plus 4% to 5% p.a. (net of fees and expenses). Investment activities within the Underlying Fund are focused on the most compelling relative value opportunities across its target markets, with an underlying focus on capital preservation.

It is not envisaged that the Fund's investment objective will change over the life of the Fund. In the unlikely event of a material change, the Fund will disclose and notify Investors of the nature and rationale for the proposed change. Any change will require prior approval by the Trustee.

6. Investment strategy and process

Target Asset Allocation for the Fund

	Target allocation range [#]
Underlying Fund units	50%-100%
Investment Grade Securities and ABS ('Direct Assets')	0-50%
Cash and cash equivalents	0%-25%

[#]Please note, these parameters are set out as guidelines only and may be exceeded or not reached from time to time.

The Fund's primary investment strategy is to invest the majority of Fund Assets in the Underlying Fund. Details on the Underlying Fund investment strategy and process is detailed below.

Cash equivalents

This can include term deposits, commercial paper, treasury bills, short term government bonds, marketable securities, and other money market holdings.

Investment Grade Securities

The Fund may invest in investment grade bonds or loans. An investment grade rating is BBB- or higher (as defined by Standard and Pooors).

Asset-Backed Securities (ABS)

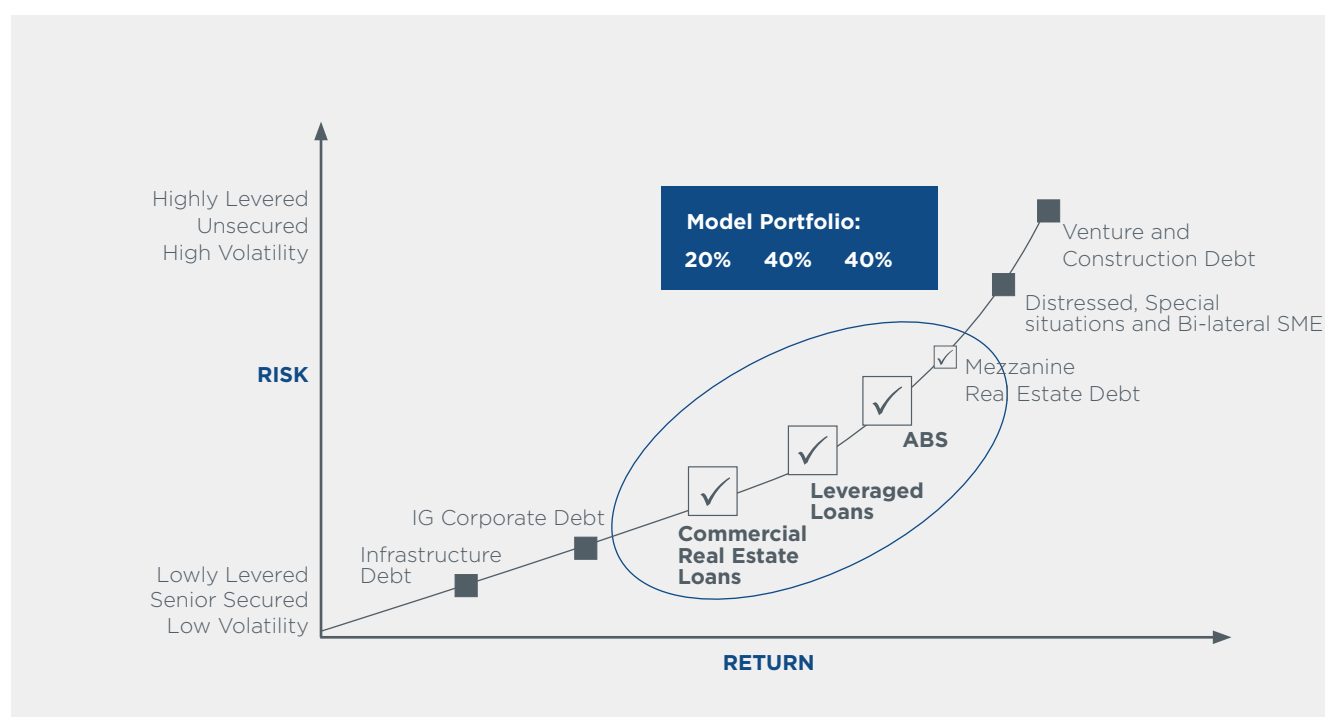
The Fund may invest in ABS. Further details on ABS can be found on page 16. The ABS investments of the Fund are expected to be shorter term in nature than investments made by the Underlying Fund, as the Fund will need to make cash available for Capital Calls made by the Underlying Fund.

Valuation of Fund Assets

The Fund Assets other than cash and units in the Underlying Fund will be valued by a third-party valuer experienced in the assets detailed above. Fund valuations and unit pricing methodologies will be undertaken in accordance with the Trustee's Unit Pricing and Valuation Policy.

Underlying Fund investment strategy and process

As shown in the diagram below, the Underlying Fund's focus is on Commercial Real Estate loans, Leveraged Loans and ABS.



Source: Revolution Asset Management

Investment strategy

The Underlying Fund's primary strategy is to proactively pursue Senior Secured Loans and ABS, focusing on relationships with lenders, equity sponsors, banks, specialty finance companies and other industry professionals.

The information provided below show the types of debt securities that may form part of the Fund's portfolio of investments, together with some of their key attributes. It should be noted that all upfront fees received will be paid to the Fund for the benefit of Investors.

Transaction types

Commercial Real Estate loans

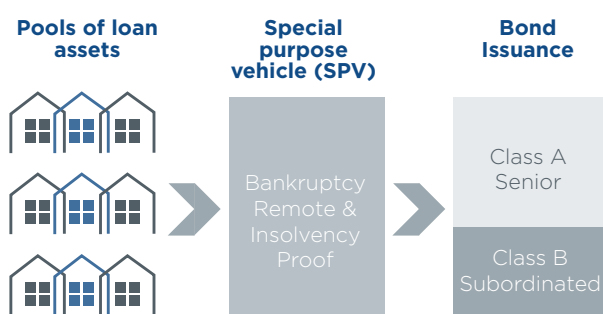
Commercial Real Estate Loans are loans to stabilised commercial (office, retail and industrial) properties and portfolios of properties. This lending is based on a combination of cash flows generated by the properties and the underlying value of the asset/s in question. For this type of lending the properties have long, stable tenant profiles (supporting cash flow generation) and are generally geared to less than 70% providing a material equity cushion.

Leveraged Loans

Leveraged Loans are typically debt that is provided to private equity firms to facilitate the acquisition of a target company. The typical Leveraged Buy Out capital structure is circa 50% debt and 50% equity.

Asset-Backed Securities (ABS)

Securitisation is the act of creating Asset-Backed Securities (ABS) from pools of underlying loans. It begins with the formation of a special purpose vehicle (SPV), which is a company whose specific purpose is to acquire assets and issue debt secured by those assets. ABS are the preferred way for smaller banks and specialty finance companies to finance pools of familiar asset types, such as auto loans, credit card receivables, mortgages, and business loans. Each underlying loan in a pool is a contractual obligation to pay. The figure below illustrates this.



