


MERCHANT LEADERS FUND

INFORMATION MEMORANDUM

AN OFFERING TO WHOLESALE INVESTORS

IMPORTANT INFORMATION

This Information Memorandum (**Memorandum** or **IM**) dated 23 May 2018, is issued by Merchant Leaders Pty Ltd (ACN 625 743 526) (**the Trustee**), via an Intermediary Agreement in place with CIP Licensing Limited (ABN 63 603 558 658, AFSL 471728) (**CIP**) and relates to the issue of units (**Units**) in the Merchant Leaders Fund (**the Fund** or **MLF**). The Fund is a managed investment scheme that is not (and is not required to be) registered with the Australian Securities and Investments Commission (**ASIC**).

The Trustee has appointed CIP as its agent for the purposes of arranging to issue, vary or dispose of Units in the Fund pursuant to section 911A(2)(b) of the Corporations Act. Offers under this Information Memorandum are made by CIP, for and on behalf of the Trustee pursuant to Section 911A(2)(b) of the Corporations Act. CIP will arrange for the issue of Units by the Trustee under this Information Memorandum and the Trustee will only issue Units in accordance with such offers if they are accepted.

CIP is the Australian Financial Services Licence Holder (AFSL 471728). Merchant Funds Management Pty Ltd is a Corporate Authorised Representative (CAR 420444) (**Merchant** or **Investment Manager**) of Draupner Investment Management Pty Ltd (AFSL 303566) is the investment manager of the Fund.

This IM relates to the offer to subscribe for Units. The offer does not constitute an offer of Units in any jurisdiction in which, or to any person to whom, it would be unlawful to make such offer or invitation. No public offer of Units will be made pursuant to this Memorandum. The offer and subscription of Units may be prohibited in certain jurisdictions and to persons outside of Australia. Offers of securities in the United States of America are heavily regulated. This Information Memorandum does not constitute an offer of securities to any person who is a United States resident or is otherwise domiciled in the United States. Please refer to Section 9.13 for further information.

This IM and the offer contained within this IM is only available if you are, and by accepting this IM you are representing that you are, a Wholesale Client. This IM is not a prospectus or product disclosure document under the *Corporations Act* and is not required to be. It has not been lodged with ASIC under the *Corporations Act*.

Any person who receives or reads this IM should not consider it as a recommendation to purchase Units. The investment objectives, needs or financial position of any person have not been taken into account in preparing this IM. The IM is general in nature and is not to be considered as financial, legal or tax advice. Before making an investment decision on the basis of this IM, you should consider whether investing in the Fund is suitable for your individual circumstances and seek advice from qualified financial, tax and other professional advisers. No persons other than the Trustee, Investment Manager and the Licensee have caused or authorised the issue of this IM.

The Trustee, Licensee and Investment Manager makes no representation or warranty as to the accuracy or truth of the contents of this IM. No person has been authorised to make representations or give any information with respect to the Fund except for the information contained herein. Neither the Trustee, Licensee, Investment Manager nor any other person gives any assurance as to the performance of the Fund nor do they guarantee the repayment of capital from the Fund. Investments in the Fund are not deposits with or liabilities of the Trustee

Licensee, Investment Manager nor any associated company. Investments in the Fund are subject to investment and other risks, including possible delays in repayment and loss of income and capital invested. Recipients of this IM should ensure they are fully aware of all these risks before investing in the Fund. Please see Section 5 for further details on the risks of investing in the Fund.

The Licensee (on advice from the Investment Manager) reserves the right to modify, withdraw, reject or cancel any offering made pursuant to this IM (this includes the right to close the offer at any time, accept late subscriptions and increase or decrease the size or timing of the offer in its sole discretion).

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

No information or representations in connection with the offer of Units, which is not contained in this IM, should be relied upon in making an investment decision about the offer. This IM and the Trust Deed supersede all previous representations and communications (including investor presentations) in respect of the Fund and the offer in this IM. To the extent of any inconsistency between this IM and the Trust Deed, the Trust Deed prevails.

Information in this IM, as well as the terms and conditions of the offer or the Fund, may be updated from time to time. This IM is current as at its specified date of issue. Fees and costs stated in this Memorandum are exclusive of GST.

All dollar amounts are in respect of Australian dollars (unless specified otherwise).

By accepting this IM, you are agreeing to keep it and its contents confidential and not to provide it to persons other than your advisers provided they also maintain such confidentiality.

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01 | CORPORATE DIRECTORY

Investment Manager

Merchant Funds Management Pty Ltd

ACN: 154 493 277

Address: Level 3, 101 St Georges Terrace, Perth, Western Australia 6000

Phone: 08 6277 0050

Email: info@merchantfm.com.au

Website: www.merchantfunds.com.au

Trustee

Merchant Leaders Pty Ltd

ACN: 625 743 526

Address: Level 3, 101 St Georges Terrace, Perth, Western Australia 6000

Phone: 08 6277 0050

Email: info@merchantfm.com.au

Custodian

Capricorn Investment Partners (Nominees) Pty Ltd

ABN: 41 111 287 453,

Address: Suite 4, 103 Bolsover Street, Rockhampton, Queensland, 4700

Phone: 1800 679 000

Email: enquiries@investmentcollective.com.au

Licensee

CIP Licensing Limited

ABN: 63 603 558 658

AFSL: 471728

Address: Suite 4, 103 Bolsover Street, Rockhampton, Queensland, 4700

Phone: 1800 679 000

Email: enquiries@investmentcollective.com.au

Tax Advisers

Quay Associates Pty Ltd

Address: Suite 7, 16 Kearnes Crescent, Ardross, Western Australia 6153

Legal Advisers

Steinepreis Paganin

Address: Level 4, The Read Buildings, 16 Milligan Street, Perth, Western Australia, 6000

02 | FUND OVERVIEW

Fund Structure	Merchant Leaders Fund is an Australian domiciled unregistered unit trust.
Investment Manager	Merchant Funds Management Pty Ltd, an Australian private company, is a corporate authorised representative (CAR 420444) of Draupner Investment Management Pty Ltd (ABN 16 112 894 845, AFSL 303566).
Custodian	Capricorn Investment Partners (Nominees) Pty Ltd (ABN 41 111 287 453).
Eligible Investors Investment	Units will only be issued to Wholesale Clients .
Objective	The Investment Manager will seek to generate absolute returns greater than the ASX 100 Non-Accumulation Index per annum after all fees and expenses, including distributions (if any). The Investment Manager may not be successful in meeting this investment objective and returns are not guaranteed.
Benchmark Start Price	The value of the S&P ASX 100 Index (ASX: XTO) as at the start of the relevant Performance Period.
Benchmark End Price	The value of the S&P ASX 100 Index (ASX: XTO) as at the end of the relevant Performance Period.
Investment Strategy	The Fund intends to operate a systematic long and short directional investment strategy focussed on companies within the ASX 300 Index. The Fund can invest in stocks outside the top 300 and unlisted investments however this investment is not intended to exceed 15% of the Funds gross assets at any one time.
Minimum Investment	\$100,000.00 (in cash or other assets as agreed to by the Investment Manager).
Minimum Additional Investment	\$50,000.00 (unless otherwise agreed to by the Investment Manager).
Minimum Redemption	\$50,000.00.
Management Fee	1.35% (excluding GST) of Funds Under Management (Total Assets).
Performance Fee Benchmark	20% of the increase in Net Asset Value (NAV) per unit, over the Benchmark, calculated monthly and payable annually in arrears.
Fund Expenses	The Custodian will charge fees as outlined in Section 6.
Applications and Redemptions	Given the Fund will be highly liquid, it is expected Applications and Redemptions will be processed each month or as required at the conclusion of the month in which the relevant forms were received by the Custodian.
Unitholder Distributions	Distributions will be paid at the end of each financial year and a tax statement for each unitholder will be provided.
Unit Valuation	The Fund will be valued at the conclusion of each month.
Entry/Exit Fees	There are nil entry fees and nil exit fees.

