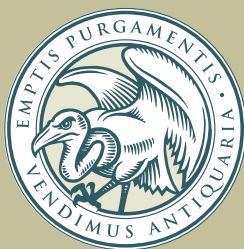


SAMUEL TERRY

ABSOLUTE RETURN FUND

INFORMATION MEMORANDUM

Samuel Terry



SAMUEL TERRY
ASSET MANAGEMENT

Samuel Terry Asset Management Pty Ltd

ABN 71 108 611 785 • AFS License Number 278294

Date of Information Memorandum: 21 December 2012



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SAMUEL TERRY ABSOLUTE RETURN FUND

This document has been issued by Samuel Terry Asset Management Pty Ltd (“STAM”), the trustee and investment manager for the Samuel Terry Absolute Return Fund (the “Fund”) to offer Units in the Fund. This Information Memorandum has not been lodged with the Australian Securities & Investments Commission (“ASIC”).

The offer for units in the Fund is set out entirely in this Information Memorandum. Applications for Units in the Fund will only be offered to persons receiving this Information Memorandum in Australia, or other jurisdictions where it is lawful to do so, and who also qualify as “Wholesale Clients”.¹

Investments in the Fund are not deposits with, or any other liabilities of, STAM and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. **STAM does not guarantee the performance of the Fund, the rate of income, the return of capital to Unitholders, any particular rate of return or any taxation consequences of any investment made in the Fund.**

Prospective investors should read this Information Memorandum in its entirety before investing and where appropriate, seek independent professional advice before deciding to invest in the Fund. The Information Memorandum should be read in conjunction with the Fund’s Trust Deed which is available from STAM. The contents of this Information Memorandum should not be construed as tax, legal or investment advice or a recommendation by STAM, its directors, officers or employees to invest in the Fund. This Information Memorandum may not contain all the information that a prospective investor or an investor’s adviser may require to make an informed decision as to whether to subscribe for Units in the Fund.

The Fund is a managed investment scheme that is not required to be registered under the Corporations Act. In addition, this Information Memorandum is not required to and does not include all the information that would be required to be included in a product disclosure statement. An investor is not provided with the protections afforded to an investor in a managed investment scheme that has been registered under the Corporations Act.

The information contained in this document has been provided by STAM and other sources considered reliable but no assurance can be given by these parties as to the accuracy or completeness of this information.

To the fullest extent permitted by law:

- no representation or warranty (express or implied) is given; and
- no responsibility or liability is accepted,

by STAM or any other party named in this document as to the truth, accuracy or completeness of any statement, forecast, information or other matter (whether express or implied) contained in this Information Memorandum.



SAMUEL TERRY

ASSET MANAGEMENT

Dear Investor

Like many funds, the Samuel Terry Absolute Return Fund aims to grow wealth for its investors. Despite this common objective, this Fund is different to many other funds in a number of key respects.

Our target is to achieve a long-term return of at least 10% pa, which we believe is likely to exceed the long-term return of most asset classes and share indices.

A key reason for the focus on making money, and the aversion to losing money, is that I have most of my family's net worth in the Fund, and my family owns a large proportion of the Fund. I manage the Fund as if it were my personal portfolio, but in a structure that enables others to participate with me. My fellow director, Nigel Burgess, also has a sizable investment in the Fund. As the old saying goes, "we eat our own cooking".

In its first 9 years, the Fund has performed better than most other funds, but it has not quite achieved its targeted 10% return. The following table shows the Fund's performance (net of fees), and those of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index:

To 30 November 2012	STAR	All Ords	MSCI (\$A)
3 years (%p.a.)	20.47%	2.92%	2.79%
5 years (%p.a.)	7.08%	-3.1%	-4.46%
Since inception on 1 Nov 2003 (%p.a.)	8.75%	8.05%	2.14%

The Fund invests in Australian and global equities and distressed debt, depending on where I perceive opportunities to be most attractive. Since inception, the Fund has averaged weightings of 59% in Australian securities, 24% in overseas securities and 17% in cash.

The Fund tends to be a long-term investor rather than a trader, but its mix of assets changes over time. For example, during the bull market that ended in October 2007, the Fund averaged weightings of 43% Australian securities, 27% overseas securities and 29% cash, reflecting our inability to find enough attractive securities in Australia. During the Global Financial Crisis, when bargains became plentiful, the Fund went shopping, causing its cash balance to fall to under 1% in late 2008 and early 2009. This helped the Fund to do well in the following years.

For most of its life, a substantial proportion of the Fund has been invested in companies which have little or no debt. This is a practice that we intend to continue.

Although the Fund has owned blue chip shares such as Microsoft, it more often invests in obscure securities as described in the "Investment Strategy" section of this document. You can see examples of this in the monthly reports which can be found on our website www.samuelterry.com.au. The website also contains a Fund Summary, which provides up-to-date information on the Fund.

If, after reading these documents, you decide to invest in the Fund, I look forward to welcoming you as a fellow investor, and hope that our time together is both long and prosperous.

Yours sincerely

Fred Woollard

Director, Samuel Terry Asset Management Pty Ltd

SAMUEL TERRY ASSET MANAGEMENT PTY LTD

PO Box R1743, Royal Exchange 1225 • Phone: 0400 001 976

KEY INFORMATION

INVESTMENT OBJECTIVE:

The Fund's investment objective is to generate double digit returns for Unitholders, while trying to minimise the risk of permanent loss of their capital.

INVESTMENT STRATEGY:

The Fund follows a deep value contrarian strategy as described on page 8. It invests in both Australian and international debt and equity securities.

The Fund does not short-sell securities.

GEARING:

The Fund is permitted to borrow. STAM only intends to borrow for short-term purposes such as funding redemptions.

TRUSTEE AND INVESTMENT MANAGER:

Samuel Terry Asset Management Pty Ltd
ABN 71 108 611 785
AFS Licence No 278294

FUND ADMINISTRATOR:

White Outsourcing Pty Ltd
(ABN 44 114 914 215)

CUSTODIAN:

JPMorgan Chase Bank

ACCOUNTANT:

Moore Stephens Sydney Pty Ltd
ABN 34 098 199 118

AUDITOR:

Grant Thornton Audit Pty Ltd
ABN 91 130 3913 594

STRUCTURE:

An Australian open ended unit trust which is an unregistered managed investment scheme.

TYPES OF INVESTMENTS:

Debt, equities and cash.

DERIVATIVES:

The Fund may use futures or options.

GEOGRAPHICAL RANGE OF INVESTMENTS:

International, including Australia.

INCEPTION DATE:

1 November 2003.

MINIMUM INVESTMENT AMOUNT:

The initial minimum subscription is \$A50,000, provided the investor is a Wholesale Client.

DENOMINATED CURRENCY:

Australian dollars (\$A)

DISTRIBUTIONS:

The Fund intends to distribute all dividends, interest and other income (including realised capital gains) net of the management fees, performance fees and other costs incurred by the Fund soon after the end of each financial year.

APPLICATIONS:

Applications for the Fund can be made by completing the Application Form (refer to page 17 for further details on how to invest).

Applications for Units in the Fund received, together with cleared funds and the necessary KYC information by 5pm (Sydney time) on the last Business Day of each month will be accepted. Units will be issued at the month-end Net Trust Value during the following month.

STAM reserves the right to refuse applications for Units.

STAM reserves the right to accept securities as well as cash.

Refer to page 17 of this document for more information on how to invest in the Fund.

REDEMPTIONS:

At the end of each month. Redemptions are usually paid in cash but STAM reserves the right to pay part of the redemption in securities in exceptional circumstances.

Refer to page 19 for more information on Redemptions.

FEES PAYABLE TO THE FUND**Entry Fee:**

Nil for the life of this Information Memorandum.

Exit fee:

An exit fee is payable by investors who redeem their units within three years of subscribing for units. The amounts of the Exit Fees are:

Time of redemption of funds	Amount of exit fee
During first year after initial investment.	3% of the Redemption Price.
During second year after initial investment.	2% of the Redemption Price.
During third year after initial investment.	1% of the Redemption Price.
During fourth and remaining years of investment.	Nil.

Exit fees are payable to the Fund, not to the Manager. The purpose of the exit fee is to discourage investors with a short term investment horizon from investing in the Fund, and to compensate long term investors for the disruption to the Fund caused by short term investors exiting the Fund.

Fees and expenses payable to STAM, as the Trustee and Investment Manager**MANAGEMENT FEE:**

1.5% pa (plus GST) of Net Trust Value.

PERFORMANCE FEE:

Equal to 20% of performance above a Benchmark Return of 10% pa, after Management Fees and other costs of running the Fund (plus GST). The Performance Fee is subject to a “high water mark”, which itself accrues at 10% pa.

Performance Fees are accrued monthly and are payable annually, after the end of the financial year.

Refer to pages 22 for more information on the performance fee.

MER CAP:

STAM ensures that the Management Expense Ratio (“MER”) of the Fund (not including performance fees) does not exceed 2% pa (plus GST) of Net Trust Value. Refer to page 21 of this document for more information on the MER cap.

RISKS:

Investments in the share and debt markets or in derivatives are volatile and it is not always possible to protect investments against the risks involved. Refer to pages 9–11 of this document for more information of the key risks associated in investing in this Fund.in investing in this Fund.

ABOUT SAMUEL TERRY ASSET MANAGEMENT PTY LTD (“STAM”)

STAM is a boutique investment management company based in Sydney. STAM was established in April 2004. It holds Australian Financial Services License (“AFSL”) number 278294. It became trustee of the Fund on 1 February 2005, replacing the previous trustee. STAM acts as the trustee and investment manager for the Fund.

STAM has had no adverse regulatory findings against it.

Fred Woollard is the Managing Director and Investment Officer for STAM. His background is described below.

DIRECTORS OF STAM

Fred Woollard is the Managing Director of STAM and his family trust is the shareholder of STAM. He has worked in the stockbroking and funds management industry for over 25 years.

From 1989 to 1998 Mr Woollard worked in London and Monaco as an investment analyst and fund manager for a family office. In 2000, he led an unsuccessful campaign to demutualise Standard Life, which at that time was the UK’s third largest life assurance company.

Later in 2000, Mr Woollard joined Hunter Hall International Limited, a then-successful Australian investment manager, as an executive director based in London. He oversaw Hunter Hall’s investments in the UK, Europe and America. In April 2003 he returned to Australia and left Hunter Hall.

Mr Woollard has an Economics degree from the University of Sydney, is a Fellow of the Financial Services Institute of Australia and a Graduate of the AICD’s Company Directors’ Course. He spends all of his professional time in managing the Fund.

Nigel Burgess is a non-executive director of STAM. He has over 20 years’ experience as an equities fund manager with Hunter Hall, GIO of Australia, Friends Provident in Australia and a family office in Europe. He is an active private investor and has worked with Fred Woollard on a diverse range of investments over many years.

Mr Burgess has an Accounting masters degree from the University of NSW.

INVESTMENT STRATEGY

“It makes no sense to risk what you have and you need in the hope of gaining something you don’t have and don’t need.” *Warren Buffett*

The Fund invests primarily in Australian and international equity and debt securities. The Fund is “long only”, that is, it does not short-sell securities.