Since ABS debt is extended to an SPV and secured by an identified pool of assets, it is typically non-recourse to the originating company.

Other transaction types

Although the Underlying Fund's primary strategy is to pursue Senior Secured Loans and ABS, it may for various purposes invest in subordinated loans and other associated instruments including, but not limited to, those set out below:

Indirect senior lending/purchased

Transactions where the Underlying Fund will provide asset based or cash flow senior financing in club or larger syndicated transactions.

An assignment (or possibly a participation) in these financing arrangements will be purchased from an agent bank after the transaction is structured and documented and sometimes after the transaction is closed. The Underlying Fund Investment Manager, on behalf of the Underlying Fund, may or may not have material input in the structuring and documentation.

Direct financing

Transactions where the Underlying Fund will provide most if not all of the capital structure above the equity.

This may include senior term debt and subordinated debt. The major advantages for borrowers include negotiating the entire debt financing with one lender and the elimination of inter-creditor issues.

In certain instances, this may be structured as one tranche of debt known as "unitranche". As a sole lender, or part of a very small group, the Underlying Fund may control the total financing and thereby avoid inter-creditor issues and as a result, receive an enhanced yield and negotiate better terms and conditions.

Subordinated debt lending

Transactions where the Underlying Fund will provide subordinated debt, targeting private transactions with well-capitalised companies or sound commercial property assets.

Revolution, on behalf of the Underlying Fund, may take either a leadership role for the subordinated debt tranche in these transactions or may purchase a portion of the debt from an agent or intermediary.

Structured/asset-backed transactions

Transactions where the Underlying Fund will provide private and public asset-backed funding solutions to established consumer and commercial specialty finance sectors across multiple asset classes and select geographies.

Revolution expects to take advantage of investment opportunities that include consumer and commercial asset-backed debt facilities in those tranches that offer the best risk-adjusted return and are subject to far less competition.

Bonds

Transactions where the Underlying Fund will provide typically unsecured debt financing with well-capitalised companies.

Credit default swaps

Transactions where the Underlying Fund will sell credit protection typically referencing unsecured debt financing with well-capitalised companies.

FX, cross currency and interest rate swaps

As required for risk management purposes, in order to deliver the Underlying Fund returns on an Australian floating interest rate basis.

FX and cross currency swaps used to hedge non-Australian dollar denominated principal and interest amounts as determined by the Underlying Fund Investment Manager. Interest rate swaps used to hedge non-floating interest amounts will be determined by the Underlying Fund Investment Manager.

Other criteria for investment (for the Underlying Fund)

Minimum country rating

Minimum sovereign risk rating of not less than A- (on the basis of ratings substantially equivalent to Standard & Poor's ratings).

Credit quality

Minimum of 90% internally rated by the Underlying Fund Investment Manager as B- or higher at initial investment (on the basis of ratings substantially equivalent to Standard & Poor's ratings).

Individual transaction concentration limit

Maximum allocation of 7.5% per transaction of the total committed capital as at each transaction date.

Co-investment

Revolution may also manage fixed income portfolios on behalf of institutional mandate clients and other funds. Revolution may jointly invest the Fund's and the Underlying Fund's capital and mandate assets in loans and ABS on a co-lender basis. Revolution may also arrange for the Underlying Fund to partner with another lender to jointly provide a loan to a borrower.

In either circumstance, the Underlying Fund will enter into an agreement with the co-lender which sets out how the parties, as co-lenders, will exercise their rights under the loan agreement and security documents. Such co-investment may be desirable in order for the Underlying Fund to access and participate in particular investment opportunities.

Valuation of investments

All assets of the Underlying Fund will be reviewed by the IC on a weekly basis. On a quarterly basis and generally prior to the issue of units in the Underlying Fund, the assets will be valued by a third-party valuer experienced in valuing private debt investments. Underlying Fund valuations and unit pricing methodologies will be undertaken in accordance with the Unit Pricing and Valuation Policy of the Trustee.

Leverage

The Underlying Fund intends to utilise leverage to fund investments, specifically via a Subscription Finance Facility and potentially a Revolving Credit Facility.

Subscription Finance Facility

The Underlying Fund intends to utilise leverage via a Subscription Finance Facility for the purpose of accessing short term finance to enable the Underlying Fund to undertake its investment activities. The Subscription Finance Facility will enable the Underlying Fund to respond quickly to investment opportunities by providing a source of funding which can be utilised during the period between Capital

Calls being made on investors in the Underlying Fund (including the Fund) and those Capital Calls being paid by investors in the Underlying Fund (including the Fund). The Subscription Finance Facility may be progressively drawn on, and will be repaid, over time.

The size of the Underlying Fund's Subscription Finance Facility will be limited such that when fully drawn, the amount of money owing under the facility will not exceed 25% of the Underlying Fund's Committed Capital, as calculated at the point in time the facility is utilised.

Revolving Credit Facility

A Revolving Credit Facility may also be utilised to acquire or facilitate investments in ABS Warehouse Loans and also used to meet the short term working capital requirements of the Underlying Fund.

ABS Warehouse Loans are typically one or two year lines of credit that are extended from large banks and institutional investors to non-bank financial institutions who originate a variety of loan products. The size of the Underlying Fund's Revolving Credit Facility will be limited such that when fully drawn, the amount of money owing under the facility will not exceed 25% of the Underlying Fund's NAV.

Total Leverage

The total amount of leverage utilised by the Underlying Fund, whether via a Subscription Finance Facility or a Revolving Credit Facility or both concurrently, will not exceed 25% of the Underlying Fund's Committed Capital.

Underlying Fund target asset allocation range

This information is provided only to illustrate how the portfolio may be comprised and the securities and debt instruments proposed cannot be guaranteed.

	Target allocation range [#]
Leveraged Loans	20%-80%
ABS	20%-80%
Commercial Real Estate loans	0%-60%
Bonds	0%-30%
Cash	0%-30%

[#]Please note these parameters are set out as guidelines only and may be exceeded or not reached from time to time. In particular, pending a Capital Call from the Underlying Fund the Fund may hold excess cash from time to time.

Investment process

Revolution's disciplined investment process is designed to ensure all portfolio assets are spread across a diverse spectrum including, ABS and Leveraged Loans and Commercial Real Estate lending.

Initial Screen and relative value

- Originate opportunities across private credit markets utilising extensive and longstanding relationships with sponsors and banks
- Experienced portfolio managers assess key terms/structure and macro top down filters such as sector appropriate leverage and return
- Conduct relative value assessment across other public and private market transactions and within capital structure for ABS
- Quantify illiquidity premium for each investment
- Screen all investment opportunities in line with the Investment Manager's Environmental Social and Governance (ESG) Policy

Extensive research / due diligence

- Intensive credit analysis focused on capital preservation
- Determine key valuation drivers – industry, market position, competitive advantage for loans and whether credit enhancement and key terms are considered appropriate for ABS investments
- Detailed financial analysis focusing on key performance drivers
- Extensive scenario testing/modelling
- Review security and enforceability as well as key terms such as covenants and cashflow waterfalls
- Assign an internal credit rating based on the most appropriate rating agency methodology
- Conduct qualitative review on management/sponsor/servicer/ESG review

Highly disciplined approval process

- All investments require unanimous approval from the IC
- IC determines size of each investment in relation to portfolio construction

Continuous portfolio review

- Active management of investments through real time receipt of information on company or securitisation pool
- Constant monitoring of positions
- Rigorous approach to valuations

7. Environmental, Social and Governance ('ESG') integration

ESG philosophy and guiding principles

Revolution recognises its duty to behave responsibly in its business activities by making sound investment decisions that are fully cognisant of a responsible investment approach to ESG principles. Revolution has established a contemporary ESG policy and became a signatory to the UN-supported Principles for Responsible Investment (PRI) on the 14th of June 2019.