The above overview is a non-exhaustive high-level summary of the key features of the Fund. The overview is qualified by the other sections of this Memorandum and the Trust Deed. The Memorandum should be read in its entirety before deciding to invest in the Fund.

03 | MANAGEMENT STRUCTURE

3.1 | Investment Manager

The Investment Manager of the Fund is Merchant Funds Management Pty Ltd (**Merchant** or **MFM**), an Australian-based investment manager. Merchant has been the Investment Manager for the Merchant Opportunities Fund since 2012. This Fund has consistently provided positive returns to unitholders over the last 4 years. Further information is available at www.merchantfunds.com.au. The Investment Manager intends to employ a systematic investment process to capture absolute returns from taking both long and short directional investments in equities within the ASX 300. The Fund can also invest in stocks outside the top 300 and unlisted investments, however this investment is not intended to exceed 15% of the Funds gross assets at any one time.

Investment Committee

Andrew Chapman **Chairman and Chief Investment Officer**

Andrew established Merchant Group in December 2011; post 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; Andrew is well versed to provide customised investment solutions with a direct and transparent investment slant. Andrew is the Portfolio Manager for the Merchant Opportunities Fund – which has performed strongly over the last few years. Andrew was responsible for establishing OzHarvest in Western Australia - www.ozharvest.org.au - where he currently maintains a Board Position.

Justin Klintberg

Justin joined Merchant in a Corporate Advisory role in 2017 and brings over 20 years' experience in the investment and capital markets industry. Justin has spent the last 6 years in Hong Kong running and investing in hedge funds, the latter part through an advisory agreement with Sun Hung Kai Financial. Justin was the founder and CIO of Kima Capital, a Pan Asian Hedge Fund from 2009-2016. 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. Prior to MBAM, Justin spent 4 years as an adviser in Australia focusing on equities and equity derivatives. Justin has a Bachelor of Business from Deakin University majoring in accounting and finance as well as a Graduate Diploma of Applied Finance and Investment.

Chris Mews

Chris is a CPA, holds a Bachelor of Business degree (Accounting) and is a Chartered Company Secretary. He has been in financial services for over 19 years and is experienced in the financial operations, governance and compliance of Managed Investment Schemes, ASX listed companies and unlisted companies. Chris has held senior positions in Finance, Corporate Secretarial and Compliance. In these roles, he has been a member of senior management and participated in the due diligence and acquisition of Managed Investment Schemes, and participated in various capital raisings for Managed Investment Schemes, ASX listed companies and unlisted companies. Chris is responsible for the Group's financial and compliance responsibilities.

The key responsibilities of the Investment Committee include:

- overseeing the risk exposure levels of the Fund;
- reviewing strategy and asset allocations; and
- considering external market themes and structural change that may influence the Fund's investment strategy.

04 | INVESTMENT OBJECTIVE & STRATEGIES

4.1 | Investment Objective

The Investment Manager will seek to generate total returns over and above the ASX 100 Non-Accumulation Index after all fees and expenses, including distributions (if any).

Note: The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium term. The Investment Manager may not be successful in meeting this objective and returns are not guaranteed.

4.2 | Investment Philosophy

The Fund runs a specialised and focused mandate in terms of assets traded and investment process employed.

The investment philosophy involves a fully systematic analytical approach incorporating approximately 16 different quantitative measures. The approach is repeatable, transparent and unemotional. The way an investment decision is implemented is a function of how market information scores on these measures, not the subject of the manager's opinion.

The trading principles have been tested both in real time as well as extensively back tested against publicly available market data. The testing has demonstrated consistently higher returns than the ASX100 over time and, by combining the principles into a systematic process, the Investment Manager is able to act quickly and with conviction in response to identified market contingencies. Importantly, a systematic approach eliminates the risk of any emotional or cognitive errors that could interfere with what has shown to be a proven investment strategy.

4.3 | Investment Process

The investment process focuses on analysing the mechanics of the market via 16 different economic, structural and quantitative criteria. The Investment Manager may engage in external consultants to assist in the investment process at no extra cost to the fund.

The investment process seeks to achieve absolute returns combined with a very strong focus on downside protection. The process is based on implementing a number of highly concentrated trades and limiting market risk at other times by implementing a dynamic hedge in periods of heightened risk or remaining fully invested in cash.

The trading principles act synergistically to define the prevailing market regime and to identify any areas of heightened risk. This process instructs the Investment Manager whether the Fund should make a long or short directional investment in company within the investment universe.

Given that markets are dynamic - and that the market structure is likely to continue to change with further technological innovation - the Investment Manager envisages that the investment process will evolve accordingly and that the trading principles and instruments currently in use may be refined or substituted as required.

4.4 | Risk Management Principles

Risk management is a function of the Investment Manager's clearly defined investment process. Risk is managed at the variable, portfolio, counterparty, operational and process levels.

04 | INVESTMENT OBJECTIVE & STRATEGIES

At the variable level, the Investment Manager focuses on 16 different measures that reflect on prices or yields on financial markets, on the grounds that market prices and yields embody the largest amount of publicly available information and are the quickest to reflect changes in market conditions.

At the portfolio level, the Investment Manager monitors volatility parameters, return targets, liquidity, drawdown, correlations with risk factors, sizing parameters, market exposure, hedging, turnover, and leverage (gross, net exposures).

At the counterparty level, the Investment Manager monitors risk via capacity, credit ratings, firm research, newswires and consultation with market peers.

At the process level, the Investment Manager monitors the Fund's historical statistical conviction and whether this is replicating in real time. The Investment Manager monitors returns in various economic conditions against expected returns.

Lastly, the Investment Manager monitors for structural change resulting from financial innovation and technological change, which is likely to impact our investment process.

4.5 | Allocation Strategy

The Investment Manager's primary geographic focus will be the top 300 Index.

As the investment process evolves, the Investment Manager will seek to replicate the approach in other major international markets to provide asset and currency diversification. In doing so, the Investment Manager will always adhere to the current investment approach: a systematic application of trading principles in order to capture return from equities, and cash investments.

4.6 | Currency

The Fund does not intend to invest in, or have exposure to, investments denominated in non-Australian currencies.

4.7 | Assets

The Fund will initially only be exposed to cash and equities listed on the Australian Securities Exchange (ASX). The Fund can invest in stocks outside the top 300 and unlisted investments however this investment is not intended to exceed 15% of the Funds gross assets at any one time.

4.8 | Underwriting and Sub-Underwriting

The Fund will not engage in any underwriting or sub-underwriting activities.

05 | RISKS OF INVESTING IN THE FUND

As with any investment, an investment in the Fund involves risk. There is no guarantee that the Fund's investment objectives will be achieved, that its investment strategies will be able to be successfully implemented or that Unitholders will receive any return on their investment. Unitholders may lose some of their investment in the Fund from time to time. Set out below is a summary of some of the key risks involved in investing in the Fund.