The Manager aims to buy most of the Fund’s securities at a price which ensures a margin of safety against loss as well as the potential to generate returns of over 10% pa.

Achieving this requires a judgement about the strength of a company’s business, balance sheet and management on one hand, and the price of the security on the other. We are willing to accept uncertainty and short-term price volatility, provided that there is something to protect our long-term downside. This protection is usually in either the value of the business as a going concern or the value of its underlying assets. Ideally, we aim to buy securities whose expected payoffs can be summarised as “heads we win, tails we don’t lose much”.

An example of this is Macquarie Atlas Roads, a complex toll road company. The Fund started buying these shares in early 2010 at 75c, soon after the company was demerged from a much larger toll road company. As is often the case with demergers, there were many keen, price-insensitive sellers, but few buyers. While it was difficult to work out exactly what the shares were worth, it was not difficult to work out the 2 main assets alone were worth substantially more than 75c. These consisted of net cash of about 50c per share and shares in a French toll road trading on the Paris Stock Exchange, worth the equivalent of about 75c per share. Over the following 2 years, Macquarie Atlas Roads shares more than doubled in price.

The Fund is able to pursue opportunities in distressed debt as well as in equities. An example of this was the Fund’s purchase in July 2009 of CIT bonds.

CIT is a large American finance company whose usual sources of finance were cut off by the global financial crisis. The Fund bought the bonds at 55% of face value, which would have produced a return of 17% pa if CIT avoided bankruptcy. At that time, the price of the bonds was very volatile and the outlook for CIT was highly uncertain. On closer examination, it was clear that, whatever the outcome, our investment in the bonds was amply protected by the value of CIT’s assets (loans to small and mid-size US companies as well as 300 commercial planes and 100,000 railcars), which were probably worth a lot more than the price the Fund paid.

Late in 2009, the Fund’s old bonds were converted into a mixture of new bonds and new shares that were worth a total of 90% of the old face value by mid-2011.

Portfolio weightings and liquidity

The Fund aims to have 20–30 investments in its portfolio, which are likely to include both Australian and international shares and debt securities.

The Manager prefers to keep its weighting in any security below 10% of the Fund but has exceeded this limit from time to time.

Most of the Fund’s securities are either listed on a stock exchange or can be actively traded in a market that permits independent third-party confirmation of pricing.

The Fund is usually a “buy and hold” investor in most of its holdings. Finding, researching and getting to know good companies is a slow and time-consuming process. We invest with a medium to long-term horizon, and encourage our Unitholders to do the same. A substantial proportion of the portfolio is often in relatively obscure securities. For these reasons, the Fund charges an exit fee to encourage Unitholders with long-term investment horizons.

STAM does not guarantee the performance of the Fund, the rate of income, the return of capital to unitholders, any particular rate of return or any taxation consequences of any investment made in the Fund.

RISK FACTORS AND POTENTIAL DISADVANTAGES OF INVESTING IN THE FUND

A) THE STRUCTURE OF THE FUND

The Fund is expensive

The annual Management Fee is substantially higher than that charged by many other funds, particularly index funds.

Unlike many other funds, the Fund charges a Performance Fee.

The Fund is only available to “Wholesale Clients”

The Fund is only offered to “Wholesale Clients”. Refer to page 18 of this document for information on “Wholesale Clients”.

Do not expect a regular income stream from this Fund

The Fund is managed with the objective of maximising total returns while minimising overall risk. The Fund will not be managed with the objective of generating a stable income. The Fund is not suitable for persons seeking a regular income from their investment.

Income distribution (if any) is made annually from the Fund calculated at the end of the financial year and payable after the Fund has been audited by the Auditor. Income distributions consist of the Fund’s dividend and interest income, plus any realised gains, less the Management Fees, Performance Fees and other operating costs of the Fund.

The Fund is not suitable for short-term investors or those who need immediate access to their funds

The Fund charges an exit fee to those who redeem their Units less than three years after subscribing for those Units. (See page 21 for details on the exit fee.)

There is no cooling-off period on applications made for Units in this Fund.

There is potential for STAM to receive a Performance Fee for under-performing relevant indices

STAM is entitled to receive a Performance Fee if the Fund outperforms the Benchmark Return of 10% pa.

This means that it is possible, in a strong bull market, that STAM could receive a large Performance Fee even though the Fund may have substantially underperformed relevant equity indices. STAM may also vary the Benchmark Return at any time by giving 30 days’ notice to Unitholders.

STAM is entitled to be paid Performance Fees for unrealised as well as realised gains

This means that STAM could sometimes be paid a Performance Fee for gains that have not been realised and may never be realised.

Foreign Exchange risk

The Fund trades in offshore markets and is exposed to the risk of exchange rate movements as well as its underlying investment performance. Accordingly, the Fund is unsuitable for those who are not prepared to accept the risks associated with exchange rate movements.

Taxation risks

The Fund is domiciled in Australia, which may have adverse tax effects on Unitholders resident outside of Australia.

The “Taxation Considerations” section on pages 12–15 of this document contains more information on this.

Legal and regulatory risks

The general economic environment, legislative changes, government policy such as taxation or monetary policy or other factors beyond the control of STAM such as interest rates, inflation, currency exchange rates, employment and consumer demand may affect the value of the assets of the Fund.

Investment values can fall as well as rise

The Fund’s Unit price is dependent on the market value of the underlying assets in the Fund. These are mainly shares and debt listed on Australian and international stock exchanges. The value of the underlying assets can fall as well as rise, thus affecting the Fund’s Unit price.

STAM does not guarantee the performance of the Fund, the rate of income, the return of capital to unitholders, any particular rate of return or any taxation consequences of any investment made in the Fund.

The Fund values its listed investments at the last sale price. Unlisted securities that trade in an over-the-counter market (eg some bonds) are valued at the bid price.

In unusual cases, where trading in a security has been suspended or discontinued, and it is clear that the last sale price does not reflect fair value, then the Fund Administrator values the security at a price that reflects the Manager's estimate of fair value.

Borrowings

The Fund is permitted to borrow. STAM only intends to borrow up to 10% of net trust value for short term liquidity purposes, such as to fund redemptions. STAM expects that the Fund will borrow infrequently, if at all. The Fund will not borrow either cash or securities to enhance returns.

B) STAM – THE INVESTMENT MANAGER

Key person risk

Mr Woollard is the only representative of STAM who performs investment management related activities. The Fund's performance depends on his expertise and on the consequences of the investment decisions that he makes.

In particular, it is anticipated that the loss of Mr Woollard would have a material adverse effect on the Fund's performance.

If STAM were unable to source an alternative replacement investment manager, then it is expected that all positions would be closed and the Fund would be wound down and terminated. The manner in which the Fund would be closed would be in accordance with the Trust Deed and decisions made by the surviving director of STAM, in consultation with the compliance manager.

Mr Woollard regularly provides those persons with a letter outlining how he believes they should close down the Fund if Mr Woollard becomes unable to continue managing STAM.

When Mr Woollard is away on leave, he endeavours to continue to monitor the markets. If he travels to a place where he is unable to access the market news and prices, Nigel Burgess, STAM's non-executive director, is willing and able to manage the portfolio during his absence. It should be noted that the Fund tends to be a "buy and hold" investor. It is therefore not necessary for someone to watch the Fund on a day-to-day basis.

C) THE FUND'S INVESTMENT STYLE

The Fund usually has a more concentrated portfolio than many other funds

STAM aims to have a portfolio containing securities issued by around 20–30 companies. This level of concentration exposes the Fund's Unit price to higher volatility than a more diversified portfolio.

The Fund is not managed with the objective of "hugging" any index

STAM's goal is to generate long-term positive returns for Unitholders, while avoiding significant permanent loss of Unitholders' capital. STAM believes that this objective is often incompatible with attempting to match or beat an equity index over a short period of time.

One consequence of this approach is that from time to time, the Fund will underperform major indices.

Fred Woollard, STAM's Investment Manager, has a penchant for buying unpopular and distressed assets, especially in times of market panic

Few investors have the risk tolerance for massive swings and many people have a tendency to want to "cut their losses" by selling out in response to price falls. Such behaviour creates great opportunities for value investors like the Fund but only if Unitholders do not themselves become caught in the panic and demand their money back because the Unit price has fallen.

STAM does not guarantee the performance of the Fund, the rate of income, the return of capital to unitholders, any particular rate of return or any taxation consequences of any investment made in the Fund.

In order to minimise this problem, the Fund has been structured and this document has been written with the objective of discouraging the kind of investors who will panic in times of great volatility, such as 2008–2009.

Emerging markets

The Fund invests from time to time in emerging markets such as Indonesia and Thailand. These markets are often volatile and involve a greater risk of permanent loss of capital than investing in developed economies.

The Fund can, and sometimes does, hold large amounts of cash

In times of prosperity and good cheer in the markets, the Fund may be heavily invested in cash.

The Fund attempts to maximise the after-tax returns for its Australian resident Unitholders, rather than maximising pre-tax returns

An example of this is that STAM thinks about “franked” dividends from Australian companies on a grossed-up basis, ignoring the fact that investors outside Australia obtain little benefit from Australian franking credits. Another example is that STAM sometimes holds a security for longer than it otherwise would in order to benefit from Australia’s concessional tax rate on assets held for more than a year.

D) THE PERFORMANCE OF THE FUND IS NOT GUARANTEED

None of the Fund Administrator, the Auditor, the Custodian or STAM in any of its capacities as the trustee and investment manager guarantees the return of any of the capital invested in the Fund, the performance of the Fund or any particular returns from the Fund.

TAXATION CONSIDERATIONS

“Render unto Caesar the things that are Caesar’s...” Matthew 22:21

This outline considers the Australian tax implications arising from the acquisition, holding and disposal of Units in the Fund by investors who:

- are individuals; and
- hold their Units on capital account for tax purposes (ie investors who are not traders, or who do not acquire the Units in the ordinary course of their business).

This outline is general in nature and does not take into account the specific taxation circumstances of each investor. Potential investors should not rely solely on this statement and should obtain specific taxation advice about their own circumstances before making any investment decision.

This outline is based on the Australian income tax and GST laws and Australian Taxation Office practice that are current as at 11 October 2012. Potential investors should note that tax law and practice may change during the term of any investment, including the holding of Units in the Fund.

This outline does not deal with taxation laws of a jurisdiction other than Australia. An investor who is not an Australian resident should seek advice regarding the taxation consequences in their own country before investing in the Fund.

1 SUBSCRIBING FOR UNITS

Subscribing for Units involves an investor acquiring assets under the capital gains tax (CGT) rules.

The cost base of a Unit will include the actual cost of acquiring the Unit together with related costs on the basis that all transactions are undertaken on an arm's length basis.

2 HOLDING UNITS AND DISTRIBUTIONS

2.1 Australian residents

The Fund will distribute to an investor all of the Distributable Income of the Fund. This amount may not necessarily be the same as the amount that is made assessable to investors under the tax rules. Investors will be required to include in their assessable income their proportionate share of the Fund's net income for tax purposes for the particular income year, even if the investor chooses to reinvest the distribution in the Fund.

The Fund's net income for tax purposes would include, for example:

- (a) income (such as dividends and interest);
- (b) net capital gains (from the sale of the Fund's investments), which in some cases may be discounted by 50% where the gain is in respect of assets held for at least 12 months;
- (c) franking credits; and
- (d) foreign income tax offsets.