Signatory of:



As a professional investment manager, Revolution believes in being able to play its part in encouraging portfolio companies to adopt sound ESG practices and policies that lead to not only better performing investments (that deliver value to its Investors) but also align Investors in the Fund with the broader objectives of society.

A lack of focus on ESG principles may have the potential to have a direct substantial impact on an organisation's ability to create or preserve economic value, as well as environmental and social value for itself, stakeholders and the wider community.

Revolution's approach to ESG

Companies that do not effectively manage ESG issues that relate to their businesses could experience underperformance and, hence, have a higher probability of default or stress under their loan agreements.

ESG risks have the potential to materially impact the cashflows and the risk assessment of a company over the term of the lending facility and, are therefore assessed as part of the investment process.

ESG factors are considered throughout the stages of the investment process in sourcing and originating investments up to and including investment approval and execution.

ESG assessment

Each investment is assessed on a case by case basis, with discounts for material ESG issues/factors identified and, in some cases, investments excluded because of the ESG risks.

Environmental: Revolution reviews environmental issues associated with their sponsors/issuers and assesses whether the issue is likely to have an impact on their ability to generate cashflow in the future.

Where a material ESG issue, in the opinion of the Underlying Fund Investment Manager, is likely to impact cashflow modelling forecasts, this will lead to either a repricing of the risk, a reduced investment allocation or declining the transaction.

Some examples of factors that may be considered in this process are:

- Climate change;
- Water supply;
- Energy use; and
- Pollution.

An example of this factor would be in assessing the creditworthiness of a company that has been repeatedly cautioned or fined for polluting the environment in contravention of established guidelines or laws. In this case, unless there has been significant remedial action by the company, Revolution would decline the investment on ESG grounds.

Social: Revolution reviews social issues associated with their sponsors/issuers and assesses whether the issue is likely to have an impact on their ability to generate cashflow in the future. Where Revolution judges that a material ESG issue is likely to impact cashflow modelling forecasts, this will lead to either a repricing of the risk, a reduced investment allocation or declining the transaction.

Examples of factors that may be considered in this process are:

- Human rights;
- Supply chains;
- Health and safety;
- Indigenous rights; and
- Predatory lending practices.

Governance: An evaluation of an issuer's governance structure is also an integral part of the ESG assessment performed by the Underlying Fund Investment Manager. Revolution reviews governance issues associated with their sponsors/issuers and assess whether the issue presents a risk to their ability to generate cashflow in the future. Where Revolution judges that a material ESG issue is likely to impact cashflow modelling forecasts, this will lead to either a repricing of the risk, a reduced investment allocation or declining the transaction.

Examples of factors that may be considered in this process are:

- Board independence;
- Remuneration;
- Bribery and corruption;
- Shareholders' rights; and
- ESG information.

8. Risks

Investors need to understand the investment risks involved before investing in the Fund.

All investments carry risk. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of risk. The value of investments and the level of returns will vary. Future returns may differ from past returns and past performance is not a reliable guide to future performance.

Neither CIML, Revolution or their respective directors, associates nor any of their related bodies corporate guarantee the success of the Fund or the Underlying Fund, the repayment of capital or any particular rate of capital or income return to Investors. Investments in the Fund are not guaranteed or underwritten by the Trustee or any other person or party and you may lose some or all of your investment.

Some of the key risks that may impact the value of your investment in the Fund are outlined below. You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have and your overall tolerance for risk.

Specific risks

Capital deployment timing risk

The Underlying Fund works on a Capital Call model, meaning that on an application closing date for the Underlying Fund, the Fund will agree to pay a Committed Capital amount and that amount is paid in instalments as and when called upon by the Trustee of the Underlying Fund. An initial instalment of 5% of each Committed Capital amount is paid at the outset. During the time until all the Committed Capital is called up, the Fund may hold an excess of cash, which may have a negative impact on the potential returns of the Fund.

Liquidity risk

The Fund expects to offer Investors quarterly redemptions. However, Investors should be aware that the Fund may not have enough cash available to fund all redemption requests from Investors wishing to redeem and redemption requests may only be partially met (the available cash being used to meet redemption requests on a pro-rata basis). If the Trustee determines to redeem units in the Underlying Fund to help fund redemption requests, there is no guarantee that the Underlying Fund will have the liquidity available to pay the Fund's redemption request. The investments of the Underlying Fund are not liquid securities and the Underlying Fund will only have limited liquidity. The ability of the Underlying Fund to dispose of an investment will depend on market liquidity, the terms agreed with the relevant borrower and the maturity date of the loans (typically Leveraged Loans and Commercial Real Estate loans may have a term of between 3 and 7 years). The liquidity of investments in the Underlying Fund will also be dependent on a borrower's ability to repay a loan. See section 11 for more detail on the Fund's redemption process.

Disproportionate Committed Capital call risk

Capital Calls will be prioritised depending on when an investor has come into the Underlying Fund, with priority given to Investors who have entered the Underlying Fund in an earlier period to investors entering the Underlying Fund in later periods. Therefore, there is a risk that there will be a delay in the Fund's Committed Capital being fully called due to priority being given to the investors who came into the Underlying Fund before the Fund. However, all investors who invest at the same time will have the same percentage of Committed Capital drawn down for the duration of the Underlying Fund, unless they fail to pay a Capital Call.

As a result of the potential disproportionate percentage of Committed Capital drawn down across investors, there is also a risk if the Underlying Fund fails to perform in accordance with Revolution's expectations, those Underlying Fund investors who have invested a greater proportion of their Committed Capital, will have a greater exposure to such performance in proportion to their investment (particularly, if the Underlying Fund Trustee does not call all of the Committed Capital).

Distribution risk

The Fund's ability to pay a distribution is contingent on the income it receives from the Underlying Fund. No guarantee can be given concerning the future earnings of the Fund, the earnings or capital appreciation of the Underlying Fund's portfolio or the return of your investment.

Taxation Risk

Section 10, which discusses the taxation implications of investing in the Fund, has been prepared based on the taxation legislation as at the date of this IM.

Future changes in Australian tax legislation or in the interpretation of the tax legislation may affect the tax treatment of the Fund or Investors in the Fund.

No assurance can be given as to the ultimate impact of such reform on either the Fund or Investors in the Fund.

Specific risks - Underlying Fund

As units in the Underlying Fund will be the principal assets of the Fund, the Fund will also be exposed to the risks of the Underlying Fund and the private debt assets it holds. Information on the Underlying Fund risks have been disclosed below.