Potential Unitholders should carefully read this section and consider the following risks when determining whether to invest. The summary is not exhaustive. Unitholders should undertake their own enquiries and obtain appropriate advice.

5.1 | Investment Manager and Key Person Risk

The performance of the Fund is reliant upon the Investment Manager and the development and implementation of its investment strategies. The strategies may not be possible in all circumstances. There is also a risk that key members of the Investment Manager may leave and not be able to be replaced which could adversely affect the Fund and the ability of the Investment Manager to successfully achieve the investment objectives of the Fund.

5.2 | General Investment Risk

The value of the Fund's investments may fall or fluctuate which will affect the value of Units. Changes in economic, political or market conditions or the regulatory environment may adversely impact the Fund and its investments. In addition, other factors may affect particular investments (i.e. interest rates or exchange rates) and, consequently, the value of Units may fall or the distributions from the Fund may be lower than expected or there may be no distributions. There are no assurances that the Investment Manager will anticipate these developments and neither the Trustee, Licensee, Investment Manager nor any other person guarantees the performance of the Fund.

5.3 | Failure of Investment Strategies

The Investment Manager may in its discretion adopt the investment, trading and risk management strategies and methods it determines are most appropriate in the market circumstances. However, there can be no assurance that these strategies will be successful and a Unitholder may lose a proportion of its investment in the Fund.

5.4 | Diversification Risk

The Fund's initial investment strategy does, at times, employ a highly concentrated approach. This means that the Fund may, at certain times, be close to fully invested in one asset class. The investment process reviews the position on a daily basis, however, this approach does mean that the Fund is potentially exposed to unanticipated, large swings in the value of its investments which may result in greater volatility for Unitholders.

As the Fund increases in capacity, the Investment Manager may look at diversification on the ASX to further diversify the portfolio from only the ASX 300. The Fund can invest in stocks outside the top 300 and unlisted investments however this investment is not intended to exceed 15% of the Funds gross assets at any one time.

5.5 | Market Risk

The Fund intends to operate a systematic long and short directional investment strategy focussed on companies within the ASX 300 Index. Initially, the investment strategy will be equities and the Fund will hold cash from time to time. The Fund can invest in stocks outside the top 300 and unlisted investments however this investment is not intended to exceed 15% of the Funds gross assets at any one time. These investments and their respective share prices may be subject to inefficiency, volatility, unpredictability and/or political instability, all of which could cause loss of capital.

05 | RISKS OF INVESTING IN THE FUND

5.6| Limited Track Record

The Fund has no track record; however, this is the second fund that will be managed by the Investment Manager.

Further, the investment philosophy and model that will be implemented by the Investment Manager is heavily based on historical back testing of data. Back tested results have certain limitations. Unlike an actual track record, back tested results do not represent actual trading. Back tested results are not necessarily indicative of future results.

5.7| Absence of Secondary Market

There will be no public market for Units. Unitholders will generally only be able to dispose of their Units by means of redemption on the relevant redemption day at the Redemption Price, subject to notice periods, restrictions and suspension as described in Section 8. The risk of any decline in the Net Asset Value of Units during period from the date of notice of redemption until the redemption day will be borne by the Unitholder requesting redemption.

5.8| Use of Financial Instruments

These products may be used to manage exchange risks and to generate investment return. From time to time the Fund will engage in Short Selling of equities on the ASX300.

There are a number of other risks related to these arrangements discussed elsewhere in this Section 5.

5.9| Counterparty and Service Providers' Risk

The Trustee and Investment Manager will, where practicable, typically seek counterparties and service providers who are reputable and have a reasonable expectation of not defaulting (for example, low credit risk), although these risks cannot be eliminated.

Counterparties to the Fund's investments may also under the terms of those investments be able to exercise discretion (e.g. relating to valuations and terminating the investment) which may be exercised adversely to the interests of the Fund.

5.10| Leverage

Via the process of shorting securities on the ASX, the Investment Manager seeks to employ sensible use of leverage in relation to the Fund to mitigate risk.

The Investment Manager may borrow money for the purpose of exercising any power under the Funds trust deed.

One should note that investment losses may be magnified by the use of leverage, resulting in greater losses to Unitholders of the Fund.

5.11| Interest Rate Risk

Interest rate fluctuations may affect the income derived or value of certain investments of the Fund and the costs of the Fund implementing its investment strategies.

5.12| Currency Risk

The Fund will only invest in Domestic Equities; therefore, direct Currency Risk will not be prevalent.

05 | RISKS OF INVESTING IN THE FUND

5.13| Valuation Risk

There is no assurance that the calculation of the Net Asset Value described in Section 8 will reflect the actual realised value of assets of the Fund. In certain circumstances, valuations may be suspended where assets cannot be valued or would yield a valuation which would, in the opinion of the Investment Manager, be to the detriment of Unitholders.

Applications, redemptions and fees payable are based on these valuations. See Section 8 for further information on how investments and Unit prices are calculated.

5.14| Liquidity Risk

There is no assurance that redemption proceeds or distributions will be distributed in a timely manner. The Fund may be restricted in its ability to realise its investments to meet redemption requests by Unitholders or to pay expenses or fees. Ultimately this may delay the payment of proceeds to Unitholders.

5.15| Redemption Risk

Where substantial Fund investments must be realised to fund a redemption request, the Redemption Price will generally be calculated on the value of the actual proceeds received from those realised investments. This value may differ from the estimated value of Units. See Section 8 for further information on how Application Prices and Redemption Prices are calculated.

Where the Fund cannot sell its investments in a timely manner, there may be substantial delays in the payment of redemption proceeds, or in certain circumstances, the Fund may suspend redemptions. In particular, the Fund's liquidity will be adversely affected where a counterparty to the Fund's investments defaults on its payment obligations to the Fund. Insolvency of such a counterparty may inhibit the ability of the Fund to pay redemption proceeds or may cause significant delays in doing so.

The Fund may delay redemptions for a variety of reasons (see Section 8.5), including where there is a circumstance outside the Custodian's control which it considers impacts on its ability to properly or fairly calculate the Unit price, the total redemption monies which would be payable pursuant to the redemption request(s) represent more than 25% of the Net Asset Value of the Fund, otherwise as the Trust Deed may contemplate, or such other circumstance as the Trustee determines to be appropriate in its absolute discretion having regard to the best interests of Investors as a whole.

05 | RISKS OF INVESTING IN THE FUND

5.16| Legal, Regulatory and Tax Risk

Regulation and tax that apply to the Custodian, Investment Manager, the Fund and its investments may change (or tax laws may be interpreted by a tax authority or court in a different manner to which they have been interpreted and applied by the Trustee, Investment Manager or the Fund) and this may impact on the investment returns and nature of the investments in the Fund.

5.17| Documentation Risk

Certain investments of the Fund may be governed by documentation, the interpretation of which may be disputed and their enforceability challenged.

The two key risks associated with this are the risk of the Custodian becoming insolvent and the risk of loss through Custodian error or poor performance.

In general, all assets of the Fund other than cash are held by Custodians in nominee accounts or in the name of the Fund itself. Either way, the assets are held separately from the Custodian. These assets are therefore generally protected, regardless of whether the Custodian suffers any insolvency event.

