

# Wholesum Responsible Fund

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## INFORMATION MEMORANDUM

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## IMPORTANT LEGAL INFORMATION

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This document (**Information Memorandum**) contains information about the Wholesum Responsible Fund (the **Fund**). It is issued by Boutique Capital Pty Ltd (ACN 621 697 621, AFSL 508011) (the **Trustee**). Under this arrangement, the Fund is an unregistered managed investment scheme structured as an Australian unit trust.

When you invest in the Fund, your money (together with all other investors' monies) is gathered in one place (pooled) and invested in accordance with the investment strategy listed under the Additional Information section below. The Trustee is responsible for the Funds' day-to-day operations. The Trustee has appointed Invest Wholesum Pty Ltd (ACN 666 905 728, CAR 001307369) (**Manager, Wholesum, we or us**), a corporate authorised representative of the Trustee, to manage the assets of the Fund. The Manager uses its resources, experience and expertise to make the investment decisions.

As at the date of this Information Memorandum, there is no requirement to register the Fund with the Australian Securities and Investments Commission (**ASIC**) or to list the Fund on a secondary market such as the Australian Securities Exchange. This Information Memorandum has not been lodged with the ASIC and ASIC takes no responsibility for the contents of this Information Memorandum.

This Information Memorandum is also available to investors who invest through an Investor Directed Portfolio Services (**IDPS**) (such as a master trust or wrap account). Different conditions may apply to such investors so please refer to Section 9 "How to Invest and Withdraw" and "Investing via an IDPS".

This Information Memorandum is intended solely for the use of persons eligible to apply for Units in the Fund for the purpose of evaluating a possible investment in the Fund. If you make this Information Memorandum available to another person who is eligible to apply for Units in the Fund, you must give them the entire Information Memorandum, including the Application Form.

This Information Memorandum is not intended for and should not be construed as an offer or invitation to, any other person or in any other jurisdiction where it would be unlawful to offer units for subscription under this Information Memorandum.

The Trustee has authorised the use of this Information Memorandum as disclosure to investors and prospective investors who invest directly in the Fund.

This Information Memorandum is current as of 5 January 2024. Information in this Information Memorandum is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by the Trustee posting a notice of the change on its website at [www.boutiquecapital.com.au](http://www.boutiquecapital.com.au). The Trustee will provide to investors, free of charge, an electronic copy of the updated information upon request when they contact the Trustee on 1800 541 155. If the change is materially adverse to investors, the Trustee will notify affected investors and replace this Information Memorandum.

Neither the Manager, the Trustee nor any of its affiliates, related bodies corporate, directors, officers, employees, representatives or advisors (**Specified Persons**) guarantees the rate of return of any investment in the Fund, that your investment will gain or retain its value, the meeting of any investment objectives, the performance of the Fund, nor repayment of capital.

The information provided in this Information Memorandum is general in nature. The Trustee has not, in preparing this Information Memorandum, taken into account the individual circumstances or needs of any prospective investor. Prospective investors should read this Information Memorandum in its entirety before investing and seek independent tax, legal, investment or other professional advice tailored to their personal circumstances before deciding to invest in the Fund. This Information Memorandum is not a recommendation by the Trustee (or the Specified Persons) to invest in the Fund and does not contain any personal financial product advice.

What happened in the past is not a reliable indicator of what may happen in the future. Keep this in mind when considering historical matters in this Information Memorandum, such as past performance. Statements in this Information Memorandum about the future, although made on a basis considered reasonable, may prove to be untrue. Keep this in mind when considering statements about what may happen and what is intended.

Investing involves risk. This is a medium-risk investment which should be considered as medium term. Neither returns nor the money you invest is guaranteed. You can lose as well as make money.

This Information Memorandum may not contain all the information that a prospective investor or an investor's adviser may require to make an investment decision. No company other than the Trustee and the Manager makes any statement or representation in this Information Memorandum.

This Information Memorandum is not and is not required to be a disclosure document or product disclosure statement (within the meaning of the Corporations Act) and does not contain the same level of disclosure as those documents.

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

Your investment in the Fund is governed by the terms and conditions described in the Information Memorandum as well as the Fund's Trust Deed, as those documents are supplemented, replaced or re-issued from time to time. Copies of those documents are available free from us.