Because the Fund is investing in non-Australian investments, an investor may also be required to include in assessable income, an amount attributed to the investor under the controlled foreign company (CFC) rules (or the proposed foreign accumulation fund (FAF) rules, which are yet to be legislated). The CFC (and proposed FAF) rules are timing rules and seek to bring forward the taxation of passive income from foreign sources. If any amounts are assessed to an investor under the CFC rules, subsequent distributions of such income will be exempt from tax. (Similarly, if any amounts are assessed to an investor under the proposed FAF rules, it is expected that subsequent receipts of such income will be exempt from tax.)

An investor may be entitled to offset, against tax payable, for franking credits in respect of dividends received by the Fund. If an investor has an excess of such credits, the investor may be entitled to a refund.

An investor may also be entitled to claim foreign income tax offsets in respect of foreign source income earned by the Fund. These credits may only be credited against tax payable by the investor in respect of the investor's foreign source income. Unlike franking credits, excess foreign income tax offsets cannot be refunded. Additionally, excess foreign income tax offsets cannot be carried forward to a future income year.

Where the Fund has a tax loss for a particular income year, the Fund will not be able to distribute that tax loss to investors. As such, that tax loss cannot be used to offset other assessable income of the investors. However, the Fund may be able to carry forward a tax loss to use in a future income year to offset against its assessable income.

2.2 Non-residents

(a) Dividend and interest income

Dividends and interest received by the Fund that form part of the Fund's distributable income of the Fund and have an Australian source are subject to withholding tax.

Generally, the rate of withholding tax on:

- (i) dividends is 30%, unless the rate is reduced under the terms of a relevant double tax agreement (DTA), generally to 15%; and
- (ii) interest is 10%.

The withholding tax paid on dividends and interest is a final tax.

Withholding tax is not levied on dividends that:

- (i) are franked; or
- (ii) benefit from a declaration that they are "conduit foreign income".

Non-resident investors are not entitled to claim the benefit, or seek refunds, of franking credits. Instead, franked dividends are usually exempt from withholding tax.

Dividends and interest from a non-Australian source will flow through the Fund to the non-resident investor free of Australian tax.

(b) Payments other than dividend and interest income

The Fund is currently a managed investment trust (MIT), and it is intended that the Fund will be administered so that it will continue to qualify as a MIT.

On this basis, payments constituting:

- (i) gains that are Australian sourced, other than dividends and interest (e.g. trading in shares); or
- (ii) gains on "taxable Australian property" (see below),

will be subject to a final withholding tax of 30%, or 15% if the recipient is a resident of an "information exchange country".

2 HOLDING UNITS AND DISTRIBUTIONS

2.2 Non-residents (continued)

- (b) Payments other than dividend and interest income

Payments constituting gains of the Fund that are not connected with Australia are not subject to Australian tax.

A gain that happens in relation to a CGT asset that is “taxable Australian property” will be subject to withholding tax when paid to a non-resident investor. Examples of “taxable Australian property” are:

- (i) real property in Australia;
- (ii) shares / units in Australian and foreign companies / trusts where the principal underlying assets are Australian real property (or interests in such property) and where the interest held in the company / trust is 10% or more; and
- (iii) options or rights to acquire interests described in (i) or (ii) above.

3 REDEEMING AND SELLING UNITS

3.1 Australian residents

Upon redeeming or selling Units, investors will make:

- (a) a capital gain to the extent that the redemption or sale proceeds exceed the cost base of the Units; or
- (b) a capital loss to the extent that the reduced cost base of the Units exceeds the redemption or sale proceeds.

If a sale of Units is not on an arm’s length basis, then the sale proceeds will be deemed to be the market value of the Units.

Certain CGT rules may require the cost base to be reduced where the investor receives a distribution that is in whole or in part non-assessable.

For example:

- (a) If the investor receives a tax free return of capital, that return of capital would result in a reduction in the cost base.
- (b) In the event that the distributable income of the Fund exceeds its net income for tax purposes, the amount of the excess that is distributed to an investor will generally not be assessable to the investor. However, any such distribution will reduce the investor’s cost base in their Units.

The reduced cost base of Units is similar to the cost base of Units. The difference relates to certain expenses that are referred to as non-capital costs of ownership which cannot be included in the reduced cost base but which are part of the cost base (e.g. non-deductible interest on borrowed funds used to acquire Units).

If an investor has held the Units for at least 12 months (excluding the dates of acquisition and redemption), then the investor may be entitled to a 50% discount subject to the investor first applying any prior year or current year capital losses against the full capital gain.

3.2 Non-residents

The comments made in section 3.1 above of this tax statement in respect of resident investors who redeem or sell their Units in the Fund also apply to non-resident investors.

However, a non-resident investor in the Fund will not be taxed on a capital gain made on the redemption or sale of Units in the Fund unless the units are “taxable Australian property” (see section 2.2(a) above of this tax statement).

4 TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)

The TOFA rules represent a code for the taxation of gains and losses in relation to “financial arrangements”. The rules contemplate a number of different methods for bringing to account these gains and losses (including accruals, realisation, fair value, retranslation, hedging and financial records).

The TOFA rules will only apply on a mandatory basis to certain taxpayers where deferral of tax in relation to certain specific arrangements is involved or where certain financial thresholds are met. Such taxpayers include individuals. Notwithstanding any exclusion to the application of the TOFA rules, taxpayers can elect to be subject to the TOFA rules on a voluntary basis.

The Units are “financial arrangements”. However, the Units should not be regarded as securities allowing for the significant deferral of tax. Accordingly, investing in the Units will not cause the TOFA rules to mandatorily apply to investors who are individuals.

Even where the TOFA rules apply to an investor, the tax consequences arising to the investor in respect of their Units will only be determined under the TOFA rules if they make either the fair value election or the financial reports election. Such investors should seek tax advice that is specific to their circumstances.

5 TFN AND ABN WITHHOLDING

Investors may, if they choose, notify STAM of their tax file number (TFN), Australian Business Number (ABN) or a relevant exemption. In the event that STAM is not so notified, STAM is required to withhold currently at the rate of 46.5% from distributions to such investors.

Investors will be entitled to claim in their income tax return an income tax credit / refund (as applicable) in respect of the tax withheld.

6 TAXATION SUMMARY

Each investor will receive a report from the Fund following the end of a financial year detailing their share of the Fund’s net income for tax purposes arising from their investment in the Fund.

7 GOODS & SERVICES TAX (GST)

The acquisition of Units is a financial supply and, therefore, no GST will be payable in respect of such acquisitions.

STAM, as the trustee of the Fund will acquire services on behalf of the Fund. These services will be subject to GST. Generally speaking, the GST paid by the trustee in respect of a particular service will often be recoverable either in full or in part.

8 STAMP DUTY

There will be no stamp duty on an acquisition of the Units. As the register is kept in NSW, stamp duty will be payable in NSW on the transfer of Units in the Fund (but only in NSW assuming that no Queensland, WA or SA assets are held by the Fund, directly or indirectly). The rate of duty in NSW is 60 cents per \$100, or part thereof, of the dutiable value of the Units. The dutiable value is the higher of the consideration paid and the market value. Unit transfer duty is scheduled to be abolished from 1 July 2013.

“Anybody in this country who does not minimise his tax wants his head read. I can tell you as a government that you are not spending it so well, that we should be donating extra.”

Kerry Packer, to an Australian parliamentary committee, 1991

OUTSOURCED FUNCTIONS

STAM outsources the majority of the Fund's core functions, including custodial services, fund administration services, accounting, auditing and broking functions.

CUSTODIAL SERVICES

STAM has entered into a custody agreement with JP Morgan Chase Bank, National Association ("JP Morgan"), ABN 43 074 112 011, AFS Licence Number 238367, appointing JP Morgan to act as a third party Custodian for the Fund. The agreement provides that either STAM or JP Morgan may terminate the agreement during its term. STAM may appoint a new Custodian without providing written notice to Unitholders.

The Custodian's key responsibilities will be to hold the assets of the Fund on behalf of STAM and ensure the safe custody and keeping of the assets of the Fund.

STAM does not hold client monies or assets of the Fund.

Fund Administrator

STAM has entered into an administration agreement with White Outsourcing Pty Ltd ("White Outsourcing"), ABN 44 114 914 215, appointing White Outsourcing to act as a third party fund administrator for the Fund. STAM may appoint a new fund administrator without providing written notice to Unitholders.

The Fund Administrator's key responsibilities are to provide administration services such as unit pricing, registry, accounting and back office investment services for the Fund.

Accounting services

Moore Stephens Sydney Pty Ltd (ABN 34 098 199 118) is engaged to perform the accounting function for the Fund.

Stock-broking

STAM uses a variety of stock-brokers to execute its trades.

Auditor

Grant Thornton Audit Pty Ltd is the auditor of STAM and of the Fund. STAM has the power under the Trust Deed to replace the Auditor of the Fund at any time provided that any replacement auditor is either a registered company auditor or a firm of chartered accountants of which at least one partner is a registered company auditor. STAM may appoint a new auditor without providing written notice to Unitholders.

HOW TO INVEST IN THE FUND

Application Form

New investors in the Fund must complete and sign the Application Form starting at page A1 of this document and return it to either STAM or White Outsourcing.

The offer of Units contained in this document is restricted to “Wholesale Clients” as defined in the Corporations Act.

To make an initial investment, you must complete all parts of the Application Form accompanying this Information Memorandum and provide all the required identification documents listed in the Anti-Money Laundering Supplement.

Minimum Investment

The Initial Minimum Investment is currently \$A50,000, provided the potential investor is a Wholesale Client. If you are relying on the wealth test (see below) or if you are a Professional Investor, you will also need to provide a “Sophisticated or Professional Investor Certificate”. Refer to page B1 of this document for a pro forma Sophisticated or Professional Investor Certificate.

Investors who qualify as a Wholesale Client under the “price or value” test will not need to provide the Sophisticated or Professional Investor Certificate if they invest more than \$500,000.

Applications for Units

STAM accepts applications for Units in the Fund up to the last Business Day of the month by the following methods of communication:

- in person: White Outsourcing’s offices, which are presently at Level 7, 20 Hunter Street, Sydney; and
- by post: PO Box R1743, Royal Exchange 1225.

Applications need to be received no later than 5pm, Sydney time on the last Business Day of a month. An application for Units received after that time will be processed at the next month-end.

Units are created and issued on the first Business Day of the calendar month. After White Outsourcing processes your application, they will send you a contract note confirming your investment.

Units in the Fund can be paid for by cheque made payable to: “Samuel Terry Asset Management ATF Samuel Terry Absolute Return Fund – Applications Account” or by transfers to the following bank account:

ANZ Banking Group ACF Samuel Terry Absolute Return Fund, Applications Account

570 Church Street, Melbourne, AUSTRALIA
Branch number: 012 003
Account Number: 8375-41458
The swift BIC code is ANZBAU3MXXX

If the cheque is subsequently dishonoured, any Units issued will be made void.

Under the Trust Deed, STAM has the discretion to reject an application for Units without giving a reason. If the application is rejected, the application monies without interest will be returned to the investor at the address notified on the Application Form.