Business and financial risks

The Underlying Fund's investment portfolio will consist primarily of investments in the private debt market (including ABS, Leveraged Loans and Commercial Real Estate loans). Such investments may involve a high degree of business and financial risk that can result in substantial losses, as operating results in a specified period will be difficult to predict. There is no assurance that the Underlying Fund will be meet its target return, and the Underlying Fund will incur certain charges regardless of whether any profits are earned.

Changes in economic conditions may occur over the life of the Underlying Fund, and these may have an adverse effect on the Underlying Fund's investments. Changes may include rising interest rates, downturns in the economy or deteriorations in the condition of an industry sector to which the Underlying Fund is exposed. Capital from an investment will generally only be realised on the partial or complete repayment of the loan or ABS. While each prospective Investor should make their own evaluation of the risks of investing in the Fund, they must consider, among other things, the following matters before making a decision to invest in the Fund:

- the speculative nature of the Underlying Fund's investment strategy;
- the illiquidity of the Underlying Fund's investments;
- potential for changes in applicable law, regulation, currency, taxation; and
- force majeure risks.

Credit and default risk

Credit risk is the risk that one or more of the assets of the Underlying Fund may decline in price or fail to pay interest or principal when due because a borrower experiences a deterioration in its financial status. Default risk is the risk that a borrower defaults on their obligations, for instance by failing to make a payment when due or to return the principal. The taking of security or the provision of third party guarantees may not fully mitigate the risk of credit loss.

Underlying Fund leverage

The Underlying Fund intends to use leverage to fund investments, specifically a Subscription Finance Facility and potentially a Revolving Credit Facility. To the extent that the counterparty to an Underlying Fund investment was to fail to pay interest or principal when due (a payment default), the Underlying Fund is still obliged to service its interest and principal payment obligations. The inability to do so may give rise to the facility provider taking action under the relevant facility terms to recover amounts owed. The facility provider would be senior to the Fund from a repayment perspective.

These types of leverage are described in section 6. With respect to the Subscription Finance Facility, the finance provider would have first claim over the Underlying Fund's uncalled Committed Capital including but not limited to:

- the ability for the finance provider to issue Capital Calls upon an event of default under the facility document and the proceeds of such Capital Calls can be used to repay the finance provider; and
- in the event an Underlying Fund investor does not fund its Capital Call, the finance provider may issue a Capital Call to all other Underlying Fund investors up to their unpaid Committed Capital to fund the defaulting investor's Capital Call.

For the Revolving Credit Facility, the finance provider would have first claim over the Underlying Fund Assets.

Investments in Senior Secured Loans

The assets of the Underlying Fund's portfolio may include first lien Senior Secured Loans, and may also include selected second lien Secured Loans, which involves a higher degree of risk of a loss of capital. The factors affecting an issuer's first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer (e.g. excluding real estate). Issuers of first lien loans may have two tranches of first lien debt outstanding, each with first liens on separate collateral. Furthermore, any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate rises. Although the amount and characteristics of the underlying assets selected as collateral may allow the Underlying Fund to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Underlying Fund in respect of its investment. The Underlying Fund's investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Underlying Fund earlier than expected.

As a consequence, the Underlying Fund's ability to achieve its investment objective may be affected.

Investments in subordinated loans

Subordinated investments involve a high degree of risk with no certainty of any return of capital. Although subordinated securities are typically senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and may be unsecured. Many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Therefore, in the event that a borrower does not generate adequate cashflow to service its debt obligations, the Underlying Fund may suffer a partial or total loss of invested capital. The ability of the Underlying Fund to influence a borrower's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under the terms of subordination agreements, senior creditors are typically able to block the acceleration of the subordinated debt or other

exercises by the Fund of its rights as a creditor.

Accordingly, the Underlying Fund may not be able to take the steps necessary to protect its investments in a timely manner or at all.

In addition, the debt securities in which the Underlying Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including but not limited to:

- (i) the possible invalidation of an investment transaction as a 'fraudulent conveyance' under relevant creditors' rights laws;
- (ii) so-called lender liability claims by the issuer of the obligations; and
- (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

The Underlying Fund's investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Underlying Fund earlier than expected.

Co-investments

There is a risk under the terms of a co-investment agreement that the Underlying Fund does not have control over, or must first agree with a co-lender, how to deal with a borrower or with a loan's underlying securities upon a default event by the borrower. This lack of control by the Fund may result in the Underlying Fund being unable to protect the value of its investment in such co-investments and as a consequence affect the Underlying Fund's ability to achieve its investment objective. Further, where the co-lender is a mandate client of Revolution, a conflict of interest may arise for Revolution in making recommendations to the Underlying Fund on the exercise of its rights as a co-lender and the strategies to pursue in recovering the loan.

Investments in leveraged companies

The portfolio borrower companies to which the Underlying Fund's investments relate may employ significant leverage. The leveraged capital structure of such borrower companies will increase their exposure to certain factors such as rising interest rates, downturns in the economy, or deterioration in the financial condition of such borrower company or its industry. In the event a borrower cannot generate adequate cashflow to meet its debt service, the Underlying Fund, particularly in respect of subordinated debt investments (if any), may suffer a partial or total loss of capital invested in its investments with respect to the borrower company, which would adversely affect the returns of the Underlying Fund, and therefore the Fund.

Interest rate risk

The Underlying Fund will invest primarily in floating rate loans meaning that as the underlying base rate rises and falls, the relative attractiveness to other instruments may change. There is a strong correlation between the RBA Cash Rate and the base rates upon which loans are priced. Absolute returns on loans therefore rise and fall largely in correlation with the RBA Cash Rate.

Underlying Fund Investment Manager risk

The success of the Fund depends upon Revolution's ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Underlying Fund. Matters such as the loss of key staff, Revolution's replacement as investment manager of the Underlying Fund, or Revolution's failure to perform as expected may negatively impact returns, risks and/or liquidity.

Failure to fully invest

The availability and volume of new private debt opportunities suitable for the Underlying Fund is difficult to predict. The Underlying Fund will compete against other investors to secure access to these investments. The Underlying Fund may not be able to identify or secure access to suitable investments, with the risk that drawdown of Committed Capital is delayed or does not fully occur.

Utilisation risk

The Underlying Fund will invest in both drawn and undrawn loans that may be drawn on and repaid by the borrower over time. Borrowers will typically pay a margin over a floating benchmark on drawn amounts, and a percentage of that margin on the un-drawn amount. Alternatively, a borrower might pay a flat fee based on total availability in advance, and then a margin over a floating benchmark on drawn amounts. Returns will vary depending on the utilisation of such revolving loan facilities. Therefore, there is a risk that capital may remain un-drawn, will not be able to be used for another investment and will not generate the target return on those un-drawn funds.

Undisclosed liabilities

The investments acquired by the Underlying Fund may involve private negotiation where protection for the Underlying Fund can be afforded by way of due diligence and covenants provided by the borrowers. However, there can be no guarantee that an investment acquired by the Underlying Fund does not carry with it a significant undisclosed liability of the borrower which could have a material adverse effect on the borrower's ability to meet its obligations under the loan and consequently on the value of the Underlying Fund Assets.