To the fullest extent permitted by law:

- (a) no representation or warranty (express or implied) is given; and
- (b) no responsibility or liability is accepted, by the Trustee, Specified Persons or any other party named in this document as to the truth, accuracy or completeness of any statement, forecast, information or other matter (whether express or implied) contained in this Information Memorandum.

The Fund is not registered with ASIC pursuant to Chapter 5C of the Corporations Act 2001. At some stage in the future, the Trustee, in consultation with the Manager, may choose to register the Fund with ASIC. By investing in the Fund, you agree to us applying for registration with ASIC at some time in the future. If the Fund does become a registered managed scheme the level of fees may change from those shown in this Information Memorandum. If the fees do change, we will write to you to notify you of the changes prior to the change becoming effective and give you sufficient time to withdraw from the Fund should you so choose.

#### **Offer to Persons in Australia, European Economic Area, Switzerland, United States of America, Singapore and New Zealand**

This Information Memorandum can only be used by investors receiving it (electronically or otherwise) in Australia and cannot be used by investors in any other jurisdiction (except where permissible under the laws of that jurisdiction and with our prior written approval). Units in the Fund are not available for purchase by investors in the United States of America or by any other United States of America persons or controlled persons (see 'US Person' definition on the Application Form).

#### **European Economic Area**

Each Investor has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Units which are the subject of the offering contemplated by this Information Memorandum to any retail investor in the European Economic Area. For the purposes of this provision: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or 108 (iii) not a qualified investor as defined in Regulation (EU) 2017/1129; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Units to be offered so as to enable an investor to decide to purchase or subscribe the Units

#### **Switzerland**

The Fund may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering material relating to the Fund:

- a) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of obligations or a listing prospectus within the meaning of art. 27 et seqq. Of the SIX Listing Rules; or
- b) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the Fund may be publicly distributed or otherwise made publicly available in Switzerland. The Fund will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

### **New Zealand**

Each Investor has represented and agreed and each further Investor appointed under the program will be required to represent and agree that: (a) it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Unit; and (b) it will not distribute any offering circular or advertisement in relation to any offer of Units, in each case in New Zealand other than: (a) to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (FMC Act) being a person who is: (i) an "investment business"; (ii) "large"; or (iii) a "government agency", in each case as defined in Schedule 1 to the FMC Act; or (ii) in other circumstances where there is no contravention of the FMC Act (including where the investor is considered a "wholesale investor" pursuant to clause 3(3)(b)(i) or (ii) of Schedule 1 of the FMC Act), provided that (without limiting paragraph (1) above) Units may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

### **Singapore**

This IM has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore (MAS) as the Fund is or will be invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under Section 304 and Section 305 of the Securities and Futures Act (Cap. 289) of Singapore (SFA). The MAS assumes no responsibility for the contents of this IM. The offer which is the subject of this IM is not authorised or recognised by the MAS and interests in the Fund are not allowed to be offered to the retail public. This IM is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable in light of their own personal circumstances. Recipients of this IM in Singapore should note that the offering of the Units is subject to the terms of this IM and the SFA. Accordingly the Units may not be offered or sold, nor may this IM or any other document or material in connection with the offer or sale of such Units be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A(1) of the SFA) (each an Institutional Investor), (ii) to a relevant person as defined in Section 305 of the SFA or any person pursuant to an offer referred to in Section 305(2) of the SFA (each a Relevant Investor) and in accordance with the conditions specified in Section 305 of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where Units are subscribed for or purchased by an Institutional Investor or a Relevant Investor, all or any such Units acquired pursuant to the offer made shall not be sold or otherwise assigned or transferred except: (i) to an Institutional Investor or a Relevant Investor as defined by the SFA; or (ii) otherwise pursuant to, and in accordance with the resale or transfer restrictions applicable to the subscription for or purchase of such Units, or any other applicable provision of the SFA.

### **United States of America**

The interests in the Fund have not been, and are not expected to be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or any US state securities laws and will not be approved by the US Securities and Exchange Commission (the SEC) or any other federal or state governmental or self-regulatory agency. Neither the SEC nor such other federal or state governmental or self-regulatory agency has passed upon the accuracy or adequacy of this Information Memorandum or the merits of an investment in the Fund offered hereby. Any representation to the contrary is a criminal offense.