Units will be issued at 9am on the first Business Day of the calendar month following the application. Units will be issued at the Issue Price applicable at that time. On issue, an acknowledgment will be issued to the Unitholder by the Fund Administrator.

By applying for Units in this Fund, the investor agrees to be bound by the terms of this Information Memorandum and the Trust Deed, as amended from time to time.

WHOLESALE CLIENTS

To make an investment in the Fund you need to be a Wholesale Client

A financial product or a financial service is provided to or acquired by a “Wholesale Client” if it is not provided to or acquired by a person as a retail client.

Under the Corporations Act, an investor is a Wholesale Client if the investor satisfies one of the following:

- **price or value test** – the price or value of the financial product to which the financial service relates exceeds or equals \$A500,000 (based on market face value);
- **size of business test** – the financial product or financial service is provided for use in connection with a business that is not a small business. A “small business” means a business employing fewer than 100 people if the business is or includes the manufacture of goods, or otherwise 20 people;
- **wealth test** – the financial product or financial service is not provided in connection with a business and the person who acquires the product or service gives STAM (before the Units are issued) a copy of a certificate by a Qualified Accountant who has signed the certificate within the preceding 2 years certifying that the investor has net assets of at least \$A2.5 million or they have a gross income for each of the last 2 financial years of at least \$A250,000. Refer to page B3 of this document, “Sophisticated or Professional Investor Certificate” for a pro forma certificate;
- **professional investor test** – the person is a Professional Investor or a wholly owned subsidiary of a Professional Investor. See the glossary section on page 29 for the meaning of “Professional Investor”; or
- **sophisticated investor**, as detailed in section 761 GA of the Corporations Act.

Where a financial service is provided to a retail investor via a wholesale intermediary, the retail investor will generally need to invest pursuant to a product disclosure statement.

Certificate from a Qualified Accountant

If the prospective investor is to meet the requirements as a Wholesale Client pursuant to the “wealth test” set out above, then they must provide the Fund Administrator with a certificate signed by a Qualified Accountant confirming they meet the definition of a Wholesale Client.

Subsequent investments

Unitholders wishing to make subsequent investments need to complete the Application Form and send it to:

- in person: White Outsourcing’s offices which are presently at Level 7, 20 Hunter St, Sydney; or
- by post: PO Box R1743, Royal Exchange 1225.

Determining the Issue Price

The Issue Price per Unit is calculated by:

- (a) determining the Net Trust Value as at the first Valuation Time after the next applicable Specified Time which occurs following the receipt of both the application for the Units and the relevant application monies;
 - (b) adding any Application Transaction Costs;
- and then
- (c) dividing the above amount by the sum of the number of Units on issue at that time.

The “Application Transaction Costs” are an estimate by STAM of the total transaction costs the Fund would incur to acquire the Trust Property, or if appropriate, having regard to the actual cost which would be incurred because of the issue or sale of the Units, STAM’s estimate of the total transaction costs may be zero, or if STAM makes no estimate under either of the above, then it will be zero.

So far, no applicant has paid “Application Transaction Costs”, but the Fund reserves the right to levy such a charge in the future. The purpose of this charge is to ensure that incoming Unitholders pay an appropriate price to enter the Fund if the Fund possesses a large weighting in a security with an unusually wide bid/offer spread. This is intended to create fairness between new and existing Unitholders.

HOW TO REDEEM UNITS

Minimum Redemption Request

Currently, the Minimum Redemption Amount is \$A10,000. STAM may reject a Redemption Request if the amount payable is less than the Minimum Redemption Amount.

STAM is under no obligation to redeem Units or pay any part of the Redemption Price from its own funds. STAM may, but is under no obligation to, redeem Units from capital or, if capital is insufficient, from the Trust Income.

Under the Trust Deed, STAM has the discretion to reject a Redemption Request if the amount payable to the Unitholder is less than the Minimum Redemption Amount. If the Redemption Request would leave a holding of less than the current Minimum Balance, calculated at the Redemption Price, STAM may treat the Redemption Request as applicable to all Units held by that Unitholder.

Under the Trust Deed, STAM may determine or vary the Minimum Redemption Amount from time to time.

Cut off times for processing a request for redemption of Units

Unitholders who wish to make a Redemption Request must contact STAM or White Outsourcing in writing.

A Redemption Request must be received by STAM no later than 5pm, Sydney time, on the day which is 14 days before the last Business Day of the month. Redemption Request forms received after that time will be processed in the next month, although STAM has the flexibility to accept Redemption Requests until the last day of the month.

A Redemption Request may be sent to STAM or to White Outsourcing at the following addresses:

- to STAM at PO Box R1743, Royal Exchange 1225; or
- to White Outsourcing at Level 7, 20 Hunter St, Sydney 2000

The proceeds of a Redemption Request will generally be paid to the redeeming Unitholder within 20 Business Days of the end of the month.

Any redemption proceeds will be transferred to the Unitholder's nominated bank account.

Before redeeming you should read the Taxation Implications of redeeming Units at page 14 of this Information Memorandum

Determining the Redemption Price

The Redemption Price payable on redemption of each Unit is the Net Trust Value as at the first Valuation Time after the next applicable Specified Time (usually the end of each month) less any Redemption Transaction Costs (see below). This amount is divided by the number of Units on issue at that Valuation Time.

"Redemption Transaction Costs" are STAM's estimate of the total transaction costs the Fund would incur to sell the Trust Property, if appropriate, having regard to the actual cost which would be incurred because of the redemption, STAM's estimate of the total transaction costs may be zero, or if STAM makes no estimate under either of the above then it will be zero.

STAM may deduct from the total Redemption Price, any Exit Fee and any amount which is a cost, charge, expense or outgoing reasonably and properly incurred by STAM in connection with dealing or determining the Redemption Price. If STAM deducts any Exit Fee from the Redemption Price, such amount is payable to the Fund.

STAM's power to suspend or refuse to redeem

Under the Trust Deed, STAM may at any time in its absolute discretion suspend the redemption of Units in the Fund or refuse to redeem Units in accordance with the Redemption Request. The circumstances in which STAM may exercise this discretion include where it is impracticable for STAM to calculate the Net Trust Value of the Fund. Examples of when it could be impracticable for STAM to calculate the Net Trust Value are the closure of, or trading restrictions on, the Australian or international stock or securities exchanges, an emergency or other similar state of affairs.

A Redemption Request lodged by a Unitholder during a period of suspension will be taken to be lodged immediately after the end of the period of suspension.

Under the Trust Deed, STAM has the power to satisfy the amount payable on redemption of Units by the transfer of assets in specie. The exercise of this power and the selection of the assets are at STAM's discretion. Those assets are to be credited at asset values determined at the same time as the Redemption Price is determined but without deduction for any costs or taxes payable by the Unitholder in respect of the transfer.

DISTRIBUTIONS

The Fund fully distributes Distributable Income (if any) in respect of every tax year. The Distributable Income is distributed at the end of the relevant tax year once the Fund Administrator has determined the Distributable Income for the tax year.

The Distributable Income of the Fund will be such amount as is determined by STAM in its discretion. If STAM does not make a determination as to the amount of the Distributable Income, the Distributable Income will be the greater of the net income of the Fund under the Income Tax Assessment Act 1936 as reduced by any amounts included in the net amount for the Fund that have neither been received nor are receivable, and \$1.

Unitholders registered as at midnight on the last day of the relevant financial year are entitled to a share of the Distributable Income not previously distributed pro rata to the number of Units held to the number of Units then on issue. A distribution statement is sent to all Unitholders as soon as possible after the end of the financial year.

STAM also has a discretion to distribute an amount, whether it is capital or income, from the Fund to Unitholders pro rata to the number of Units held by the Unitholder and the number of Units on issue as at the time determined by STAM.

Distributions are paid in \$A and are normally paid within 60 Business Days from the end of the distribution period. The Trust Deed allows for the Distribution Period to be varied without notice to Unitholders.

Distribution payment options

You can choose to have your distributions:

- (a) reinvested in the Fund as additional Units; or
- (b) credited to your nominated bank account.

You can make your choice by ticking the appropriate box on the Application Form. If you do not make a choice, STAM will reinvest your distribution in the Fund.

If you chose to reinvest your distribution, the new Units will be issued at the Unit Price (ex-distribution) at the beginning of the new financial year.

You will still be liable for any tax payable in respect of the distribution (see section on Taxation on page 12).

If you wish to change your distribution instructions, we will need to receive these instructions before the Fund's distribution date.

CHANGE IN THE LAW ON TAXES

If there is a change in tax law which subjects STAM to tax on the Fund's income or gains, regardless of distributions to Unitholders and their liability to tax (ie company style taxation), STAM has a discretion as to the distribution it makes and can choose when to make distribution of the income and gains derived by the Fund.

FEES AND EXPENSES

PAYABLE TO THE FUND

Entry fee

Under the Trust Deed, the Trust is entitled to but may elect to receive an Entry Fee less than 5% of the consideration paid by Unitholders on application for the Units (plus GST).

STAM has decided that Entry Fees will not be payable by Unitholders while this Information Memorandum is on issue.

Exit fees

Under the Trust Deed, the Fund is entitled to an Exit Fee of up to 5% of the Redemption Price.

STAM has decided that the following Exit Fees will be payable by Unitholders to the Fund while this Information Memorandum is on issue:

Time of redemption of Units	Amount of Exit Fee
During first year after initial investment.	3% of the Redemption Price (plus GST).
During second year after initial investment.	2% of the Redemption Price (plus GST).
During third year after initial investment.	1% of the Redemption Price (plus GST).
During fourth and remaining years of investment.	Nil.

If a Unitholder has made more than one investment in the Fund, the Exit Fee will be calculated on a “first in, first out” basis; ie that which minimises the Exit Fee payable.

If STAM decides to change the Exit Fee, Unitholders and prospective investors will be notified in writing. STAM will provide 30 days’ notice to Unitholders before making any changes to the Exit Fee.

STAM reserves the right to waive part or all of the Exit Fee to the extent that new funds are being subscribed to either the Fund or to another fund managed by STAM by other investors on the same date that the Unitholder is redeeming Units. This is consistent with the purpose of the Exit Fee, which is to compensate ongoing Unitholders for the cost to them of liquidating assets to pay for the redemption.

Management Expense Ratio

STAM uses its own resources to ensure that the Management Expense Ratio (“MER”) of the Fund does not exceed 2% pa (plus GST) of the Net Trust Value.

STAM repays to the Fund sufficient of its Management Fee to ensure that the MER does not exceed 2% pa (plus GST) of the Net Trust Value in respect of any financial year.

The MER is an ongoing fee and charge, which generally includes the operating expenses of the Fund, except for Management Fees, Performance Fees and any “activist” costs as described on page 22.

The operating expenses can include expenses such as accounting and audit fees, custodian fees and administrator’s fees.

FEES AND EXPENSES

PAYABLE TO STAM AS TRUSTEE, MANAGER AND INVESTMENT MANAGER

Management Fee

Under the Trust Deed, STAM is entitled to charge a management fee of 5% pa (plus GST) of the total value of all Trust Property. STAM has decided that it will charge a fee less than the trustee's rights under the Trust Deed. STAM will charge a Management Fee of 1.5% pa (plus GST) of the Net Trust Value while this Information Memorandum is on issue.