The asset that would really be affected by the collapse of a Custodian is cash, which typically represents an asset on the bank's balance sheet. In order to mitigate the risk of the Fund's cash assets being exposed to Custodian risk, the Investment Manager intends to only appoint Custodians that have sound financial strength, however, that may not always be sufficient to completely mitigate the risk.

The Investment Manager also intends to only appoint experienced and reputable Custodians so as to minimise the risk of Custodian error or poor performance.

5.18| Taxation Risk

Taxation laws are complex and changes to them or their interpretation or practice could adversely affect the tax treatment of an investment in the Fund or the tax treatment of the Fund's investments. Unitholders should obtain their own tax advice in relation to an investment in the Fund.

06 | FEES AND COSTS

6.1 | Management Fee

The Investment Manager will be entitled to a fee of up to 1.35% (excluding GST) of the total assets of the fund, accrued and paid each month.

See Sections 6.3 and 6.4 for expenses of the Fund.

6.2 | Performance Fee – Above the High-Water Mark

The Fund will charge a Performance Fee of 20% of the increase in the NAV, subject to the applicable High-Water Mark for any calculation period. The Performance Fee will be calculated and accrue monthly and is payable annually to the Investment Manager from the Fund.

Each time a Performance Fee is payable, a High-Water Mark is calculated. The High-Water Mark is the previous highest NAV per Unit immediately after payment of a Performance Fee with respect to the Units (or if none has been paid, the initial issue price of the Units). The application of the High-Water Mark seeks to ensure that until any previous losses per Unit incurred by the Fund have been recovered, the Investment Manager does not earn, or earns a reduced, Performance Fee.

Additions and withdrawals of assets attributable to subscriptions and redemptions of Units, and distributions may be taken into account in the calculation of the Performance Fee.

Subject to the terms of the Trust Deed, the Trustee (on advice from the Investment Manager) reserves the right to change the Performance Fee in the future.

6.3 | Licensee and Administrative Fees

The Licensee is entitled to a fee (ex GST) of:

\$20,000 per annum plus GST for funds under management of up to \$30 million, plus 0.075 per cent plus GST above that.

6.4 | Expenses

All costs or general expenses incurred (or to be incurred) by the Trustee or Investment Manager in connection with the establishment and the management of the Fund and the offer are payable out of the Fund. The Trustee and Investment Manager are responsible for providing all office personnel, office space and office facilities required for the performance of their services. The Fund bears all other expenses incidental to its operations, including, but not limited to, fees payable to the Fund's service providers (e.g. Licensee, tax, legal, prime broker, auditor (if any), investment manager, administrator and custodian), insurance of the Investment Manager, taxes imposed on the Trustee, Fund or the Investment Manager, company incorporation charges, governmental charges and duties, the Fund's advisers (e.g. legal, accounting and audit), printing and distributing the Memorandum, subscription materials, marketing materials, pricing (including financial data and news) information systems (and related software) and any reports and notices to Unitholders or prospective Unitholders.

There are no salaries payable for managing the Fund from the monthly expenses.

06 | FEES AND COSTS

The Fund may also incur unanticipated expenses arising from its business, such as litigation and indemnification expenses. The Unit price will reflect expenses, costs and liabilities (including Licensee Fees, and Performance Fees) that have accrued in respect of the relevant period but have not been paid. If some or all of such amounts are not payable at the end of the period, the Net Asset Value (and therefore the Unit prices) would be expected to increase. Similarly, if the accrued amount is less than the actual amount payable at the end of the period, the Net Asset Value (and therefore the Unit prices) would be expected to decrease.

6.5| Cap on Fee, Waiver and Deferral

The Trustee or Investment Manager may, in their sole discretion, elect to accept lower fees or defer receipt of any fees from time to time. Any such election will in no way affect the right to receive any fees payable. The Trustee or Investment Manager may also rebate or waive all or part of any fees applicable to Units for certain Unitholders and/or pay all or part of such fees to third parties for services related to the placement of Units.

07 | TAX CONSIDERATIONS

7.1| General

Neither the Investment Manager nor the Trustee provide financial or tax advice, nor have they obtained taxation advice specific to the Offer the subject of this IM. As such, this IM cannot address all of the taxation issues which may be relevant to the Investor. The Investor must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.

7.2| General Advice Warning

The Investor is responsible for administering their own tax affairs. This may include capital gains and/or income tax. Each time the Investor invests, they must satisfy themselves prior to making any commitment that they understand and accept the tax consequences to them.

We do not provide tax advice and Investors should seek this independently before investing if they are unsure of their position. It is the Investors responsibility to ensure that their tax return is correct and is filed by the deadline and any tax owing is paid on time. If an Investor is unsure how this investment will affect their tax status they must seek professional advice before they invest. Tax treatment is dependent on the individual circumstances of each Investor and may be subject to change in the future.

7.3| Taxation Status

The Fund is a managed unit trust. Therefore, as a unit trust, investors in the Fund will collectively be presently entitled to the entire amount of the taxable income of a Fund for each relevant financial year, and the Fund itself should not be liable to Australian income tax under present income tax legislation. All income (such as dividends and interest), net taxable capital gains (sale of funds' investments) and tax credits (franking credits or tax paid on foreign income) will be distributed to the Unitholders shortly after the end of the financial year. This income and capital gains, if any, requires the individual Unitholder to pay tax at their marginal tax rate.

7.4| Distributions

As stated above, it is currently expected that the Fund will generally not pay tax on income or capital gains made by it, provided Unitholders are presently entitled to all of the Fund's taxable income. The distributions can form part of your assessable income and be subject to tax for the tax year in which the Fund generated the income and capital gains, even if your distributions are reinvested into the Fund.

7.5| Disposal of Units in the Trust

Australian investors are generally subject to capital gains tax when they withdraw any money from the Fund. Depending on your status as a taxpayer and how long you have held the units, you may be entitled to a capital gains concession (which reduces the liability by up to 50.00%). The capital gains tax protection for a superannuation fund is different.

Applying for and withdrawing units in the Fund, and receiving distributions, will not incur GST in Australia. However, GST may be payable on our fees and certain reimbursement of expenses. Where the Fund is able to, it will claim input tax credits on the GST incurred.

7.6| Dividends

The Fund will seek to distribute franking credits to investors received from the Fund's investments in Australian companies. Any franking credits attached to distributions will be shown in investors' annual tax statements. As stated above, to the extent franking credit entitlements exceed tax payable by an investor, any excess may be refundable to individuals and complying superannuation funds.

07 | TAX CONSIDERATIONS

7.7| Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (**FATCA**) relates to US taxpayers and the Common Reporting Standard (**CRS**) is a broader framework for the exchange of financial account information between jurisdictions relating to all non-Australian taxpayers. We are required to collect information about your tax status in order to comply with Australian laws to implement Australia's obligations under FATCA and CRS, which are regimes for the exchange of financial account information by Australia with foreign jurisdictions. To comply with FATCA and CRS, as a financial institution, we must collect information about your tax status before opening your account and we are required to identify foreign accounts and provide information relating to foreign accounts and foreign controlling persons to the Australian Taxation Office. The Australian Taxation Office may then pass this information to other revenue authorities under exchange of information agreements that Australia has entered into with other jurisdictions. We cannot provide tax advice about the impact or compliance obligations of FATCA and CRS on you or your business activities.

If you do not provide this information, we may not be able to process your application. We encourage you to seek advice from a tax adviser if you are uncertain about what steps you need to take.

