



CORPORATE GOVERNANCE

Investment Manager



Merchant
FUNDS

*This **Reference Guide** was issued on 27 July 2017 and forms part of the Product Disclosure (PDS) for Merchant Opportunities Fund dated 27 July 2017. This **Reference Guide** should be read in conjunction with the PDS and is not intended to be read as a document in its own right. The **Reference Guide** may be updated at any time. You can download the current PDS or **Reference Guide** from the website www.merchantgroup.com.au or by calling Merchant Funds Management on (08) 9389 3600 or by contacting the Responsible Entity, free of charge.*

CORPORATE GOVERNANCE

The Responsible Entity is required to manage the affairs of the Fund in accordance with the Fund's Constitution and the Corporations Act.

CIP Licensing Limited and its Directors are committed to appropriate corporate governance practices and in providing full disclosure to investors about those corporate governance practices. Set out below is a statement of the main corporate governance bodies that CIP Licensing Limited has in place in its management of the Fund.

Board of Directors

The Board sets the strategic direction of the Fund and has ultimate responsibility for the management of the Fund.

The Board is structured with some independent, non-executive Directors including the chairman.

The Board of Directors of CIP Licensing Limited has the following members:

Mr. David French BEcon, DipCM

Mr French is the managing director of CIP Licensing Limited. David has 24 years of experience in finance and economics, 19 of which are in investment markets, and was rated one of the top three investment analysts in Australia for his sectors of responsibility. David has been responsible for building the business of Capricorn Investment Partners to a point where the business now manages about \$460 million in investments for more than 1,000 clients.

He holds a Bachelor of Economics and a Diploma in Corporate Management, and has also completed a range of other courses relating to the valuation of companies and investments. David is Treasurer of Home Support Association, a disability services organisation, and a past director of Rockhampton Regional Development Limited and The Rockhampton Chamber of Commerce. He indirectly holds 150,000 Units in the Fund.

Mr. Nigel Allfrey BComm, BEcon

Mr Allfrey has several decades of business experience in the Australian and International Finance industry. He was co-founder and CEO of Impact Investing Pty Ltd, a Sydney based Funds Management Financial Services Technology company that achieved global success and recognition. Prior to that he held senior portfolio management positions with leading fund management firms BlackRock and Bankers Trust. Today Nigel is Principal of the Caana Group, a private wealth management firm.

Mr. Owen Evans BA (Hons), MSc(Econ)

Mr Evans is an experienced investment professional with almost 30 years' experience in research, valuation and funds management. He was rated the number one analyst for building materials, construction and emerging companies while at UBS Australia and judged Money Management Fund Manager of the Year in 2005 and 2006 as Chief Investment Officer at MIR Australia. Between 1997 and 2010, Mr Evans was the sole analyst on the IPO's of Bristle, AWB, Transfield Services, Worley Parsons and NRW. He is currently the principle of Yaz Investment Pty Ltd, and provides consulting services for mid-sized Australian Companies such as Adelaide Brighton, Brickworks Ltd, Calibre Global and Dulux. He also provides investment consulting advice for global fund managers. Mr Evans is currently a non-Executive President of the Manly Warringah Basketball Association and is a Director of the Sydney Harbour Foreshore Authority.

Mr. Lance Livermore BBus, CPA Certified Financial Planner

Mr Livermore has more than 30 years of experience in both stockbroking and financial planning. He attained his original qualifications in Albury prior to establishing himself as a financial controller with Potter Warbug in Melbourne. Mr Livermore was a founding partner of Bailey Livermore Financial Services, a predecessor of Pentad and Capricorn Investment Partners.

Mr. Christopher Heyworth
BA (Acct), ACA
Certified Financial Planner

Mr Heyworth is a qualified accountant (Institute of Chartered Accountants in England and Wales) who has worked in the financial planning industry for more than 25 years. He is a Certified Financial Planner and has been the principal of his own business as well as working as a significant co-owner alongside others prior to the planned sale of The Pentad Group in 2013.

Chris continues as an employed financial planner under the new ownership structure. Earlier career experience includes mainstream accounting and audit roles with multi-national commercial enterprises in a variety of locations.

Senior Management

Senior Management involved in the operation of the fund include:

Mr. David French
Managing Director CIP Licensing Limited
Responsible Manager

See details above.

Mr. Owen Evans
BA (Hons), MSc(Econ)
External - Responsible Manager

See details above.

Mr. Andrew Chapman
BBus. (Acct and Hospitality)
External - Fund Manager

Mr Chapman established Merchant Group in December 2011 after a 9 year career with one of Perth's leading private wealth managers. Joining the industry in 1999, Andrew has been exposed to numerous market cycles and has adapted his personal views on active portfolio management combined with an awareness of risk to offer a specialised investment management service to a select group of high net worth clients. With graduate and post graduate qualifications in Business, Finance and Hospitality, he is well versed to provide customised investment solutions with a direct and transparent investment focus.