International investment and foreign currency risk

The Underlying Fund may invest an amount of capital in foreign currency denominated assets. While Revolution intends to actively manage foreign currency risk, this will result in the Underlying Fund taking hedge counterparty risk. To mitigate this, Revolution will only enter such arrangements with regulated financial institutions.

The performance of international financial instruments can be adversely affected by the different political, regulatory and economic environments in countries where the investments are made, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. Potentially adverse political, economic, legal and tax, or social conditions in international markets may affect the value of the Fund's investments. In addition, the laws of foreign jurisdictions may offer less legal rights and protections to holders of financial instruments

in foreign entities in such foreign jurisdictions compared to the laws in Australia.

Contract risk

As part of their structure, the assets of the Underlying Fund will generally be exposed to contracts that are critical to their success and the return on the assets. As such, there is a risk that if those contracts are amended, legally deficient or unenforceable, the returns from the assets may be affected.

Absence of control

The Underlying Fund is likely to have limited influence over its borrower companies and thus limited ability to protect the Underlying Fund's position in its portfolio borrower companies. Although Revolution will monitor the performance of the Underlying Fund's investments, it will primarily be the responsibility of each of the borrower company's management teams to operate each borrower company on a day to day basis. Other investors in such borrower companies may have economic or business interests or goals that are inconsistent with those of the Underlying Fund and the Underlying Fund may not be in a position to limit or otherwise protect the value of its investment in such borrower companies.

Risk of default by Underlying Fund investors

Any default by an Underlying Fund investor in complying with Capital Calls could have an adverse effect on the Underlying Fund's performance against its investment strategy and its returns.

Fraud

With investments in loans there is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Underlying Fund to perfect or effectuate a lien on any collateral securing the loan. The Underlying Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Underlying Fund may be reclaimed if any such payment or distribution is later determined to

have been a fraudulent conveyance or a preferential payment.

General risks

Market risk

Movements in financial markets due to economic, environmental or political conditions, or from general market sentiment, may result in the value of the Underlying Fund's underlying assets, and hence the value of your investment, moving up or down.

Counterparty risk

This is the risk that any of the counterparties which the Underlying Fund deals with may default on their obligations to pay monies or deliver financial instruments to the Underlying Fund. This may result in a loss.

Regulatory risk

The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting managed investment schemes.

Compliance risk

This is an extension of regulatory risk whereby reports are fraudulent, compliance has not been enforced or investment guidelines breached.

Newly formed entity

The Fund is a newly formed entity with a short operating history. There can be no assurance that the Fund will achieve its investment objectives notwithstanding the performance of the Investment Manager or its affiliates or principals in other transactions, including, without limitation, arrangements similar in nature to the Fund. The loss or reduction of service of one or more of the principals could have an adverse effect on the Fund's ability to realise its investment objectives.

9. Fees and costs

Management fee

The management fee is 0.15% p.a. (exclusive of GST) of the NAV of the Fund properly referable to the Class B Units. However, an additional amount of 0.50% p.a. (exclusive of GST) of the NAV of Direct Assets held by the Fund, properly referable to the Class B Units, will also be charged as part of the management fee in relation to the Direct Assets held by the Fund. The management fee is calculated and accrued monthly and paid monthly in arrears.

The Trustee may, in its absolute discretion, in lieu of payment of money, choose to be paid in Units. If it chooses to do so, the Units will be issued at the Unit price prevailing at the time the management fee is due and payable.

CIML is also paid a management fee of 0.65% p.a. (exclusive of GST) of the NAV of the Underlying Fund from the Underlying Fund.

CIML pays Revolution its investment management fee under the Investment Management Agreement from the management fee CIML receives from the Fund and Underlying Fund.

Administration costs

Expenses incurred in administering the Fund are recoverable from the Fund Assets. These expenses include registry, fund administration, custody, accounting, audit, valuation and legal costs. It is estimated that the ongoing expense charge per annum will be between 0.04% and 0.05% (excluding GST) based on FUM over \$500m. Expenses are accrued in the NAV of the Fund and payable from the Fund Assets as and when they occur.

Extraordinary expenses

If extraordinary or unusual expenses are incurred, they may be recovered from the Fund. Examples of this type of expense include the costs involved in:

- convening a meeting of Investors;
- termination of the Fund;
- amending the Trust Deed;
- defending or bringing of litigation proceedings; or
- replacement of the Trustee.

The administration costs estimate above does not include any extraordinary or unusual expenses as the Trustee does not anticipate that such amounts will be incurred in the foreseeable future.

Changes to fees and costs

The Trustee reserves the right, subject to the Fund's Trust Deed, to change its fees and cost recoveries. However, generally Investors will be given 30 days' notice prior to any change.

Fees payable under the Trust Deed

Please note the Trust Deed fee provisions set out below represent the maximum amounts payable under the Trust Deed and are not necessarily the amounts charged as set out above.

The Fund's Trust Deed provides that the following fees may be payable to the Trustee:

- management fee – the Fund Trust Deed provides for a maximum management fee of 1% per annum (excluding GST) of NAV, calculated and payable monthly in arrears; and
- removal fee – the Trustee is entitled to a fee of up to 5% (excluding GST) of the Fund's Gross Asset Value ('GAV') if the Trustee is removed as the trustee of the Fund (other than as a result of a determination by ASIC or an Australian court, or an acknowledgement by the Trustee, of gross negligence in the management of the Fund or a material fiduciary breach).

Goods and Services Tax ('GST')

The fees specified in this IM exclude the net effect of GST and the benefits of Reduced Input Tax Credits ('RITC') where applicable, unless otherwise specified.

Investors should not be directly subject to GST when applying for or redeeming Units. However, the Fund may incur GST in relation to the expenses of the Fund. The Fund may then be entitled to claim RITCs for GST incurred on certain expenses.

Arrangements with Investors

Subject to the Trust Deed, the Trustee may (but is under no obligation to) enter into arrangements with Investors to meet their specific requirements such as reporting and permitted transfers of Units. The Trustee may, in its discretion, also enter into arrangements to rebate fees (from its own resources) to substantial Investors or Investors who are officers or employees of Revolution, the Trustee or their respective affiliates. The Trustee reserves the right to pay monies from the management fee it receives from the Fund to related parties and third parties for them introducing Investors to the Fund.

10. Taxation

Warning: Investing in a managed investment scheme is likely to have tax consequences. It is strongly recommended that Investors obtain advice from their professional advisers, particular to their own circumstances, prior to investing or otherwise dealing with their Units.

The tax comments below are only relevant for Australian resident Investors who hold their Units on capital account in Australia and not through a permanent establishment outside Australia. Further, they may not be relevant for Investors who are subject to special tax rules such as banks, superannuation funds, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

The taxation and stamp duty comments in this section are based on current law as at the date of this IM. The comments are general in nature. Tax and stamp duty liabilities are the responsibility of each Investor and the Trustee is not responsible for taxation, stamp duty or any penalties incurred by the Investor. Investors who are also residents of, or subject to taxation in, other countries should also obtain advice on the tax consequences in that country.

Will I be liable to pay tax on distributions made by the Fund?