The interests in the Fund may not be offered or sold in the United States, or to, or for the account or benefit of, US Persons (as such terms are defined in Rule 902 of Regulation S under the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act and applicable US state securities laws. The Partnership interests and Units will be offered for investment only to US investors who are "accredited investors" (as such term is defined in Rule 501 of Regulation D under the US Securities Act) pursuant to the exemption from the registration requirements of the US Securities Act provided by Section 4(a)(2) and/or Rule 506 of Regulation D promulgated thereunder and in compliance with any applicable US state securities laws. Each prospective US investor will be required to represent, among other things, that (i) it is an "accredited investor", (ii) it is acquiring an interest in the Fund for its own account and not with a view to, or for resale in connection with, any distribution of such interest, (iii) it received or had access to all information it deemed relevant to evaluate the merits and risks of an investment in the Fund, and (iv) it has the ability to bear the economic risk of an investment in the Fund.

Interests in the Fund will be offered and sold outside of the United States in reliance upon the exemption from registration provided by Regulation S promulgated under the US Securities Act. There is no public market for the interests in the Fund and no such market is expected to develop in the future.

The Fund has not been and will not be registered under the US Investment Company Act of 1940, as amended (the US Investment Company Act). It is contemplated that the Fund will be exempt from registration under the US Investment Company Act by virtue of Section 3(c)(1) or (3)(c)(7) thereof. Accordingly, it is currently intended that interests in the Fund will be offered and sold only to a limited number of US Investors, or only to US Investors who are "qualified purchasers" (as such term is defined in Section 2(a)(51)(A) of the US Investment Company Act and the rules thereunder), in which event, each US Investor will be required to make appropriate representations and undertakings as to its "qualified purchaser" status.

The Manager is not registered with the SEC as an investment adviser under the US Investment Advisers Act of 1940, as amended. Therefore, the protections of such registration will not be afforded to the Fund or any investor in the Fund.

The interests in the Fund are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the US Securities Act and the applicable state and foreign securities laws, pursuant to registration, or exemption therefrom. In addition, the interests in the Fund may not be sold, transferred, assigned or hypothecated, in whole or in part, except as provided in the constituent documents of the Fund referred to herein. Accordingly, each investor should be aware that they will be required to bear the financial risks of an investment in the interests in the Fund for an indefinite period of time. There will be no public market for the interests in the Fund, and there is no obligation on the part of any person to register the interests in the Fund under the US Securities Act or any state securities laws.

It is your obligation to seek any advice on, and observe any legal restriction on investment in the Fund which may apply to you.

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## CORPORATE DIRECTORY

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### **Manager**

Invest Wholesum Pty Ltd  
ACN 666 905 728  
Unit 903  
50 Clarence Street  
Sydney  
NSW 2000

### **Trustee and Administrator**

Boutique Capital Pty Ltd  
ACN 621 697 621  
Suite 211  
3 Eden Street  
North Sydney  
NSW 2060

### **Lawyers**

Steinepreis Paganin  
Level 6  
99 William Street  
Melbourne  
VIC 3000

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## LETTER TO PROSPECTIVE WHOLESALE INVESTORS

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Dear Investor,

Thank you for considering an investment in the Wholesum Responsible Fund ('Fund').

The first question to answer is why Wholesum exists. When I returned from an asset management role at one of the largest emerging markets development agencies, the Islamic Development Bank, many migrant and millennial investors wanted to learn about how to invest ethically and aligned with positive societal impact. There was a dearth of options in 2018 as there are now in late 2023 when we launched this fund. Our research among under-served investor segments reveals that investors wanted access to globally diversified funds with positive ethical attributes that can achieve competitive, risk-adjusted returns. Our investor needs and the opportunities to combine profit with purpose motivate us every day to use finance for good. The Fund is based on the ambition of generating competitive, stable returns with risk-adjusted outperformance over the medium term.

We place risk at the heart of the journey: we are stewards of your capital and should be aware of the risk of capital loss from our portfolio position. This means considerable effort analysing volatility, covariance, and correlations using the best tools at our disposal. We intentionally diversify across multiple assets, currencies and markets seeking to stabilise the portfolio's performance. We are not risk averse though. We understand that to generate strong returns, a portfolio needs to take on risk. Importantly, we want you to be well compensated for that risk in addition to the positive impact we collectively can generate for society.

Your time and attention are valuable, and I want to assure you that Wholesum is designed to be a different fund from day 1. For example, we seek to lift communities by offering special fee rates for non-profit and community organisations that invest with us.

