

MERCHANT
OPPORTUNITIES
FUND

CORPORATE
GOVERNANCE

Investment Manager



Merchant
FUNDS

This **Reference Guide** was issued on 10 February 2020 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.merchantfunds.com.au or by calling Merchant Funds Management on (08) 6277 0050 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 3 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.

[Mr John Phelan](#)

[BET, Gd Dip Mrkt Mngt, psc\(r\)](#)

[Compliance Manager, CIP Licensing Limited](#)

Mr Phelan has over 30 years of management experience in the public, private, defence and non-profit sectors. As a manager in Queensland Rail, he was responsible for the management of project funds in accordance

with government purchasing policy. In another role, Mr Phelan was responsible for organizational compliance with standards for Registered Training Organisations. As an engineering manager in the aged care sector he was responsible for compliance with the relevant provisions of the Building Code of Australia and the Queensland Development Code, particularly in relation to fire safety and other high risk matters in aged care facilities.

As a member of the management team, Mr Phelan participated in the compliance activities in preparation for accreditation audits of residential aged care facilities including internal audits and self-assessments. For 8 years as treasurer of the Emu Park Surf Lifesaving Club, John was responsible for the financial management of the club and the compliance responsibilities under the Incorporated Associations Act and the Australian Charities and Not-for-profits Commission Act.

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:

[Mr David French](#)

[Managing Director, CIP Licensing Limited](#)

See details above.

[Mr Richard Symons](#)

[B Ec. 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** of the PDS for further information on the compliance plan).

The Compliance Committee includes 2 members external to CIP Licensing Limited, and the compliance manager of CIP Licensing Limited.

The compliance committee members are:

Mr John Phelan
Compliance Manager, CIP Licensing Limited

See details above.

Mr Dan Smith
(HRM), ADFS(FP), JP (Qual), MAICD - (External Member)

Mr Smith has completed the Australian Institute of Company Directors course, and holds current accreditations as a NMAS Mediator, Family Dispute Resolution Practitioner and Farm Business Debt Mediator. His formal qualifications cover business, majoring in human resource management, and financial services, majoring in financial planning. Mr Smith has assisted to build social capacity through targeted active involvement in community-based, sporting and not-for-profit boards in the regions where he chose to live and raise his family. Mr Smith's experience has contributed to his understanding of regulatory and compliance regimes in the financial services sector. Mr Smith's working life prior to 8 years of operating a financial planning firm, was spent in professional service oriented environments, where his daily work habits led to fluid career progression from consulting professional into branch and regional management ranks.

Mr Ian Mill
Dep Hlth Serv Fac Man, MAICD – (External Member)

Mr Mill has completed the Australian Institute of Company Directors course, and holds a Diploma in Health Services Facility Management. Ian has extensive experience in the Health Services Sector having recently stepped down from his role as CEO of Mercy Health and Aged Care, a position held for 20 years. While in this position, Ian was responsible for the overall leadership of the organisation and reporting directly to the board. While in the industry, Ian worked to secure significant government grants for Regional health services. Ian's immersed himself in the finance industry when he assumed a board role with The Capricornian, a local community owned bank. Having been on the board for 9 years, Ian developed an understanding of regulatory

and compliance regimes in the financial services sector. Ian undertook professional development to stay abreast of industry trends and changing compliance regimes. Ian has been heavily involved in various community based, tourism and non-for-profit boards for over a decade.

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.

Mr Chris Mews
BBus.(Acct), CPA, Chartered Secretary

Mr Mews is a Certified Practising 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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