If STAM decides to change the Management Fee, Unitholders will be notified in writing and the Information Memorandum updated. STAM will provide 14 days' written notice before making any changes to the Management Fee.

The Management Fee is calculated and payable on the last Business Day of each calendar month, or at other times that STAM determines from time to time. The Management Fee is payable out of the Trust Income but if the Trust Income is insufficient then the Management Fee will be paid out of Trust Property.

STAM may pay from its Management Fee a rebate of a part of the fee or other payment to one or more Unitholders, or to persons who introduced Unitholders to the Fund.

Performance Fee

STAM is entitled to a performance fee for each Unit on issue at the end of each Calculation Period. The Calculation Period is the period in relation to which the relevant calculation is made. The Performance Fee is calculated and accrued as at the end of each calendar month, monthly in arrears and paid after the end of the Fund's financial year. The Fund's financial year ends on 30 June.

The Performance Fee is 20% (plus GST) of the Fund's out-performance of the Benchmark Return. Set out below is a description of the workings of the Performance Fee formula.

For the purposes of calculating the Performance Fee:

"Benchmark Return" means 10% pa, or approximately 0.797% per month while this Information Memorandum is on issue. STAM has an absolute discretion under the Trust Deed to change the Benchmark Return to another

rate, index or indices as reasonably determined by STAM, where STAM determines that the Benchmark Return is no longer appropriate or convenient. If STAM decides to change the Benchmark Return, STAM will give Unitholders at least 30 days' written notice before making any such change to the Benchmark Return.

"Closing Trust Value" ("CTV") means the dollar value of the Fund at the end of each Calculation Period, which will usually be each calendar month, adjusted so that:

- all liabilities for any fees, including the performance fee accrued during the Calculation Period, are deducted;
- the amounts of any franking, foreign, tax or other applicable tax credits attaching to dividend or other income actually received by the Fund during the Calculation Period, except to the extent that those credits cannot be made available to Unitholders, are added;
- the amount of any distribution of Distributable Income declared payable during the Calculation Period, is added; and
- the Closing Trust Value is calculated before any subscriptions to the Fund or redemptions from the Fund which take place at the end of the relevant Calculation Period, take effect.

"Opening Trust Value" ("OTV") means the dollar value of the Fund at the beginning of each calendar month, after allowing for distributions declared payable and allowing for subscriptions to and redemptions from the Fund at the beginning of the month.

Meaning of the dollar value of the Fund

For the purposes of calculating the Performance Fee, the dollar value of the Fund will be calculated in accordance with the applicable accounting standards, including where STAM considers appropriate, the Australian Investment Performance Standards, the Australian Version of the Global Investment Performance Standards and any standards amending or replacing them and adjusted so that any amount that would otherwise be deducted as a liability representing rights attaching to Units shall not be deducted.

Calculation of the Performance Fee

The Performance Fee per Unit is calculated in respect of each Calculation Period using the following formula and accrues until it is paid:

$$APF_1 = APF_0 + (20\% \times (CTV - (OTV \times (1 + BR))))$$

Where:

APF₁ is the accrued Performance Fee at the end of the current Calculation Period.

APF₀ is the accrued and unpaid Performance Fee (where positive) or accrued Performance Fee that has not been recouped (where negative) at the end of the previous Calculation Period.

CTV is the Closing Trust Value.

OTV is the Opening Trust Value and

BR is the Benchmark Return in respect to the relevant Calculation Period expressed as a percentage and currently expressed as 10% pa (approximately 0.797% per month).

An explanation of the practical application of this formula is as follows:

- (a) take the Opening Trust Value and add the Benchmark Return per month (i.e. multiply the Opening Trust Value by 1.00797);
- (b) subtract the result of (a) from the Closing Trust Value;
- (c) take 20% of the result of (b); and
- (d) add the result of (c) to the accrued Performance Fee at the end of the previous month.

This is the accrued Performance Fee at the end of the current month.

Accrued positive Performance Fee

- If the accrued Performance Fee at the end of a month is positive, it will be treated by the Fund Administrator as a liability of the Fund and carried forward to the next month, unless the month-end is June, the Fund's balance date.

- If the accrued Performance Fee at the end of June is positive, the Fund will pay that amount (plus GST) to STAM as soon as the Auditor has been satisfied that the Performance Fee calculation is correct and the accrued Performance Fee will be reset to zero.

Accrued negative Performance Fee

- If the amount of the accrued Performance Fee at the end of any month or end of a financial year is negative, STAM will not be required to rebate any amount of the Performance Fee but the amount of the Accrued Negative Fee will be carried forward to the next month or months and deducted to the extent possible from any positive amount that would otherwise have been payable as a Performance Fee in respect of that month or months, until such time as the Accrued Negative Fee has been recouped in full.
- Where the value of the Fund has fallen by 20% or more during a Calculation Period, STAM may reset a negative Accrued Negative Fee to a level that reflects the aggregate losses (relative to the Benchmark Return) that existing Unitholders have incurred. This calculation is to be done by the Fund Administrator and is intended to only be used in exceptional circumstances when the Fund has incurred substantial losses and had substantial redemptions by Unitholders. It is hoped and expected that the procedure described in this paragraph will never need to be used.
- The Performance Fee is paid from the Trust Income but if the Trust Income is insufficient then out of the Trust Property for that financial year. The Performance Fee is not individually invoiced to Unitholders.

Expenses

STAM is entitled to be reimbursed from the Fund in respect of a range of costs and expenses, which include but are not limited to, costs associated with the Trust Deed (including amendments), Administrator's fees, Custodial fees, Unitholders' meetings, audit fees and government duties and taxes.

STAM is also entitled to be paid from the Fund for its out-of-pocket "activist" costs incurred by it in an attempt to maximise the price of securities held by the Fund. These costs include legal, investment banking, public relations and advertising costs. These "activist costs" are not covered by the 2% (plus GST) cap on the MER.

ADDITIONAL INFORMATION

LEGAL BACKGROUND TO THE FUND

The Fund was established on 28 April 2003 and was known as the Martin Raymond Real Return Fund. It had no assets or liabilities until 1 November 2003, when capital was paid into the Fund. On 1 February 2005, the name of the Fund was changed to the Samuel Terry Absolute Return Fund. The original trustee, Martin Raymond Investment Management Pty Ltd, was replaced by Samuel Terry Asset Management Pty Ltd on 1 February 2005.

REGISTER OF UNITHOLDERS

Certificates are not issued for Units in the Fund. The provisions of the Trust Deed allows STAM to send a Unitholder confirmation of the Units held by them, Unit transactions or distributions to the Unitholder.

A register of Unitholders is maintained by the Fund Administrator on STAM's behalf. STAM is not required under the provisions of the Trust Deed to enter notice of any trust or equitable interest on the register of Unitholders. When a Unitholder transfers Units, the transfer will only take effect when registered in the register of Unitholders.

UNITHOLDER REPORTING

As a Unitholder you will receive regular reports including:

- a monthly report advising on fund performance and investments;
- a monthly statement showing the value of your investment;
- an income distribution statement after each distribution (if any);
- annual taxation statement;
- annual audited financial statements;
- annual report of the Fund; and
- a transaction statement each time you make an investment, reinvestment or withdrawal.

TRUST DEED

The Trust Deed for the Fund (as amended from time to time) governs your rights and obligations as a Unitholder. The Trust Deed and the law determine the rights and obligations of Unitholders and determine the responsibilities and duties of STAM in its role as a trustee of the Fund. As a Unitholder you are bound by the provisions of the Trust Deed.

If you are a Unitholder or potential investor and would like further information on the terms of the Trust Deed please contact us for a free copy. It may be downloaded from our website: www.samuelterry.com.au.

Alternatively, the Fund's contact details can be found on page 31.

DISPUTE RESOLUTION

Internal Dispute Resolution

STAM has internal dispute resolution procedures in place for dealing with enquiries and complaints. STAM has taken the requirements of the essential elements of the Australian Standard on Complaints Handling AS 4269-1995 and ISO 10002:2004 as they apply to a small business into account in developing these policies and procedures. As STAM only provides financial services to Wholesale Clients, the policies and procedures have been prepared with only those investors in mind.

Complaints may be made to STAM either verbally or in writing. STAM will attempt to deal with your complaint in a prompt and efficient manner. STAM will follow its procedures to ensure that where possible a complaint is resolved within a period of 28 days. Some complaints can be resolved more quickly depending on the facts and the nature of the complaint. If the complaint is more complex and takes longer than 28 days, we will communicate the reasons for the delay.

All complaints will be properly handled and promptly investigated in accordance with STAM's policies and procedures which set out the essential elements for the management of complaints from inception to resolution and if possible resolved within a reasonable time. A summary of STAM's complaints handling procedures is available to clients on request.

Contact details for complaints

Complaints can be registered with STAM by telephone, in writing or email and should be addressed to:

Managing Director
Samuel Terry Asset Management Pty Ltd
PO Box R1743
Royal Exchange 1225

0400 001 976
fred@samuelterry.com.au

Cost

STAM will not charge you to investigate your complaint.

External Dispute Resolution

STAM is not a member of an external dispute resolution scheme, as this requirement does not apply to companies who operate un-registered managed investment schemes and only provide financial services to Wholesale Clients.

PRIVACY

Where does STAM collect personal information from?

Personal information is any information about you that identifies you or by which personally identifies you and/or contains information or an opinion about you. Examples of personal information include your name and/or names used, your date of birth, tax file number, address, employment details, details of your financial circumstances, your financial needs and objectives, your investment history and preferences and your aversion or tolerance to risk. STAM may have collected your personal information from your Application Form or over the phone or via the internet during the course of your relationship with STAM. Sometimes, information about an individual is collected from other people or organisations. For example, information about a director of a corporate client may be obtained from a public record relating to the company.

Regardless of how your personal information is collected, all personal information is handled and stored by STAM in accordance with its policies and procedures. If your details change, please advise us in writing as soon as possible in order that we can update your records and maintain accurate and complete records.

Purpose for the use of personal information collected by STAM

STAM uses the personal information it holds in order to provide its clients with the services they request. STAM will not use or disclose personal information we collect for any purpose other than:

- the purpose or purposes for which it was provided;
- a secondary related purpose in circumstances where you would reasonably expect such use or disclosure;
- if you have consented to disclosure or where the National Privacy Principles authorise use or disclosure where required or authorised under law; or
- in circumstances relating to public health and safety and in connection with certain operations by or on behalf of an enforcement body.

Does STAM disclose the personal information it holds?

External service providers

STAM provides funds management and investment management services. Providing a client with this service includes undertaking activities such as administering the client's investment, providing client support, responding to enquiries and requests for product information and meeting regulatory requirements. STAM may disclose your personal information to external service providers.

The kinds of services obtained externally by us include information technology support, financial advice, accounting advice, custodial and fund administrative services, legal and compliance advice, auditing of the company and the Fund.

External service providers are only authorised to use personal information for the purpose for which it is supplied by STAM. Those organisations are not authorised to use that personal information for their own purposes.

STAM may also collect personal information from its suppliers in order to complete business transactions and purchase products and services.