7.8| Goods and Services Tax (GST)

GST will not be imposed on the application for, or withdrawal of Units in the Fund. However, the services for which any fees are payable under the "Fees and other costs" section of this Information Memorandum are likely to be subject to GST. The Fund is unlikely to be entitled to claim a full input tax credit for any GST paid on fees and other costs payable by it. The Fund may be entitled to claim a reduced input tax credit (RITC) of the GST payable in respect of certain expenses.

7.9| Tax File Number (TFN) or Australian Business Number (ABN)

Investors who have not provided a TFN, ABN or alternatively provided exemption details may have tax deducted from their distributions at the highest marginal tax rate plus the Medicare Levy and the Deficit Repair levy (currently 49%).

7.10| Stamp Duty

The acquisition or withdrawal of units should not attract stamp duty. However, stamp duty may apply when transferring units.

08 | AN INVESTMENT IN THE FUND

8.1| Applications

Unitholders may make an initial application for Units subject to the minimum initial investment amount of \$100,000, or an additional application subject to the minimum additional investment amount of \$50,000, or any such other amount determined by the Investment Manager. Additional Units will be issued at the Application Price determined at the time of issue.

The Trustee, upon the advice of the Investment Manager, may from time to time allow additional dates for accepting applications.

Applications will generally be processed monthly. Applications must be received by the Administrator before 2.00pm Australian Western Standard Time on the third last Business Day of the relevant month to be eligible for processing using that month's Application Price unless otherwise agreed by the Trustee upon the advice of the Investment Manager. The number of Units issued to Unitholders is determined by dividing the investment amount by the relevant Application Price - refer to Section 8.2 below.

The Trustee may, upon the advice of the Investment Manager, reject or decline to accept applications or additional applications in whole or in part and may close the Fund to further investment where it believes the Fund has reached capacity.

Any interest accrued on application monies received will accrue to the benefit of the Fund. If an application is rejected or fewer Units issued than subscribed for, application monies or the returned portion of the application monies will be returned without any interest.

8.2| Application Price

The number of Units issued to Unitholders is determined by dividing the investment amount by the relevant Application Price.

The Initial Application Price will be \$1.00 per Unit.

The Application Price will be equal to the NAV per Unit. The number of Units ultimately issued to applicants is determined by dividing their investment amount by the relevant Application Price.

8.3| Redemptions

Unitholders may make a redemption request on a monthly basis (subject to any suspension – see section 8.5).

The minimum redemption amount is \$50,000, unless otherwise approved by the Trustee upon the advice of the Investment Manager. Redemptions will generally be processed on the last Business Day of each calendar month (**Redemption Valuation Date**), however pursuant to the Trust Deed, the Trustee may process redemptions up to 25 days after the end of the calendar month. Redemption requests must be received by the Administrator at least three business days before a Redemption Valuation Date for the request to be processed on that date.

Processing of redemptions may be deferred or redemptions may be suspended - refer to Sections 8.4 and 8.5. A redemption request lodged during a period of suspension is deemed to be lodged immediately after the end of the suspension period.

08 | AN INVESTMENT IN THE FUND

8.4| Redemption Price

Redemption proceeds will equal the number of Units being redeemed multiplied by the applicable Redemption Price. The Redemption Price is the NAV per Unit as at the time of the redemption, adjusted for any Performance Fees, transaction and operation costs such as brokerage and stamp duties, taxes and other charges and expenses applicable from selling Fund investments.

The Trust Deed provides that the Trustee may take up to 25 days to pay redemption proceeds from the end of the month in which the application was made. The Trustee expects that this will usually take only 15 to 20 days, however, in unusual circumstances, payment of redemption proceeds may take longer. Please refer to Section 8.5 below and see Section 6 for more information on 'Liquidity risk' and 'Redemption risk'.

8.5| Suspension of Redemptions

No redemptions, or payment of redemptions proceeds, will be permitted where the calculation of the Net Asset Value or withdrawals are suspended. The Trustee can delay Unit redemptions for such period as is appropriate in all the circumstances including, without limitation, where:

- a) the Trustee reasonably considers that the redemption request/s may not be met without detriment or disadvantage to the other Unitholders;
- b) a force majeure event exists;
- c) the realisation of investments is not possible or cannot be effected at prices which would be realised if the investments were realised in an ordinary functioning market;
- d) there is a breakdown or failure in the systems including communication failure of the Trustee or of any administrator or agent appointed by the Trustee or a breakdown or failure of any other means of communication normally employed to determine the value of the investments on an ongoing basis.

Where Fund investments must be realised to fund a redemption request, the Redemption Price will generally be calculated on the basis of the value of the actual proceeds received from those realised investments. If the realisation prices of assets which fund redemptions are less than what is reflected in the Net Asset Value on the redemption day, then the Redemption Price will be adjusted downward.

8.6| Valuations

Net Asset Value

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

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

08 | AN INVESTMENT IN THE FUND

In general, any securities or other products which trade on a financial market will be valued using their closing price on the relevant date the valuation is conducted.

The Trustee (on advice from the Investment Manager) may make such modifications to the means of calculating the Net Asset Value as it may from time to time considers reasonable to ensure that such changes accord with good accounting practice.

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

NAV Per Unit

The NAV per Unit is the Net Asset Value of the Fund (i.e. total value of the assets less liabilities), divided by the number of Units as at that Valuation Day (rounded to six decimal places).

This is used to determine Redemption Price (refer to Section 8) for Units. The Trustee has delegated the calculation of the Net Asset Value to the Administrator.

8.7| Transfers

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

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

8.8| Distributions

The distribution policy of the Fund is to distribute (when available) as soon as practicable after each 30 June (or otherwise as determined by the Trustee) the taxable income of the Fund.

Unitholders will be given the opportunity, on an annual basis, to request that the Administrator reinvests distributions into the Fund.

The Trustee may, from time to time, distribute additional amounts where the Trustee believes it is appropriate. Distributions may be made up of both income and capital.

09 | ADDITIONAL INFORMATION

9.1 | Trust Deed

The Fund is an unregistered managed investment scheme governed by the *Corporations Act* and the Trust Deed. The Trust Deed addresses matters such as valuation methods applying to Unit pricing, redemptions and applications, the issue and transfer of Units, Unitholder meetings and Unitholders' and the Trustee's rights, liabilities and indemnities.

A summary of the Trust Deed is set out below. It is not intended to be exhaustive and is qualified in its entirety by the Trust Deed.

Please contact the Administrator to obtain a copy of the Trust Deed.

9.2 | Period and Termination of the Fund

Unless terminated earlier by the Trustee pursuant to the Trust Deed, no Units may be issued or redeemed after the 80th anniversary of the day the Trust commenced if that issue or redemption would cause a contravention of the rules against perpetuities (if there is one) or any other rule of law or equity.

9.3 | Trustee's Indemnity and Liability

The Trustee is entitled to be indemnified from the Fund for any amounts incurred in acting as trustee of the Fund, subject to the Trust Deed and the law. If the Trustee acts in good faith and without negligence it is not liable in equity, contract, tort or otherwise to Investors for any loss suffered in any way relating to the Trust.

The liability of the Trustee to any person in respect of the Trust is limited to the Trustee's actual indemnification from the Assets for that liability.