Trusts, including managed investment schemes, are generally not subject to tax on the net income and net capital gains generated by the Fund. Rather, you will generally be assessed on your proportionate share of the net taxable income (including net capital gains) generated by the Fund (or if the Fund is eligible for and elects to become an Attribution Managed Investment Trust ('AMIT') for taxation purposes, on the amount of taxable income attributed to each Investor). This is the case even where no cash distributions are made by the Fund to Investors. We will send you an annual tax distribution statement (or an AMMA Statement if the Fund elects to be an AMIT) each year to assist in the preparation of your income tax return.

Will I be liable to pay tax when I withdraw money from the Fund?

If you are an Australian resident Investor, when you withdraw or transfer Units, you will generally be required to include the resulting capital gain or loss in your net capital gain calculation for the relevant income year tax may be payable on any net capital gain that you make for that income year, although Australian resident individual Investors may be eligible for a 50% discount on their capital gain if they have held their Units for more than 12 months prior to the capital gain arising. Capital losses may only be used to reduce other capital gains in the current year or in future income years, subject to any applicable trust loss utilisation tests.

What is the composition of distributions likely to be?

Taxable distributions from the Fund should primarily be in the form of domestic interest income or foreign sourced interest income. Foreign income tax offset entitlements may be attached to

such distributions made by the Fund for foreign withholding tax levied on foreign sourced interest income received by the Fund and distributed or attributed to Australian resident Investors by the Fund. Your annual tax distribution statement (or AMMA Statement) will disclose the foreign income tax credits attached to the distribution. The Trustee recommends that you obtain your own professional tax advice in relation to your eligibility to claim these credits, as this can be a complex area of the tax law.

Any tax losses or net capital losses made by the Fund cannot be distributed to Investors. However, these losses may be used to reduce capital gains (or in the case of general tax losses, either income or capital gains) of the Fund. The utilisation of tax losses by the Fund is subject to the trust loss utilisation tests. The utilization of net capital losses by the Fund is not subject to the trust loss utilisation tests.

Do I have to provide a Tax File Number ('TFN') or an Australian Business Number ('ABN')?

No. However, if you do not provide your TFN or ABN or claim an exemption, the Fund is required to deduct tax at the top marginal tax rate plus Medicare levy (currently 47%) on the taxable component of any distributions.

Will GST apply on the issue, transfer or redemption of my Units?

The issue, transfer or redemption of Units should be either an input taxed financial supply (if the Investor is an Australian resident and registered for GST) or an out of scope / GST-free supply (if the Investor is not an Australian resident or not registered for GST). In either case, no GST should be payable.

No GST should be payable in respect of distributions paid to Investors or contributions made to the Fund.

Investors may also be charged GST on costs (such as third party advisory costs or fees charged by the Fund) associated with their investment in the Fund. Investors may not be entitled to claim full input tax credits for the GST included in such costs if such Investor is not registered for GST or if the costs relate to certain activities (such as the acquisition of Units).

Each Investor should obtain independent advice in relation to the impact of GST on their individual circumstances prior to investing in the Fund.

Will stamp duty apply to my investments in the Units?

No Australian stamp duty will be payable by Investors in respect of their initial acquisition of Units in the Fund pursuant to this IM.

Whether stamp duty will apply to any subsequent transfer, redemption or further issue of Units in the Fund will depend on the nature of the investments held by the Fund at that time. Each Investor should obtain their own stamp duty advice prior to any future dealings in Units in the Fund.

What is FATCA and CRS and how does it apply to me?

Pursuant to the Foreign Account Tax Compliance Act ('FATCA') of the United States of America, institutions defined as 'foreign financial institutions' (which includes us) are required to comply with certain requirements including the provision of information to the United States of America Internal Revenue Service (IRS). The information only relates to Investors who we identify as US residents or those whose residency we cannot identify due to insufficient information being provided ('non-compliant account holders').

The Australian Government has an intergovernmental agreement ('IGA') with the US Government to minimise the impact of FATCA on Australian stakeholders. Under the terms of the IGA, we will provide the ATO with any required FATCA information which would otherwise be submitted to the IRS, and there will be no obligations for us to withhold tax for FATCA purposes from any payments.

Similarly, the OECD has developed a Common Reporting Standard ('CRS') regime for the reporting and exchange of information in respect of foreign tax residents, which has been adopted in Australia. Under the CRS regime, we report certain financial information to the ATO in respect of Investors identified as foreign residents in jurisdictions which have adopted the CRS and the ATO exchanges that information with overseas revenue authorities, where that country has become a party to the CRS regime.

11. Application process

Applications

An application to invest in the Fund is made by way of an Application Form.

Applicants must:

- (a) provide to the Fund Administrator:
 - i. a completed and executed Application Form; and
 - ii. all associated documents required by the Application Form (e.g. proof of identity documents); and
- (b) transfer the application amount to the Application Account in cleared funds,

by no later than 5.00pm (ADST) on the 13th Business Day before an Application Closing Date to ensure that their application will be considered by the Trustee.

Applications may be accepted, in full or in part, or refused by the Trustee in its absolute discretion. Applications, once lodged, can only be withdrawn or altered with the Trustee's consent.

Any interest earned on any application amount in the Application Account will be paid to the Fund and form part of Fund Assets.

Application Closing Dates

Application Closing Dates are expected to be the last Business Day of each calendar month.

The Trustee may change an Application Closing or the cut off time as shown above in its absolute discretion.

The Trustee will consider whether to accept or refuse applications received on or before each Application Closing Date.

Units will be issued on, or within 20 Business Days after, an Application Closing Date.

Units will be issued at the unit price prevailing at the time. Unit prices are determined monthly using the most recently calculated NAV of the Fund. Unit prices will be available to Investors at www.channelcapital.com.au or by calling Channel Client Services on 1800 940 599.

12. Redemption process

Redemption of Units

The Fund will offer quarterly redemptions each year. The Redemption Date (generally being 31 March, 30 June, 30 September and 31 December each year). The Trustee reserves the right to vary Redemption Dates.

An Investor wishing to redeem all or some of their Units should provide the Trustee with a Redemption Form (available on request from the Trustee) no later than 5.00pm (ADST) on the 15th Business Day before a Redemption Date. The Trustee may accept Redemption Forms after this period in limited circumstances and in its absolute discretion. Usually a Redemption Form received after the cut-off time will be held over until the next Redemption Date.

The amount available to fund redemption requests is subject to the liquidity of the Fund on the relevant Redemption Date. The liquidity of the Fund, and the cash available to fund redemption requests, may from time to time be limited.

If the Fund does not have sufficient liquidity to meet all redemption requests for a Redemption Date, redemptions will be processed pro-rata across all redeeming Investors based on the amount of their redemption request relative to the amount of cash the Trustee reasonably considers is available to fund redemptions on the relevant Redemption Date.

Any redemptions not fully paid on a Redemption Date will be carried over to the next Redemption Date for processing. It may take several Redemption Dates for a redemption request to be paid in full. Redemption proceeds will generally be paid within 60 days after the relevant Redemption Date.

To meet redemption requests for a Redemption Date the Trustee may choose to redeem some of the Fund's units in the Underlying Fund.