Disclosure required by law

STAM is required under the Corporations Act to make certain information available for inspection by ASIC or the Australian Transaction Reports and Analysis Centre ("AUSTRAC") on request to ensure ongoing compliance with licensing and regulatory requirements. This may involve the disclosure of your personal information.

Sometimes the law may require STAM to disclose personal information. For example, STAM may be required to disclose your personal information to a court in response to a subpoena or in response to a notice issued by a government agency such as the Australian Taxation Office or ASIC.

In order to fulfil any anti-money laundering obligations it may have, STAM reserves the right to require any Unitholder to provide appropriate detailed proof of identity as well as documented evidence of the source of proceeds being used for investment in the Fund.

At the time of this Information Memorandum, the exact requirements to comply with the United States legislation, Foreign Account Tax Compliance Act (“FATCA”) are not yet known. It is anticipated that STAM may need to disclose information, including certain information about the Unitholders to the US IRS. In order to comply with the FATCA requirements, STAM may need to obtain more information from the Fund’s Unitholders.

Disclosure where authorised by you

Where you have nominated someone to act on your behalf, such as your accountant or financial adviser, STAM will disclose your personal information to that authorised person.

Other occasions where STAM may use your personal information

STAM may also use the personal information collected from you for the purpose of providing you with direct marketing material such as research that may be of interest to you, to inform you about any new products and services or special offers from time to time. You may, by contacting us by any of the methods detailed below, request not to receive such information and we will comply. Please allow 2 weeks for your request to be effective.

If you believe that the privacy of your personal information has been compromised, you are entitled to complain to us and we will respond to any complaint as soon as possible. Complaints about personal information can be made in the same manner and to the same address as for dispute resolution. Refer to page 25 for details.

Privacy Commissioner

It is STAM’s intention to use its best endeavours to resolve any complaint to your satisfaction. However, if you are unhappy with our response to your complaint, you are entitled to contact the Office of the Privacy Commissioner who may investigate your complaint further.

Access to your personal information

You may at any time contact us requesting access to your personal information. We will, subject to certain exceptions, provide you with access in accordance with our policy. Where we do not allow access we will provide you with reasons.

Additional information

If you would like more information about our approach to privacy, you are encouraged to contact Samuel Terry Asset Management, whose contact details are on page 31.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING LAWS

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (“AML Law”) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Law is administered by AUSTRAC.

Under the AML Law, STAM is required to:

- verify Unitholders’ identities before providing services and to re-identify a Unitholder if they consider it necessary to do so; and
- keep a record of any documentation Unitholders supply relating to the verification of their identity for 7 years.

STAM has appointed the Fund Administrator to collect, verify and keep the record of the Unitholders’ identification documents.

STAM and the Fund Administrator (“Entities”) have implemented a number of measures and controls to ensure they comply with their obligations under the AML Law, including carefully identifying and monitoring Unitholders. 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. Applications cannot be processed unless all the necessary information is provided;
- where transactions are delayed, blocked, frozen or refused, the Entities are not liable for any loss Unitholders suffer (including consequential loss) as a result of their compliance with the AML Law as it applies to the Entities; and
- an Entity may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Law and are prevented from informing Unitholders 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.

DEFINITIONS

Unless otherwise defined in this Information Memorandum, all definitions contained in this document have the same meaning as in the Trust Deed.

Act means the Income Tax Assessment Act, 1936 (Cth) or the Income Tax Assessment Act, 1997 (Cth), AML Laws or the Corporations Act, or the Privacy Act, as appropriate.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Sydney.

Corporations Act means the Corporations Act (Cth) 2001.

Initial Minimum Investment means the amount determined by the trustee from time to time as the minimum number of Units or Value of Units for which application may be made by a new Unitholder.

Net Trust Value means the total market value of the Trust Property less the Trust Liabilities.

Professional Investor means a person to whom at least one of the following criteria apply:

- (a) the person is a financial services licensee;
- (b) the person is a body regulated by APRA, other than a trustee of a fund or trust referred to in any of subparagraphs (d)(i) to (iv) within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth);
- (c) the person is a body registered under the Financial Corporations Act 1974;
- (d) the person is the trustee of:
 - (i) a superannuation fund; or
 - (ii) an approved deposit fund; or
 - (iii) a pooled superannuation trust; or
 - (iv) a public sector superannuation scheme;

within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth) and the fund, trust or scheme has net assets of at least \$A10 million;

- (e) the person controls at least \$A10 million (including any amount held by an associate or under a trust that the person manages);
- (f) the person is a listed entity, or a related body corporate of a listed entity;
- (g) the person is an exempt public authority;
- (h) the person is a body corporate, or an unincorporated body, that:
 - (i) carries on a business of investment in financial products, interests in land or other investments; and
 - (ii) for those purposes, invests funds received (directly or indirectly) following an offer or invitation to the public, within the meaning of section 82 of the Corporations Act, the terms of which provided for the funds subscribed to be invested for those purposes;
- (i) the person is a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs.

Qualified Accountant means a member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants who has complied with the continuing professional education requirements of their respective body. If the client is a foreign client, the definition of Qualified Accountant is expanded by ASIC Class Order (04/173) to include any member of an eligible foreign professional body (see below) who:

- (i) has at least 3 years of practical experience in accounting or auditing; and
- (ii) only provides a certificate for the purposes of section 761G(7)(c) of the Corporations Act to a person who is resident in the same country (other than Australia) as that member.

An eligible foreign professional body covers:

- The American Institute of Certified Public Accountants;
- Association of Certified Chartered Accountants (United Kingdom);
- Canadian Institute of Chartered Accountants;
- Institute of Chartered Accountants of New Zealand;
- The Institute of Chartered Accountants in England and Wales;
- The Institute of Chartered Accountants in Ireland; and
- The Institute of Chartered Accountants of Scotland.

Redemption Request means a request by a Unitholder to the trustee to redeem Units.

Redemption Transaction Costs means STAM's estimate of the total transaction costs the Fund would incur to sell the Fund's assets to fund redemption of part or all of the Fund's Units. Transaction costs include brokerage, the bid-offer spread in the market and market impact.

Specified Time means the time specified by STAM for the purposes of accepting applications for Units, the issue of Units or redeeming Units.

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

Trust Liabilities includes borrowings, accrued costs, charges, expenses and outgoings, contingent liabilities, provisions that the trustee decides to make (including but not limited to a provision for accrued management fees and performance fees), unpaid distributions due to Unitholders and other unpaid remuneration (if any) due to STAM.

Trust Property means all property, rights and income of the Fund.

Unit means a unit in the Fund.

Unitholder means a holder of Units whose name is recorded in the register of Unitholders.

Wholesale Client has the meaning as defined in section 761G and 761GA of the Corporations Act.

DIRECTORY

TRUSTEE AND INVESTMENT MANAGER

Samuel Terry Asset Management Pty Ltd
ABN 71 108 611 785
AFS licence number 278294
Website: www.samuelterry.com.au

C/- BBY Stockbrokers
Level 17
60 Margaret Street
Sydney 2000

Postal address: PO Box R1743
Royal Exchange 1225
AUSTRALIA

Phone: 0400 001 976

FUND ADMINISTRATOR

White Outsourcing Pty Ltd
Level 7
20 Hunter Street
Sydney 2000
www.whiteoutsourcing.com.au

CUSTODIAN

JP Morgan
85 Castlereagh St
Sydney 2000
www.jpmorgan.com

AUDITORS

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney 2000
www.grantthornton.com.au

ACCOUNTANT

Moore Stephens Sydney Pty Ltd
Level 7
20 Hunter Street
SYDNEY 2000
www.moorestephens.com.au

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SAMUEL TERRY
ASSET MANAGEMENT

SAMUEL TERRY ABSOLUTE RETURN FUND APPLICATION FORM

This Application Form forms part of the Information Memorandum dated 21 December 2012 issued by Samuel Terry Asset Management Limited ACN 108 611 785 AFSL 278294. You must read the Information Memorandum before completing this Application Form. All terms not defined in this Application Form but defined in the Information Memorandum have the meaning set out in the Information Memorandum.

▼ INSTRUCTIONS – PLEASE COMPLETE

- A** Investor and Investment Details section (being these first 2 pages)
- B** the **Sophisticated or Professional Investor Certificate** (if investing less than \$500,000) and
- C** **Section 1: Application Details of the Anti-Money Laundering Supplement (AML Supplement)**

Please then forward the completed sections and the required certified identification evidence from **Section 2: Identification Documents of the AML Supplement** to:

Samuel Terry Asset Management Pty Ltd **OR** White Outsourcing
PO Box R1743 Level 7
Royal Exchange 1225 20 Hunter Street
Sydney 2000

Samuel Terry Asset Management Pty Ltd and the Fund Administrator reserve the right to collect more Anti-Money Laundering/Know Your Client (AML/KYC) information should they require it.

A

INVESTOR AND INVESTMENT DETAILS

Application Amount

\$

Payment (tick the box to indicate how you will make your payment):

☐

Electronic Funds Transfer to:
ANZ Banking Group ACF Samuel Terry
Absolute Return Fund, Applications Account

570 Church Street, Melbourne, AUSTRALIA
Branch number: 012 003
Account Number: 8375-41458
The swift BIC code is ANZBAU3MXXX

☐

Cheque payable to:
Samuel Terry
Asset Management
ATF Samuel Terry
Absolute Return Fund –
Applications Account

INVESTOR CONTACT DETAILS (CONTACT PERSON):

First Name

Last Name

Company/Trust/Account Name (if applicable)

Phone

Fax

Email

Postal Address

COMMUNICATION:

Mailing Address (if different to the Contact Person's address above)

A

INVESTOR AND INVESTMENT DETAILS

DISTRIBUTIONS AND REDEMPTIONS

DISTRIBUTIONS

I/we elect to receive distributions by:

☐ Distribution reinvestment ☐ Pay to bank account (below)

If no election is made, distributions will be automatically reinvested in additional Units. If you wish to change your election, you must notify STAM in writing.

BANK ACCOUNT DETAILS (FOR DISTRIBUTIONS AND REDEMPTIONS):

Please list below the bank account from which any electronic transfer of funds will be made. The bank account must be in the name of the investor. Distribution and redemption payments will be paid into this bank account.

BSB

Account Number

Account Name

Name of Bank

Branch Address

Banking Information: Please note that in cases where the bank account is not in the same name as the investor as indicated above, documentary information must be provided detailing the reason for, and background to, such a "third party" payment request. Payments that do not originate from an account in the name of the investor, are subject to an approval process. Please note that supporting documentation on the relationship between the third party and investor should be provided. Should this not be to the satisfaction of the Administrator, the funds will be returned to the remitting party.

TAXATION DETAILS:

Are you a resident of Australia for taxation purposes?

☐ YES (complete below)

☐ NO (please provide country of residence)

Tax file number (TFN) or Australian

Business Number (ABN)

TFN or ABN (Investor 2)

Exemption Number

Please indicate to whom the TFN or ABN belongs to:

INVESTOR 1

☐ Company

☐ Trust/Super Fund

☐ Individual

☐ Other – please specify

INVESTOR 2

☐ Company

☐ Trust/Super Fund

☐ Individual

☐ Other – please specify

Note: You are not obliged to provide this information but if you do not provide either your TFN or ABN and unless you claim a TFN exemption, STAM will be required to deduct tax at the highest marginal rate. The collection of this information is authorised and its use and disclosure is strictly regulated by the Australian tax laws and Privacy Act.