9.4 | Investment Manager's Indemnities and Liabilities

Under the terms of the Investment Management Agreement, the Investment Manager and its directors are indemnified by the Trustee against all losses in respect of its duties under the Investment Management Agreement, except to the extent that those losses arise from the actions or failures of the Investment Manager and are finally determined to have constituted negligence, fraud or dishonesty.

9.5 | Unitholders Liability

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

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

9.6 | Amending the Trust Deed

The Trustee may amend the Trust Deed by supplemental deed. Approval of 75% by value of Units voted (in person or by proxy) at any relevant meeting is needed if the Trustee considers the amendments are not in the best interests of Unitholders as a whole. Notwithstanding the foregoing, the Trustee may amend the Trust Deed without Unitholder approval where such amendments are reasonably required and do not adversely affect a Unitholder's rights.

09 | ADDITIONAL INFORMATION

9.7 | Communicating and Reporting

Unitholders will be provided with the reports set out in the table below. The Investment Manager may (but is under no obligation to) provide further information upon request.

Report	Timing
Unit Price*	Monthly
Transaction statements	To each Unitholder within 60 days of the transaction
Income distribution and tax statement (including details of income entitlements)	To each Unitholder within 90 days of the end of the financial year
Annual report (including the Fund's audited accounts)	To each Unitholder within 90 days of the end of the financial year

*The above information may be provided through the Investment Manager's website.

9.8 | Offer Changes

The Trustee (on advice from the Investment Manager) reserves the right to cancel the offer of Units, return application monies (without interest) for whatever reason or change the terms and conditions of the offer or Fund at any time.

9.9 | Conflicts of Interest

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

- (a) represent or act for, or contract with, their affiliates and associates;
- (b) invest in and deal in any capacity with the same investments as that of the Fund, on similar or different terms (including starting a new fund);
- (c) act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of Unitholders;
- (d) recommend that investments be purchased or sold on behalf of the Fund, regardless of whether at the same time they may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to themselves or other clients;
- (e) appoint any agents and use brokers, custodians and clearing houses and other persons, including related parties, for the purposes of it meeting their obligations and responsibilities in respect of the Fund;
- (f) receive and retain profits or benefits of any nature, in connection with the Fund, and may do so without being liable to account to the Fund or Unitholders; and/or
- (g) the Trustee may offer other products and services to other parties including the Investment Manager (such as acting as a placement agent in distribution of the Fund).

The Investment Manager intends to establish internal policies and procedures to ensure that any conflicts of interest arising in relation to the Fund are adequately identified and appropriately managed. Where the Investment Manager considers that a particular conflict of interest is likely to have a materially adverse effect on Unitholders, it will seek to implement adequate arrangements to mitigate and prevent (where practicable) adverse effects on Unitholders. In certain cases, the Investment Manager may disclose the conflict of interest to Unitholders and obtain their consent for the Investment Manager (and other persons if relevant) to proceed in the context of that conflict of interest.

09 | ADDITIONAL INFORMATION

9.10| Anti Money Laundering

The Trustee and Investment Manager are required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) and associated rules and regulations (**AML/CTF Laws**). This means that the Trustee may require Unitholders to provide personal information and documentation when investing in the Fund. The Trustee may need to obtain additional information and documentation to process applications or subsequent transactions or at other times.

The Trustee may need to identify:

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

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

9.11| Jurisdictional Information

Offers or the subscription of Units may be prohibited or regulated in certain jurisdictions and to certain persons. It is the responsibility of Unitholders and persons receiving this document to carefully consider such regulation.

9.12| Privacy Policy

By completing the Application Form, you are providing personal information for the primary purpose of the Trustee providing this product to you. The Trustee may use the personal information contained in your application form for related purposes such as administration and providing services to you in relation to the product. Administration includes monitoring, auditing, evaluating, modelling data, dealing with complaints, answering queries and providing services in relation to this product.

If you do not provide the information requested in the Application Form, your application may not be capable of acceptance or processing.

The Trustee may share your personal information for permitted related purposes or with outsourced service providers. Some of these providers include:

- your financial adviser;
- legal and accounting firms, auditors, consultants and other advisers for the purpose of administering your investment and the Fund; and
- government authorities when required by law, including, without limitation, to the Australian Transaction Reports and Analysis Centre (AUSTRAC), in compliance with the Trustee's obligations under anti-money laundering law.

We will not disclose your personal information to overseas recipients.

10 | GLOSSARY

Administrator means The Investment Collective (ABN 26 095 998 771).

AFSL means Australian Financial Services Licence.

Application Form means the application form included in or accompanying this Memorandum relating to the purchase of Units.

Application Price means the NAV per Unit applicable to the Units being issued, adjusted for any transaction and operational costs (if any) and determined at the time of issue of Units as calculated under the Trust Deed.

Benchmark Start Price means the value of the S&P ASX 100 Index (ASX: XTO) as at the start of the relevant Performance Period.

Benchmark End Price means the value of the S&P ASX 100 (ASX: XTO) as at the end of the relevant Performance Period.

Business Day means a day other than a Saturday or Sunday on which Australian banks are open for general banking business in Perth, Western Australia.

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

Eligible Investor means a person eligible to invest and remain invested in the Trust (as determined by the Trustee from time to time or as disclosed in any Offer Document).

ETP has the meaning given in Section 4.4.

Fund means the Merchant Leaders Fund.

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

Investment Manager means Merchant Funds Management Pty Ltd (ACN 154 493 277).

Investment Management Agreement means the investment management agreement entered into between the Trustee and the Investment Manager in respect of managing the Fund.

Management Fee has the meaning provided in Section 6.

Net Asset Value means the net asset value of a Fund, Class or series as provided in Section 8.

NAV per Unit has the meaning provided in Section 8.6.

Performance Fee has the meaning provided in Section 6.

Redemption Price means the Redemption Price is the NAV per Unit at the time of the redemption, adjusted for any transaction and operation costs (if any) as calculated under the Trust Deed. See Section 8 for more details.

Trust Deed means the Trust deed dated on or about 11 May 2018, as amended from time to time.

Licensee means CIP Licensing Limited (ABN 63 603 558 658, AFSL 471728).

Licensee Fee has the meaning provided in Section 6.

Unit or Units means a unit or units in the Fund offered under this Information Memorandum.

Unitholder or Unitholders means persons who are indicated on the register of holders as the holder of a Unit or Units in the Fund.

10 | GLOSSARY

Valuation Day means the last day of each calendar month on which the Net Asset Value is calculated.

VIX Index means the Volatility S&P 500^e Index (VIX).

Wholesale Client means a person referred to in Section 761G(7) and/or Section 761GA of the Corporations Act.