The Underlying Fund will have limited liquidity and is only expected to offer two redemption opportunities a year, with investors wanting to redeem (including, if applicable, the Fund) having the option of either making a redemption request or participating in a redemption run off process. There is no guarantee that the Underlying Fund will have sufficient liquidity to meet the redemption requests received from its investors (including, if applicable, the Fund). If that is the case, then payment of redemption proceeds by the Underlying Fund to the Fund may take some time and the cash available to the Fund for its redemption requests may be less than required and/or expected.

If the Trustee elects to use the redemption run off process offered by the Underlying Fund, then the Fund and all the other redeeming investors that choose the run off process for a particular redemption opportunity, will be paid redemption proceeds as when the Run Off Assets held by the Underlying Fund, as at the date of the redemption opportunity, pay principal or realisation proceeds. When redemption proceeds are paid to a redeeming investor (including, if applicable, the Fund) a corresponding number of that investor's units in the Underlying Fund will be redeemed. This run

off process can last several years depending on the amortisation schedule of the relevant assets. During the process the Fund will continue to receive distributions, albeit at a different rate relative to other investors in the Underlying Fund.

The Trust Deed allows the Trustee to suspend the redemption of Units, or the payment of redemption proceeds, for up to 365 days in certain prescribed circumstances, including where the Fund's investments suspend, delay or restrict the redemption or payment of realisation proceeds, the Trustee receives redemption requests of an aggregate value that in its reasonable estimate exceeds 5% (by value) of the Fund Assets or the Trustee reasonably considers that it is in the interests of Investors. If a Redemption Form is lodged during a period of suspension it will be taken to be lodged the day after the end of the relevant suspension.

Transfer of Units

Investors are able to transfer Units subject to the Trustee's prior consent.

To transfer Units the Investor must:

- deliver to the Trustee a transfer notice in the form approved by the Trustee. The transfer must be executed by the transferor and transferee and, if necessary, stamped to indicate that stamp duty has been paid; and
- deliver to the Trustee any other document required by the Trustee or any law.

Transfers are not effective until entered into the Fund's register, and all amounts payable in relation to a Unit (e.g. distributions) will be paid to the new Investor from the time the transfer is so registered.

13. Additional information

Distributions

Distributions of net income will be paid quarterly. The Trustee will offer distribution reinvestment and Investors can elect whether or not to participate on the Application Form. If no election is made, or if the details of the bank account into which distributions are to be paid are incomplete or inaccurate, then the Investor will be deemed to have elected distribution reinvestment. If an Investor's bank account details change, or if they wish to change their election, they must advise the Trustee.

Unit Pricing

The Unit price is calculated by dividing the NAV of the Fund (determined in accordance with the Trust Deed) by the number of Units on issue. At the date of this IM the Trustee is waiving transaction costs (see below).

However, the Trustee may apply transaction costs to the price of Units in accordance with the Trust Deed in the future.

Unit prices are generally finalised and published on the Trustee's website monthly. Unit prices are calculated using the most recent NAV of the Fund.

Fund Valuation

The Trustee will ensure that any NAV calculated for the Fund reflects the most current and up to date value of the Fund Assets. The Trustee may also use and rely on industry standard financial models in pricing any of the Fund Assets. The Fund Assets other than cash and units in the Underlying Fund will be valued by a third party valuer experienced in valuing private debt investments. Typically this will occur monthly, normally as soon as possible before an Application Closing Date.

Fund valuation and pricing methodologies are undertaken in accordance with the Trustee's Unit Pricing and Valuation Policy. This policy is available on request by calling Channel Client Services on 1800 940 599.

Investors should note that, in calculating the NAV of the Fund, the Trustee, the Fund Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, the Trustee and any Fund Administrator or valuations agent of other collective investments into which the Fund invests.

Reporting

As an Investor in the Fund you will receive:

- quarterly investment performance reports;
- confirmation of your applications and redemptions in the Fund;
- transaction statements;

- an annual tax statement;
- a distribution statement, following each distribution; and
- the annual accounts for the Fund.

Complaints resolution

We aim to resolve any concerns or complaints quickly and fairly and will respond within 30 calendar days after receiving the complaint. If you have a concern or complaint about any aspect of your investment in the Fund, please contact us at:

Channel Investment Management Limited

GPO Box 206
Brisbane QLD 4001

T: 1800 940 599

E: clientservices@channelcapital.com.au

Fund Trust Deed

The Fund is governed by the Trust Deed. The following is an outline of the main terms of the Trust Deed, apart from those terms which are discussed elsewhere in this IM. Capitalised terms in this section, not defined in the IM, have the same meaning as in the Trust Deed.

Trustee

Channel Investment Management Limited ('CIML') is the trustee for the Fund. CIML has all the powers of ownership as if it were the absolute and beneficial owner of the Fund Assets.

Interests of Investors

The beneficial interest in the Fund is divided into Units. An Investor holds a Unit subject to the rights, restrictions and obligations attaching to the Unit.

A Unit does not provide an interest in any particular part of the Fund or in any particular part of the Fund Assets. Units may be issued in fractions and CIML may consolidate or split Units. CIML may issue Units with such preferred, deferred or other special rights or restrictions as CIML determines from time to time..

Limitation of liability

CIML is entitled to be indemnified from the Fund for any liability incurred by it in performing or exercising any of its powers or duties, except where such indemnity is not permitted by law. This indemnity is in addition to any indemnity allowed by law and continues to apply after CIML ceases to be the trustee of the Fund.

Investor liability

The Trust Deed seeks to limit the liability of Investors by providing that an Investor is not personally obliged to make any further contributions to the Fund beyond the amount (if any) unpaid on their Units, or to indemnify the Trustee, or any creditor of either or both of them, if there is a deficiency in the assets of the Fund. However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee that Investors' liability will be limited in all circumstances is given by the Trustee.

Retirement or removal of Trustee

The Trustee may retire by written notice. Investors may, by extraordinary resolution, remove the Trustee. The Trustee will also be removed if it ceases to hold an Australian financial services licence, goes into liquidation or has a receiver appointed. If the Trustee retires, or is removed, it will be released from all obligations, duties and liabilities and indemnified by the Fund for any claims in connection with its role as Trustee except to the extent of its fraud, gross neglect, breach of trust or wilful default.

Meetings

A meeting of Investors may be convened by the Trustee or by Investors representing more than 50% of votes that may be cast at the meeting. Generally a meeting will be called by giving at least seven days written notice. The meeting will be held at a time and place the Trustee sees fit. The quorum for a meeting, which must be present at all times during the meeting, is at least two Investors holding in aggregate at least 40% of votes that may be cast at the meeting.

Voting will be by show of hands, with each Investor having one vote, unless a poll is demanded by the chairman of the meeting or by Investors holding at least 40% of the votes that may be cast at the meeting. On a poll each Investor has one vote per Unit held.

Unitholders may also pass a resolution without a meeting if all Unitholders sign a document stating that they are in favour of the resolution in the statement.

Amendments to Trust Deed

The Trust Deed may be amended, or replaced, by the written consent of all Investors or by a special resolution of Investors. The Trustee may also amend the Trust Deed if the amendment is of a formal or technical nature, made to correct a manifest error, inconsistency or is necessary to comply with the provisions of any law or government agency. The Trustee may also make an amendment if the proposed amendment will not, in the Trustee's reasonable opinion, have a material adverse effect on the rights of Investors.