Additionally, as part of our compliance with AML Law, we require detailed verification of the investor's identity and the source of the payment of the application money. We may ask your bank to confirm to us in writing that the funds were wired from a bank account held with them in the name of the investor. We reserve the right to request such information as is necessary to verify the identity of any investor.

B**SOPHISTICATED OR PROFESSIONAL INVESTOR CERTIFICATE**

If you are investing less than \$500,000, you will need to satisfy STAM that you are a Wholesale Client by completing this form and supplying a Qualified Accountant's certificate (if applicable).

SECTION 1: INVESTOR DETAILS**Full Name or Company/Trust Name**

Phone**Fax****Email**

Postal Address

I acknowledge that:

- (a) this certificate is given to STAM to determine whether it can make certain offers of financial products to me in accordance with the Corporations Act.
- (b) offers of securities made to be by STAM may be made on the basis of this certificate.
- (c) I may be required to observe certain selling restrictions in Australia in relation to securities offered to me as a sophisticated investor.
- (d) If I have completed Option A below, STAM is authorised to send the renewal certificate to my certified accountant on my behalf.
- (e) I may only act as principal.

SECTION 2: CERTIFICATION

If you are investing less than \$500,000 you will need to meet the criteria of either Option A - Professional Investor or Option B Sophisticated Investor. Please complete as appropriate.

Option A: Professional Investor

I certify that the investor whose details appear above is:

- ☐ A person who controls at least \$10 million (including any amount held by an associate or under a trust that the person manages) or
- ☐ A person who is a licensed or exempt dealer and is acting as a principal;
- ☐ The trustee of:
 - A superannuation fund
 - An approved deposit fund
 - A pooled superannuation trust, or
 - A public sector superannuation scheme;

within the meaning of the Superannuation Industry (Supervision) Act 1993 and the fund, trust or scheme has net assets of at least \$10 million.

- ☐ A listed entity or related body corporate of a listed entity
- ☐ An exempt public authority
- ☐ A foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs.

B**SOPHISTICATED OR PROFESSIONAL INVESTOR CERTIFICATE****SECTION 2: CERTIFICATION – CONTINUED**

Option B: Sophisticated Investor – requires an accountant’s certificate confirming that you have net assets over \$A2.5 million or have earned in excess of \$A250,000 a year over the past 2 financial years

SIGNATURE BY INDIVIDUAL OR JOINT APPLICANT(S)**Signature**

Print Name

Date

Signature

Print Name

Date

SIGNATURE OF CORPORATE APPLICANTS OR CORPORATE TRUSTEE APPLICANTS**Company Name**

As Trustee for

Executed by (if applicable)

BY ITS DIRECTORS**Signature**

Position

Director/Secretary

Print Name

Date

Signature

Position

Director

Print Name

Date

B**SOPHISTICATED OR PROFESSIONAL INVESTOR CERTIFICATE****ACCOUNTANT'S VERIFICATION CERTIFICATE**

(To be completed by a Qualified Accountant. This information can be provided in a form different from the above if this is more appropriate in the circumstances.)

I certify that:

(a) this certificate is given at the request of the investor under Chapter 7 of the Corporations Act

(b) of has

(Name of Client)

(Address of Client)

(i) Net assets of at least \$A2.5 million; or

(ii) Gross Income for each of the last two financial years of at least \$A250,000 a year

(c) I am a Qualified Accountant within the meaning of section 9 of the Corporations Act.

Name of Partner/Employee

Name of Firm

Name of professional body

Membership designation from professional body

I comply with this body's continuing professional education requirements.

Postal Address

Phone

Email

Signature

Date

(Please note that this certificate needs to be reconfirmed every 2 years to remain a "Sophisticated Investor")

B SOPHISTICATED OR PROFESSIONAL INVESTOR CERTIFICATE

DECLARATION

I/we request you to issue the Units applied for and authorise you to register the applicant as the holder(s) of the Units.

I/we declare that the execution of this Application Form by me/us constitutes a representation by each applicant that:

- I/we read and understood the Information Memorandum for the Samuel Terry Absolute Return Fund dated [];
- this Application Form was detached from an Information Memorandum for the Fund;
- upon allotment of Units in the Fund, I/we agree to be bound by the terms of the Information Memorandum and the Trust Deed of the Fund, as amended from time to time;
- I/we understand that neither the repayment of capital nor the performance of the Fund is guaranteed by any person, including Samuel Terry Asset Management Pty Ltd;
- I am/we are a Wholesale Client as defined in sections 761G or 761GA of the Corporations Act;
- the details given in this Application Form and in the AML Supplement are true and correct and that I/we have the legal power to invest in accordance with this application;
- If investing as a trustee: I/we are acting in accordance with the powers granted under the trust deed of the trust and all applicable laws;
- I/we authorise Samuel Terry Asset Management Pty Ltd to apply the TFN or ABN provided in this Application Form and authorise it to be applied to all future applications and redemptions for Units in the Fund, including reinvestments, unless I/we advise Samuel Terry Asset Management Pty Ltd otherwise;
- I/we have read the section of the Information Memorandum titled "Privacy" and agree that Samuel Terry Asset Management Pty Ltd may collect, use, disclose and handle personal information in the manner set out in that section;
- I/we agree to indemnify Samuel Terry Asset Management Pty Ltd, as trustee of the Fund and any of its related bodies corporate against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any of these declarations proving to be untrue or incorrect;
- in the case of joint applications, the joint applicants agree that unless otherwise expressly indicated on this Application Form, the Units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions, including additional deposits and redemptions; and
- I/we acknowledge that STAM may be required to pass on information about me or my investment to the relevant regulatory authority in compliance with the AML Law or other laws (including those in the future, such as FATCA). I agree to give further information, personal details or assistance to STAM if required to meet its obligations under AML Laws or taxation legislation and I/we indemnify it against any loss caused by my failure to provide such information or assistance.
- The monies used to fund my/our investment in the Fund are not derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international convention (illegal activity) and the proceeds of my/our investment in the Fund will not be used to finance any illegal activities.

SIGNATURE BY INDIVIDUAL OR JOINT APPLICANT(S)

Signature

Print name

Date

Signature

Print name

Date

SIGNATURE OF CORPORATE APPLICANTS OR CORPORATE TRUSTEE APPLICANTS

Executed by

Company Name

AS TRUSTEE FOR (if applicable)

BY ITS DIRECTORS

Signature

Position

Print Name

Date

Signature

Position

Print Name

Date

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1: APPLICATION DETAILS *(please indicate who is making the investment).***INVESTOR TYPE****GO TO**

- | | |
|--|------------|
| <input type="checkbox"/> Individual/Joint Investors/Sole Trader/Individual Trustee | Section 1A |
| <input type="checkbox"/> Company/Corporate Trustee | Section 1B |
| <input type="checkbox"/> Trust/Superannuation fund | Section 1C |
| <input type="checkbox"/> Partnership | Section 1D |
| <input type="checkbox"/> Agent of Customer | Section 1E |

If you do not fall into any of the above categories, please contact the Administrator on [Insert phone number].

SECTION 1A: INDIVIDUAL/JOINT INVESTORS/SOLE TRADER/INDIVIDUAL TRUSTEE

INVESTOR A	Title	Full Name	Date of Birth
INDIVIDUAL TRUSTEE	<input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
TFN or Exemption Code (not required for individual trustee or partner)		Country of residence for tax purposes (not required for individual trustee or partner)	
<input type="text"/>		<input type="text"/>	
Full business name (if sole trader)		ABN	
<input type="text"/>		<input type="text"/>	
Residential address (not PO box)			
<input type="text"/>			
Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Principal place of business (if sole trader)			
<input type="text"/>			
Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

INVESTOR B	Title	Full Name	Date of Birth
	<input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
TFN or Exemption Code (not required for individual trustee or partner)		Country of residence for tax purposes (not required for individual trustee or partner)	
<input type="text"/>		<input type="text"/>	
Full business name (if sole trader)		ABN	
<input type="text"/>		<input type="text"/>	
Residential address (not PO box)			
<input type="text"/>			
Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Principal place of business (if sole trader)			
<input type="text"/>			
Suburb	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1B: COMPANY/ CORPORATE TRUSTEE

Full Company Name

ACN/ARBN (if any)

TFN, ABN or Exemption Code (if any)

Country of Residence for Tax Purposes

Country of Formation, Incorporation or Registration

Name of Regulator (If Licensed by an Australian Commonwealth, State or Territory Statutory Regulator)

Licence Details

If the company is registered as a proprietary company by ASIC or a private company by a foreign registration body, please provide the name of each director of the company:

Director 1 Full Name

Director 2 Full Name

Registered Office Address

Suburb

State

Postcode

Country

Principal Place of Business

Suburb

State

Postcode

Country

IF AN AUSTRALIAN COMPANY, REGISTRATION STATUS WITH ASIC:

☐

Proprietary company

☐

Public company

IF A FOREIGN COMPANY, REGISTRATION STATUS WITH THE RELEVANT FOREIGN REGISTRATION BODY:

☐

Proprietary company

☐

Public company

☐

Other (please specify)

Name of the Relevant Foreign Registration Body

Foreign Company Identification Number

IS THE COMPANY LISTED?

☐

Yes Name of the market/exchange

☐

No

IS THE COMPANY A MAJORITY-OWNED SUBSIDIARY OF AN AUSTRALIAN LISTED COMPANY?

☐

Yes Name of Australian listed company

☐

No

Name of the market/exchange

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1B: COMPANY/ CORPORATE TRUSTEE (CONTINUED)

If the company is an Australian proprietary company or a foreign private company which is not regulated, please provide the details below for each individual who owns through one or more shareholdings more than 25% of the company's issued capital:

SHAREHOLDER 1

Full Name

Address (not PO box)

Suburb

State

Postcode

Country

SHAREHOLDER 2

Full Name

Address (not PO box)

Suburb

State

Postcode

Country

SHAREHOLDER 3

Full Name

Address (not PO box)

Suburb

State

Postcode

Country

If there are more shareholders, please provide the above details on a separate page and attach to this AML Supplement.

► *Please proceed to Section 2*

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1C: TRUST/SUPERANNUATION FUND

TRUST DETAILS

Full Name of Trust/superannuation Fund

Full business name of Trustee (if any)

TFN, ABN or Exemption Code

Country of residence for tax purposes

Country in which the trust/superannuation fund was established

☐ **Category A:** Registered managed investment scheme **ARSN**

☐ **Category B:** Regulated Trust (e.g. self-managed superannuation fund)

TYPE OF TRUST

Name of regulator (eg ASIC, APRA, ATO)

ABN

Registration/licensing details

☐ **Category C:** Government superannuation fund

☐ **Category D:** Other trust type

Name of the legislation establishing the fund

Trust description (e.g. family, unit, charitable)

▼ COMPLETE IF THE TRUST FALLS UNDER CATEGORY D

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

☐ **Yes** – Please provide details of membership class(es) (e.g. unitholders, family members of named person, charitable purposes)

☐ **No** – Please provide full names of all company and individual beneficiaries below

BENEFICIARY DETAILS

Beneficiary 1 Full Name

Beneficiary 2 Full Name

Beneficiary 3 Full Name

Beneficiary 4 Full Name

If there are more beneficiaries, please provide the above details on a separate page and attach to this AML Supplement.