11 | WHOLESALE CLIENT INFORMATION

Following is a summary of the main categories of a “Wholesale Client”

Category	Description
1. Invest at least \$500,000 at one time (excluding superannuation monies).	
2. Invest at least \$500,000 together with an “associate” at one time (excluding superannuation monies).	Reasons the investor and someone else can be associated include: <ul style="list-style-type: none"> the other person is a trustee of a trust in relation to which the investor benefits or is capable of benefiting; the other person is a person with whom the investor is acting in concert, or proposes to act in concert, in respect of the investment; or the other person is a person with whom the investor is, or is proposing to become associated, whether formally or informally, in any other way in respect of the investment.
3. The investor and a body corporate which the investor wholly owns and controls together invest at least \$500,000 in aggregate.	See below for the meaning of “control”.
4. The investor has an accountant’s certificate that shows that they have net assets of at least \$2.5 million or gross income for each of the last two financial years of at least \$250,000. The certificate must not be more than 2 years old.	And in calculating the \$2.5 million or \$250,000 the investor can include the net assets or gross income (as relevant) of any company or trust it controls. See below for meaning of “control”.
5. The investor is a company or trust controlled by someone who has an accountant’s certificate as mentioned in number 4.	“Control” means you have the capacity to determine the outcome of decisions about the company or trust’s financial and operating policies. The practical influence you can exert (rather than the rights you can enforce) is the issue to be considered and any practice or pattern of behaviour affecting the company or trust’s financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).
6. The investor is acquiring the investment for use in connection with a business which is not a small business.	A small business is one that employs less than 100 employees if that business is or includes the manufacture of goods, or otherwise is a business which employs less than 20 people.
7. The investor is a subsidiary or holding company of another body corporate which is a professional investor as defined in section 9 of the Corporations Act	
8. The investor is a financial services licensee.	
9. Investor is the trustee of a superannuation fund with net assets of at least \$10 million.	

11 | WHOLESALE CLIENT INFORMATION

Following is a summary of the main categories of a “Wholesale Client”

Category	Description
10. The investor controls at least \$10 million.	Including any amount held by an associate or under a trust that the investor manages.
11. The AFSL holder considers the investor to be a sophisticated investor.	<p>a. The Licensee or another AFSL holder must be satisfied on reasonable grounds, that the client has previous experience in using financial services and investing in financial products that allows the client to assess:</p> <ul style="list-style-type: none">i. the merits of the Fund;ii. the value of the Units in the Fund;iii. the risks associated with holding Units in the Fund;iv. the client's own information needs; andv. the adequacy of the information given by the Trustee; <p>b. The Licensee or the other AFSL holder must give the client before or at the time when the Units are issued, a written statement of the Licensee's or AFSL holder's reasons for being satisfied as stated above.</p> <p>c. The client must sign a written statement, before or at the time when the product or service is provided, acknowledging that the Licensee or other AFSL holder:</p> <ul style="list-style-type: none">i. has not provided the client a Product Disclosure Statement or any other document that would normally be required to be given to a retail client; and <p>has no other obligations towards the client that would apply if the client were retail.</p>

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12 | APPLICATION FORM

MERCHANT LEADERS FUND

Application Form

This application form is given solely to the recipient of the attached Information Memorandum and used to apply for Units pursuant to the Offer under the terms set out in the Merchant Leaders Fund (**Fund**) Information Memorandum dated 23 May 2018 (**IM**).

PART 1. New or Existing

This application should be applied to: (please tick one)

NEW

Please go to Part 2 and complete the remainder of the application form.

EXISTING

Please provide the Unitholder name and Unitholder number below.

*Note: If you are a current Unitholder you only need to complete Part 2 to 5 of the application form if your details or preferences have changed.

PART 2. Investor Details

(a) New investor/Existing Investor

Title:	Surname:	
<hr/>		
Given names:	Date of birth:	
<hr/>		
Residential address:		
<hr/>		
Suburb:	State:	Postcode:
<hr/>		
Tax File Number:	Or exemption:	
<hr/>		

(b) New investor/Existing Investor – Joint Holder Details

Title:	Surname:	
<hr/>		
Given names:	Date of birth:	
<hr/>		
Residential address:		
<hr/>		
Suburb:	State:	Postcode:
<hr/>		
Tax File Number:	Or exemption:	
<hr/>		

(c) Company, including Corporate Trustee

Full name:

Full registered business name (if applicable) of the partnership:

Full street address of registered office: This must be a physical street address and cannot be a post box.

Suburb:

State:

Postcode:

Full street address of principal place of business:

Suburb:

State:

Postcode:

ACN / ABN / ARBN:

Tax File Number:

Country of registration / establishment:

Australia

Foreign (please specify)

Are you a regulated company / partnership: (please mark one)

Yes

No

Name of regulator / Registration body:

Details of relevant licence:

Is the Government body a body of: (please mark one)

A state, territory or a foreign country (please specify)

The Commonwealth of Australia

(d) Trust

Full name of Trust:

Type of Trust:

ABN:

Tax File Number:

Country of establishment:

Trustee Details

Individual Trustee. Please complete Part 2 (a) and / or (b)

Corporate Trustee. Please complete Part 2 (c)

PART 3. Contact details

(a) Investor contact details (Joint investors please include one set of contact details for all communications)

Contact Name:

Postal address:

Suburb:

State:

Postcode:

Telephone:

Mobile number:

Fax number:

Email address:

(b) Investor contact details (Joint investors please include one set of contact details for all communications)

Contact Name:

Postal address:

Suburb:

State:

Postcode:

Telephone:

Mobile number:

Fax number:

Email address:

PART 4. Communication

If you elect to receive a copy of the Fund's annual report, we are required by law to provide a copy to you free of charge (which will be sent to your specified email address). If you do not elect to receive a copy, then you may access the Annual Report on our website at www.merchantfunds.com.au.

Please mark if you would like to receive a copy of the annual report each year.

☐ I wish to receive a copy of the annual report each year.

PART 5. Investment Details

Please specify the amount you wish to invest in the Merchant Leaders Fund:

INVESTMENT AMOUNT: \$ _____

The minimum investment amount is **\$100,000** (in cash or other assets as agreed to by the Investment Manager) and after that multiples of **\$50,000** (unless otherwise agreed to by the Investment Manager).

The Fund accepts payment via electronic transfer to:

Bank account name: Capricorn Investment Partners (Nominees) Pty Ltd ACF Merchant Leaders Fund Application Account

Bank name: The Rock Building Society Limited

BSB: 655 000

Account number: 30 081 044

Reference: Please include the applicant name in narration reference section when making an electronic transfer.

For alternative payment options contact The Investment Collective on:

Phone: 1800 679 000

Email: bondsadmin@investmentcollective.com.au

The Constitution provides for the Trustee to distribute Fund Income to Unitholders following the end of the financial year. Distributions of income are to be reinvested in additional Units unless the Trustee decides otherwise. A Unitholder may, however, notify the Trustee that it does not want the distribution to be reinvested. The notice must be given 15 business days before the end of annual distribution period.

PART 6. Distributions and Bank Account Details

(a) Distribution Method

The Constitution provides for the Trustee to distribute Fund Income to Unitholders following the end of the financial year. Distributions of income are to be reinvested in additional Units unless the Trustee decides otherwise. A Unitholder may, however, notify the Trustee that it does not want the distribution to be reinvested. The notice must be given 15 business days before the end of annual distribution period.

Distribution option

Reinvest

Deposit in nominated bank account (as per below)

(b) Bank Account Nomination

Please nominate the bank account into which you would like distributions (where not reinvested) and withdrawals paid.

Account name: (Must be in the name of the Unitholder)

Name of Financial Institution:

Branch:

BSB:

Account Number:

PART 7. Declaration and Signature

I acknowledge, declare and agree that by signing this application form:

I have provided all the accompanying information as required in Part 8.

I have provided a Wholesale Investor Declaration.

I am a professional investor under the Corporation Act or other investor than does not require disclosure under the Corporations ACT 2001, including in respect of each additional investment application (unless I/ we notify the Investment Manager or The Investment Collective).

I am an individual over 18 years of age or I am a duly incorporated body.