Ms Davina Knight
BBus(HRM)
Compliance Manager - CIP Licensing Ltd

Ms Knight has experience working in accounting firms and over 5 years of experience in Human Resources in Australia and United Kingdom. Among other fields, Davina recruited for accounting, auditing and insolvency businesses.

Davina has a Bachelor of Business majoring in Human Resources Management from CQ University; and has almost completed a Bachelor of Laws through CQUniversity.

Committees

The Board has additionally established the following committees to assist in satisfying its responsibilities:

- an audit committee;
- a compliance committee; and
- an investment committee.

Audit Committee

The Audit Committee oversees the financial audit and compliance audit of the Fund. The primary function of the Audit Committee is to ensure that an effective internal control framework exists to safeguard the assets of the Fund and ensure the integrity and reliability of financial and management reporting systems.

The Audit Committee members are:

David French
Managing Director, CIP Licensing Limited
See details above.

Richard Symons
BEcon, GDipAppFin&Inv, CA
Chief Financial Officer

Mr Symons is a Chartered Accountant and Chartered Secretary, and holds a Graduate Diploma of Applied Finance and Investment. He has over 25 years of professional experience, gained in a variety of public practice and CFO roles for listed and unlisted companies.

Richard owns and operates Radar Financial Services Pty Ltd, which provides CFO and Company Secretarial services to a number of different entities in the financial services sector.

Compliance Committee

The Compliance Committee will monitor the Responsible Entity's compliance against its Compliance Plan and ensure that the Compliance Plan keeps abreast of best industry practice and regulatory requirements (Refer **section 13.2** of the PDS for further information on the compliance plan).

The Compliance Committee includes two members external to CIP Licensing Limited, and the compliance manager of CIP Licensing Limited.

The compliance committee members are:

[Davina Knight](#)

[Compliance Manager, CIP Licensing Limited](#)

See details above.

[Christina Kalantzis](#)

[LLB/Com., B.Econ, Dip FP - \(External Member\)](#)

Ms Kalantzis is the principal of Alexis Compliance Risk Solutions. She has worked with Argyle Partnership Lawyers, FPA Australia Ltd and Investor Security Group.

Christina has 13 years of experience in the financial services industry and regularly addresses industry groups on compliance issues. She is an admitted lawyer of the Supreme Court of New South Wales.

[Michael Park](#)

[BEc, M App Fin – \(External Member\)](#)

Mr Park's experience as the former Head of Operations & Strategy at NAB Wholesale Banking Treasury includes the formulation of the funding & liquidity risk management strategy and formulation of internal policy and procedure documentation for all operations within NAB Wholesale Banking Treasury.

He also acted as Chief Liaison on behalf of Wholesale Banking Treasury with all NAB Group risk oversight functions including Operational Risk, Credit Risk, Internal Audit, Non-Traded Market Risk, Compliance and Regulatory Affairs. Mr Park has had extensive experience in reporting to senior risk management committees within NAB including the Group Operational Risk Committee, Group Non-Traded Market Risk Committee, Group Risk Management Committee and the NAB Asset & Liability Committee.

Investment Committee

The role of the Investment Committee is to supervise the implementation of the investment process described in **section 7** of the PDS.

The investment committee members are:

[Mr. Andrew Chapman](#)

[External - Fund Manager](#)

See details above.

[Justin Klintberg](#)

[BBus.\(Acct and Finance\), GDipAppFinInv](#)

Mr. Klintberg established and launched Kima Capital in 2009. From 2000, he was a Portfolio Manager at a leading European based manager, Marble Bar Asset Management (MBAM), where he spent seven and a half years investing in European and Pan Asian markets. He joined MBAM with assets of approximately US\$70m and a team of 4 and over the next 7+ years saw assets grow in excess of US\$4bn and a team of 70+ staff. He was a key portfolio manager for the MBAM Pan Asian fund during which time, fund assets grew to in excess of US\$500m in the region. Prior to MBAM, Mr Klintberg spent 4 years in sales/trading with Hartley Poynton Ltd focusing on equity and equity derivatives.

Mr. Klintberg has a Bachelor of Business degree majoring in accounting and finance from Deakin University as well as a Graduate Diploma of Applied Finance and Investment.

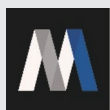
[Chris Mews](#)

[BBus.\(Acct\), CPA, Chartered Secretary](#)

Mr Mews is a Certified Practicing Accountant and Chartered Company Secretary. He has been in financial services for over 17 years and is experienced in financial operation, governance and compliance of managed investment schemes, ASX listed and unlisted companies.

During this time, he has held senior positions in finance and corporate secretarial and compliance. In these roles he has been a member of senior management and participated in due diligence and acquisition of managed investment schemes and participated in various capital raisings for managed investment schemes, ASX listed companies and unlisted companies.





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