TRUSTEE DETAILS (ALL INVESTORS)

Trustee 1 Full Name

Trustee 2 Full Name

If there are more trustees please provide the above details on a separate page and attach to this AML Supplement.

If individual trustees, please complete Section 1A in respect of one of the individual trustees.

If corporate trustees, please complete Section 1B in respect of one of the corporate trustees.

► **Please proceed to Section 2**

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1D: PARTNERSHIP

PARTNERSHIP DETAILS

Full Name of partnership

Registered business name of partnership (if any)

TFN, ABN or Exemption Code

Country of residence for tax purposes

Country in which the partnership was established

TYPE OF PARTNERSHIP

Is the partnership regulated by a professional association?

☐ Yes – Name of association

Membership details

☐ No – (please provide details below with respect to all the partners) Number of partners

PARTNER 1

Title Full Name

Residential Address (not PO box)

Suburb

State

Postcode

Country

PARTNER 2

Title Full Name

Residential Address (not PO box)

Suburb

State

Postcode

Country

PARTNER 3

Title Full Name

Residential Address (not PO box)

Suburb

State

Postcode

Country

If there are more partners, please provide their details on a separate page and attach to this AML Supplement.

Partner Details (All Investors) Please complete Section 1A in respect of one of the partners who is an individual.

► Please proceed to Section 2

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1E: AGENT OF CUSTOMER

Please complete Part I if investment is made through an individual authorised agent (ie if investment instructions are made by the individual authorised agent on behalf of the investor).

For a non-individual investor, please complete Part II if a verifying officer has been appointed to liaise with the authorised agent in relation to this application.

PART I – INDIVIDUAL AUTHORISED AGENT APPOINTED

I/We have appointed the person(s) named below as my/our authorised representatives. I/We confirm that the authorised representatives are required to authorise instructions.

Full name of agent

Agent's company name (if any)

Licence Number or Authorised Representative Number (if any)

CONTACT DETAILS OF AGENT

Phone

Fax

Email

Postal Address (Not PO Box)

Suburb

State

Postcode

Country

If there are two or more authorised representatives, you may attach a schedule of representatives. Please specify whether an authorised representative can act individually or joint:

☐ individually ☐ jointly (tick one)

If you do not indicate, then two will be required.

PART II – VERIFYING OFFICER APPOINTED

It is the agent's responsibility to notify the investor that the verifying officer has specific obligations under the AML/CTF Law. In completing and signing this application as authorised agent for the investor, you agree to notify the investor that the verifying officer is required to:

- Collect the following: full name of the agent; position title or role held by the agent in relation to the investor; a copy of the agent's signature; and evidence that the agent is authorised to act for the investor;
- Make a record of the above information; and
- Provide the full name of the agent and a copy of the agent's signature if requested to do so.

You also agree to inform the Investor that they must retain the records made by the verifying officer.

Title **Full Name**

Date of Birth

 / /

Residential Address (not PO box)

Suburb

State

Postcode

Country

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 2: IDENTIFICATION DOCUMENTS - ALL INVESTORS

To comply with our obligations under AML Law, we must collect certain information, supported by original or certified copies of relevant documents, about each investor. Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

In order to verify the signature(s) on the Application Form, as well as the authority for all future requests, please provide a list of authorised signatories (including sample signatures), or for individual investors, a certified copy of the passport or driver's licence.

INVESTOR TYPE

GO TO

<input type="checkbox"/> Individual/Joint Investors/Sole Trader/Individual Trustee	Section 2A
<input type="checkbox"/> Company/Corporate Trustee	Section 2B
<input type="checkbox"/> Trust/Superannuation fund	Section 2C
<input type="checkbox"/> Partnership	Section 2D
<input type="checkbox"/> Agent of Customer	Section 2E

SECTION 2A: INDIVIDUAL/JOINT INVESTORS/ SOLE TRADER/ INDIVIDUAL TRUSTEE*/ PARTNERS*/AGENTS OF CUSTOMERS

Please provide us with an original or certified copy of a document from Part I, or if you do not own a document from Part I, original or certified copies of documents from Part II or III.

**You only need to provide the relevant documents set out in this Section 2A if you are required to complete Section 1A.*

PART I

✓ PROVIDE ONE DOCUMENT FROM THIS SECTION

- ☐ Current driver's licence containing your photograph and date of birth issued by an Australian State or Territory or equivalent authority of a foreign country
- ☐ Australian passport (a passport that has expired within the past 2 years is acceptable)
- ☐ Foreign passport or similar travel document containing your photograph and signature (accompanied by written translation from an accredited translator where required)
- ☐ Current card issued by an Australian State or Territory for the purpose of proving your age containing your photograph and date of birth
- ☐ National ID card issued by a foreign government containing your photograph and signature (accompanied by written translation from an accredited translator where required)

PART II - AUSTRALIAN INVESTOR (SHOULD ONLY BE PROVIDED IF YOU DO NOT OWN A DOCUMENT FROM PART I)

✓ PROVIDE ONE DOCUMENT FROM THIS SECTION

- ☐ Australian or foreign birth certificate (accompanied by written translation from an accredited translator where required)
- ☐ Australian or foreign citizenship certificate (accompanied by written translation from an accredited translator where required)
- ☐ Pension card issued by the Department of Human Services

C

ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 1E: AGENT OF CUSTOMER - CONTINUED

PART II - AUSTRALIAN INVESTOR (SHOULD ONLY BE PROVIDED IF YOU DO NOT OWN A DOCUMENT FROM PART I) - CONTINUED

✓ **AND ONE DOCUMENT FROM THIS SECTION**

- ☐ A certified copy of a notice, showing your name and residential address, issued by the Commonwealth or a State or Territory within the past 12 months that records the provision of financial benefits to you
- ☐ A certified copy of a notice, showing your name and residential address, issued by the Australian Taxation Office within the past 12 months that records a debt payable by or to you
- ☐ A certified copy of a notice, showing your name and residential address, issued by a local government body or utilities provider (eg rates notice or electricity bill) within the past 3 months which records the provision of services to you
- ☐ If you are under age 18: a notice, showing your name and your residential address, issued by a school principal within the past 3 months which records the period of time that you attended at that school

SECTION 2B: COMPANY/ CORPORATE TRUSTEE*

Please provide us with an original or certified copy of a document from the following:

✓ **PROVIDE THE DOCUMENTS FROM THIS SECTION**

- ☐ Certificate of registration or incorporation issued by ASIC
- ☐ Certificate of registration or incorporation issued by the relevant foreign registration body
- ☐ Current company search from ASIC database/relevant foreign registration body

✓ **AND (IF APPLICABLE) DOCUMENTS FROM THIS SECTION**

- ☐ **If a listed company:** a search of the relevant financial market
- ☐ **If a regulated company:** a search of the licence or other records of the relevant Commonwealth, State or Territory statutory regulator

**You only need to provide the relevant documents set out in this Section 2B if you are required to complete Section 1B.*

SECTION 2C: TRUST/SUPERANNUATION FUND

Registered management investment scheme/self-managed superannuation fund/regulated trust/government superannuation fund

✓ **PROVIDE THE DOCUMENTS FROM THIS SECTION**

- ☐ Screen print from the relevant regulator's website showing the full name of the Trust, and that the Trust is a registered scheme, self-managed superannuation fund, regulated trust or government superannuation fund

OTHER TRUSTS

✓ **Provide ONE document from this section**

- ☐ An original or certified copy or certified extract of the trust deed
- ☐ A notice issued to the Trust by the Australian Taxation Office within the past 12 months
- ☐ Letter from a solicitor or qualified accountant verifying the name of the trust

✓ **AND BOTH documents from this section**

- ☐ Full name and residential/registered office address of all individual and corporate trustees
- ☐ The relevant documents set out in section 2A or 2B for the individual or corporate trustee who has completed section 1A or 1B respectively

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ANTI-MONEY LAUNDERING SUPPLEMENT

SECTION 2D: PARTNERSHIP

✓ Provide ONE document from this section

- ☐ An original or certified copy or certified extract of the partnership agreement
- ☐ A certified copy or certified extract of minutes of a partnership meeting
- ☐ An original current membership certificate (or equivalent) of a professional association
- ☐ Membership details independently sourced from the relevant professional association
- ☐ A notice issued to the Partnership by the Australian Taxation Office within the past 12 months
- ☐ An original or certified copy of a certificate of registration of business name issued by a government or government agency in Australia

✓ AND the documents from this section

- ☐ The relevant documents set out in section 2A for the individual partner who has completed section 1A

✓ AND (if regulated by a professional membership) ONE document from this section

- ☐ An original current membership certificate (or equivalent) of a professional association
- ☐ Membership details independently sourced from the relevant professional association

SECTION 2E: AGENT OF CUSTOMER

✓ Provide BOTH documents from this section

- ☐ Evidence of the agent's authority to act on behalf of the Investor (eg signed letter, power of attorney)
- ☐ The relevant documents set out in section 2A in respect of the Agent (if individual agent appointed) or in respect of the verifying officer (if verifying officer appointed)

✓ AND document from this section if verifying officer appointed

- ☐ Written evidence of the Investor's authorisation of the verifying officer to act as a verifying officer

SECTION 3: CERTIFIED COPY OF AN ORIGINAL DOCUMENT

Certified copy means a document that has been certified as a true copy of an original document.

Certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in the sub-paragraphs below.

The certifier should sign the copy (printing their name underneath) and clearly indicate their position or capacity, and include a contact address and phone number. The certifier must indicate that the document is a true copy of the original document.

People who can certify documents or extracts are:

- A person who, under a law in force in a State or Territory, is currently licensed or registered to practise the following occupations:
 - Chiropractor;
 - Dentist;
 - Legal practitioner;
 - Medical practitioner;
 - Nurse;
 - Optometrist;
 - Patent/Trademarks attorney;
 - Pharmacist;
 - Physiotherapist;
 - Psychologist; and
 - Veterinary surgeon.
- a **lawyer**—a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
- a **person** listed in Part 2 of Schedule 2 of the Statutory Declarations Regulations 1993, which includes but not limited to:
 - a **judge** of a court;
 - a **magistrate**;
 - a **chief executive officer** of a Commonwealth court;
 - a **registrar** or **deputy registrar** of a court;
 - a **Justice of the Peace**;
 - a **notary public** (for the purposes of the Statutory Declaration Regulations 1993);
 - a **police officer**;
 - a **postal agent**—an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
 - the **post office**—a **permanent employee** of The Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
 - an **Australian consular officer** or an **Australian diplomatic officer** (within the meaning of the Consular Fees Act 1955);
 - an **officer** at a bank, building society, credit union or finance company with 2 or more continuous years of service with one or more **financial institutions** (for the purposes of the Statutory Declaration Regulations 1993);
 - a **member** of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants; and
 - a **teacher** employed on a full-time basis at a school or tertiary education institution.
- an **officer** with, or **authorised representative** of, a **holder of an Australian financial services licence**, having 2 or more continuous years of service with one or more licensees.