I have read carefully and understood I am applying solely on the basis of the Fund Information Memorandum provided and this completed application form. I understand that the information contained in the Information Memorandum is not legal, financial or tax advice nor a recommendation that the Fund is suitable to my/our needs.

I agree to be bound by the terms of the Constitution governing the Fund, this completed application form and the current Fund Information Memorandum, as amended or issued from time to time. The Trustee and Investment Manager reserves the right to not accept any applicable at its discretion.

That the Investment Manager / The Investment Collective is authorised to apply the Tax File Number or ABN provided above and it will be applied to all future applications for Units, including re-investments, unless I otherwise advise the Investment Manager or The Investment Collective.

That the Units in the Fund do not represent deposits with, or other liabilities of the Investment Manager or The Investment Collective.

That holding units in the Fund is subject to investment risk, including possible delays in repayment, loss of income and principal invested.

That I/we have such knowledge and experience in financial and business matters or we have obtained advice from a financial adviser such as I am capable of evaluating the merits and risks of my/our acquisition of the Units.

That the performance of the Fund, nor any particular return from, or any repayment of capital invested in, the Fund is guaranteed by the Investment Manager or The Investment Collective, the Custodian, the Auditor, or any of their subsidiaries or any other person or organisation and I/we understand the risks involved in investing in the Fund.

I/We acknowledge that due to anti-money laundering requirements, the Administrator and/or the Investment Manager may require proof of identity before the application can be processed and the Investment Manager and/or the Administrator be held harmless and indemnified against any loss ensuing due to the failure to process this application, if such information has been required by the parties hereto has not been provided by me/us.

I/We consent to details relating to my/ our application and holdings being disclosed to companies associated with Investment Manager which perform marketing and investor servicing duties.

I/ We understand the Fund is currently an unregistered managed investment scheme and agree to any future registration of the Fund with ASIC without the need of a Unitholder meeting.

Investor 1 (or authorised signatory of Applicant as shown in Section 2)

Investor 2 (or authorised signatory of Applicant as shown in Section 2)

Signature:

Signature:

Name:

Name:

Date:

Date:

ADVISER USE ONLY

Unitholder Number:

Number of Units:

Registered Name:

Registered Address:

PART 8. Additional Information for AML/CTF Purposes

Identification Requirements

The Administrator is obliged to comply with the Know Your Customer policy in addition to Australian anti-money laundering legislation which dictates that we identify each investor in the fund and retain supporting documentation as evidence of the same.

In order to satisfy the above we require the following documents:

1. INDIVIDUAL INVESTORS (Including Joint Investors, Sole Traders and Individual Trustee):

- A certified* copy of an Australian Passport.
- or
- A certified* copy of an Australian drivers licence.
- or
- A certified* current foreign driver's licence, passport or similar travel document containing applicant signature.

If these documents are unavailable, please contact The Investment Collective for alternatives.

2. COMPANY INVESTOR/ COMPANY TRUSTEE WHOM IS NOT PUBLIC, REGULATED OR LICENSED:

- A certified* copy of an Australian Passport for each Director.
- or
- A certified* copy of an Australian drivers licence for each Director.
- or
- A certified* current foreign driver's licence, passport or similar travel document containing applicant signature.

If these documents are unavailable, please contact The Investment Collective for alternatives.

3. OTHER TRUSTS:

- A certified* copy of the Trust Deed.

AND

The relevant identification documents for the identified trustee (individual or corporate) as outlined in 1. and 2. above

*Certified: A certifier must be a suitable person, such as a justice of the peace, lawyer, accountant, director or manager of a regulated credit or financial institution, a notary public, a member of the judiciary or a senior civil servant. The certifier should sign the copy document (printing his/her name clearly underneath) and clearly indicate his/her position or capacity on it together with a contact address and phone number. The certifier must indicate that the document is a true copy of the original and that the photo is a true likeness of the person.

Please contact Merchant Funds Management who can certify or arrange certification of required documents.

Phone: 08 6277 0050

Email: info@merchantfm.com.au

USA Foreign Account Tax Compliance Act (FATCA)

Are you:

An individual who is a US Citizen or resident for tax purposes

A trust that is established under the laws of the US or a US Taxpayer or a trust that has its trustee, beneficiaries or settlor as a US Citizen or Taxpayer

A company established under the laws of the US or a US Taxpayer or a company whose beneficial owners through one or more shareholdings own more than 25% of the company's issued capital

A trust with a trustee that is a financial institution with a Global Intermediary Identification Number (GIIN) or has FATCA status (your tax status, as nominated by you, under the US Foreign Account Tax Compliance Act. E.g. you are deemed compliant Foreign Financial Institutions (FFI), excepted FFI, non-participating IGA FFI, exempted beneficial owner or GIIN applied but not yet issued)

A financial institution (e.g. custodial or depository institution, investment entity or insurance company) that has a GIIN or has FATCA status.

If you have ticked ✓ any of the above, please provide the name(s) and US Taxpayer Identification Number (TIN), GIIN or FATCA status of each owner, trustee, beneficial owner or settlor who is a US Citizen or resident of the US for tax purposes.

Name	Indicate if an individual, company, trust, trustee, beneficial owner or settlor	US TIN, GIIN or FATCA status

Additional information about FATCA can be found at:

[http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-\(FATCA\)](http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-(FATCA)); and

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/QG/FATCA

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13 | CHANGE OF DISTRIBUTION FORM

MERCHANT LEADERS FUND

Change of Distribution Form

Please complete this form and return to:

Merchant Funds Management Pty Ltd
PO Box Z5482
Perth St Georges Tce WA 6831
E. info@merchantfm.com.au

Unitholder Name:

Unitholder Number:

Contact Number:

Email:

100% Reinvested

100% Cash Distribution Confirm bank account details below.

Bank Account name: (Must be in the name of the Unitholder)

Name of Financial Institution:

Branch:

BSB:

Account Number:

Investor 1
(or authorised signatory of Applicant as shown in Section 2)
Signature:

Investor 2
(or authorised signatory of Applicant as shown in Section 2)
Signature:

Name:

Name:

Date:

Date:

14 | CHANGE OF ADDRESS FORM



Please complete this form and return to:

Merchant Funds Management Pty Ltd
PO Box Z5482
Perth St Georges Tce WA 6831
E. info@merchantfm.com.au

Unitholder Name:

Unitholder Number:

Old Address:

New Address:

New Contact Details

Telephone:

Mobile number:

Fax number:

Email address:

Investor 1
(or authorised signatory of Applicant as shown in Section 2)
Signature:

Investor 2
(or authorised signatory of Applicant as shown in Section 2)
Signature:

Name:

Name:

Date:

Date:

MERCHANT LEADERS FUND

Redemption Form

Please complete this form and return to:

Merchant Funds Management Pty Ltd
PO Box Z5482
Perth St Georges Tce WA 6831
E. info@merchantfm.com.au

Unitholder Name:

Unitholder Number:

Contact Details:

Address:

Daytime Telephone Number:

Email:

Amount (in Units):

Please credit to my/our bank account details:

Bank Account name: (Must be in the name of the Unitholder)

Name of Financial Institution:

Branch:

BSB:

Account Number:

Investor 1
(or authorised signatory of Applicant as shown in Section 2)

Signature:

Investor 2
(or authorised signatory of Applicant as shown in Section 2)

Signature:

Name:

Name:

Date:

Date:

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