Register of Investors

CIML must maintain an up-to-date register of Investors and the number of Units held.

14. Anti-Money Laundering and Counter-Terrorism Financing and other relevant legislation

Anti-Money Laundering and Counter-Terrorism Financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('AML Act') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML ('AML Requirements'), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The Australian Transaction Reports and Analysis Centre ('AUSTRAC') enforce the AML Act. In order to comply with the AML Requirements, CIML is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

CIML and the Fund Administrator as its agent (collectively the Entities) reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of redemption proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any application or payment of redemption proceeds. The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and

- CIML or the Fund Administrator may from time to time require additional information from you to assist in this process.
- The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service (IRS). If you do not provide this information, we will not be able to process your application.

In order to comply with these obligations, CIML will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your investment in the Fund. The Australian Government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS). CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your Units in the Fund) to the ATO. In order for the Fund to comply with its obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 (Cth) to give effect to the CRS.

15. Privacy

CIML has a Board approved privacy policy. We collect and manage your personal information in accordance with this policy, the Privacy Act 1998 (Cth) and the Australian Privacy Principles ('APP'). CIML may collect personal information from you in the application and any other relevant forms in order to process your application, administer your investment and for other purpose permitted under the Privacy Act 1988 (Cth). Tax, company and anti-money laundering law also require some of the information to be collected in connection with an application. In some cases, we collect personal information from third parties including public sources, our related companies, referrers, brokers, agents, your adviser(s) and our service providers. If you do not provide us with your relevant personal information, we will not be able to provide you with products or services (such as issuing you units).

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- whether collection is required or authorised by law;
- the purposes for which we collect, hold, use and disclose personal information;
- the entities or persons to which personal information is usually disclosed;
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the APPs, or a registered APP code (if any) that binds us, and how we will deal with such a complaint;
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries. Personal information is unlikely to be disclosed to any third parties overseas.

CIML may also be allowed or obliged to disclose information by law. If an investor has concerns about the completeness or accuracy of the information CIML has about them or would like to access or amend personal information held by CIML, they can contact CIML's Privacy Officer at:

Attention: Privacy Officer
Channel Investment Management Limited
GPO Box 206
Brisbane QLD 4001
Phone: 1800 940 599

Our privacy policy is publicly available at www.channelcapital.com.au or you can obtain a copy free of charge by contacting us.

16. Terms used in this IM

ABS or **Asset-Backed Securities** means securities whose value and income payments are derived from and backed by a specific group of underlying assets, other than real estate and mortgage backed- securities.

ABS Warehouse Loan/s means loans that are typically one year lines of credit that are extended from large banks and institutional investors to non-bank financial institutions who originate a variety of loan products.

AFSL means Australian Financial Services Licence.

Application Account means the account provided by the Trustee to receive an Investor's application monies.

Application Closing Date refers to the closing date for applications for a period that is determined by the Trustee and published on the Trustee's website (refer to section 11).

Application Form means the form required to be completed by an applicant wanting to be issued Units in the Fund (refer to section 11).

ASIC means the Australian Securities and Investments Commission.

AUD or **A\$** means Australian Dollar.

Business Day means, subject to the Trust Deed, a day other than a Saturday, Sunday or a public holiday in Brisbane, Queensland or Sydney, New South Wales.

Capital Call means a demand by the Underlying Fund trustee to an Underlying Fund investor to pay all or part of the investor's unpaid Committed Capital.

Collateralised Loan Obligation or **CLO** means a security backed by a pool of debt.

Commercial Real Estate refers to all non-residential sectors of the property market.

Committed Capital means the amount of capital an investor (including the Fund) has committed to invest in the Underlying Fund and, if the context requires, means the total of all such amounts.

Custodian Agreement means the custodian agreement between the Trustee and Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673.

Direct Assets means Investment Grade Securities and Asset-Backed Securities.

Environment, Governance and Social or **ESG** refers to three central factors in measuring the sustainability and ethical impact of an investment in a company or business.

Foreign Exchange or **FX** means a currency or currencies other than Australian dollars.

Fund means the Revolution Wholesale Private Debt Fund II.

Fund Administration Agreement means the fund administration agreement between the Fund Administrator and the Trustee.

Fund Administrator means Mainstream Fund Services Pty Ltd ACN 118 902 891 AFSL 303253.

Fund Assets means the assets of the Fund.

Goods & Services Tax or **GST** means a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia.

Gross Asset Value or **GAV** means the gross asset value of the Fund calculated in accordance with the Trust Deed.

IM or **Information Memorandum** means this document as amended or replaced from time to time.

Investment Committee or **IC** means committee established by the Investment Manager to facilitate its investment decisions in relation to the Fund or Underlying Fund as the case may be.

Investment Grade Securities means investment grade bonds or loans with a rating of BBB - or higher (as defined by Standard and Poors).

Investment Management Agreement means the investment management agreement between the Trustee and the Investment Manager.

Investor means a person who is the registered holder of Units.

Leveraged Loans means debt issued by listed companies and private companies, including Leveraged Buyout, in the private debt markets.

Leveraged Buyout means the acquisition of a company using a significant amount of borrowed money to meet the cost of acquisition.

Net Asset Value or **NAV** means net asset value of the Fund calculated in accordance with the Trust Deed.

NAV per Unit means the Net Asset Value divided by the number of Units on issue at the time.

Offer means an offer of investment in the Fund made pursuant to this IM.

Redemption Date refers to the date on which redemptions for a period will be considered by the Trustee pursuant to the Trust Deed and as published on the Trustee's website from time to time (refer to section 12).

Redemption Form means the form required to be completed by an Investor wanting to redeem some or all of their Units (refer to section 12).

Reduced Input Tax Credits or **RITC** means is an invoice issued by the recipient of the supply on behalf of the supplier with respect to the impost of GST.

Return on Equity or **ROE** means a measure of profitability that calculates how many dollars of profit a company generates with each dollar of shareholders' equity.

Revolving Credit Facility means a facility secured by the Underlying Fund Assets which enables the Underlying Fund to provide finance to corporate borrowers and to meet the short term working capital requirements of the Underlying Fund.

Revolution or **Investment Manager** or **Underlying Fund Investment Manager** means Revolution Asset Management Pty Ltd ACN 623 140 607 AFSL 507353.

Run Off Assets means the assets held by the Underlying Fund as at each relevant redemption date to the Underlying Fund.

Senior Secured Loan means a debt financing obligation issued by a financial institution to a company or individual that holds legal claim to the borrower's assets above all other debt obligations.

Subscription Finance Facility means a short term finance facility secured by the Committed Capital and utilised by the Underlying Fund to undertake its investment activities.

Trust Deed means the trust deed of the Fund, as amended from time to time.

Trustee means the trustee of the Fund, Channel Investment Management Limited ACN 163 234 240 AFSL 439007.

Underlying Fund means the Revolution Private Debt Fund II, an Australian unregistered managed investment scheme, constituted by trust deed dated 11 November 2019 as amended from time to time.

Unit/s means a Class B unit/s in the Fund.



REVOLUTION

ASSET MANAGEMENT

Channel Investment Management Limited
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