Putting all these threads together, the Fund will utilise rigorous risk analysis against a diverse universe of investment positions to find risk-efficient investments that target stable out-performance over the medium term. The Fund comprises a globally diversified portfolio of onshore and offshore secured and unsecured debt, liquid stocks, unlisted and listed managed funds, ETFs (exchange-traded funds) on major listed markets, unlisted placements with responsible investment funds and vehicles, crowdfunding platforms and direct placements into companies, projects and investment platforms.

We hope you will consider an allocation into the Wholesum Responsible Fund in your investment portfolio. I look forward to working together with you.

Yours sincerely,

Dr Tanvir Uddin  
Founder & Chief Executive Officer

P.S. Wholesum is a play on "wholesome" and "sum". We want to go beyond mere compliance and regulatory "tick-boxes" to envision an investment organisation that interacts in a wholesome manner with stakeholders including the broader society and the environment.

## 1. KEY INFORMATION

Feature	Summary
Fund	Wholesum Responsible Fund
Trustee	Boutique Capital Pty Ltd
Manager	Invest Wholesum Pty Ltd
Custodian and Administrator	Boutique Capital Pty Ltd
Investment objective and benchmark	We aim to achieve a net return equal to 3% above Australian CPI per annum or 8% per annum, whichever is higher, over a rolling 5 to 7-year timeframe through exposure to a diversified global portfolio. <sup>1</sup>
Investment strategy	<p>The Fund will implement a balanced, style-agnostic strategy that combines passive allocation and active rebalancing to achieve its target returns with moderate risk through a 5-year market cycle.</p> <p>The asset allocation features investments in onshore and offshore secured and unsecured Debt, Equity, Listed / Unlisted Managed Funds, ETFs (exchange-traded funds), Crowdfunding Platforms, and Direct Unlisted Placements.</p> <p>The Fund takes into consideration ethical and Shari'ah compliance, and the Fund will target at least 60% assets (based on the net asset value of the Fund) that align with Environmental, Social and Governance (ESG) criteria and / or generate what we consider to be a positive direct and / or indirect societal impact.</p> <p>You should read the important information about the investment strategy below under the section titled "Investment Strategy" before making a decision.</p> <p>Active management involves rebalance of tradeable asset classes in the portfolio in a disciplined manner to ensure the portfolio conforms to the target asset allocation and achieves the target return.</p>
Minimum initial investment	<p>(a) A\$20,000 and above, if the application is supported with an accountant's certificate specifying that the investor meets the criteria of a 'Wholesale Client'; or</p> <p>(b) A\$500,000 and above without a supporting accountant's certificate; or</p> <p>(c) At the discretion of the Trustee</p>
Minimum additional investment	A\$2,000
Minimum redemption (withdrawal) amount	A\$5,000
Minimum balance	A\$5,000
Suggested investment timeframe	The Wholesum Responsible Fund is a medium-term investment strategy that offers investors exposure to a dynamically managed

<sup>1</sup> There is no guarantee that the Fund's investment objective will be achieved. 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 to long term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.



Feature	Summary
	multi-asset, multi-strategy Fund. Investment is suggested for at least three years. <sup>2</sup>
Significant risks	<p>The Fund features a medium risk profile. An investment in the Fund involves a number of risks, including the risk that you may lose some or all of the money that you invest, and there is no guarantee that you will receive any return on your investment. Before investing in the Fund, you should carefully consider the risks associated with an investment in the Fund in section 3.</p> <p>The specific risks of investing in the Fund are linked to:</p> <ul style="list-style-type: none"> <li>(a) Capital loss</li> <li>(b) Global investing</li> <li>(c) Exchange rates</li> <li>(d) Changes in laws and/or tax regimes; and</li> <li>(e) Market risks</li> <li>(f) Portfolio concentration</li> <li>(g) Ethical and Shari'ah compliance</li> <li>(h) Environmental, Social and Governance (ESG) and Impact</li> </ul>
Gearing	The Fund will not undertake gearing of any form.
Hedging	<p>The Fund will be offered in Australian dollars (AUD) and foreign exchange rate risk and exposures will be managed internally.</p> <p>The Fund is likely to have a preference for diversifying underlying currency exposures, i.e. having some exposure to non-AUD as well as AUD currencies. The Fund may incorporate hedging solutions into its investment strategy from time to time but does not guarantee hedging currency fluctuations.</p>
Applications	Application proceeds to be submitted at least three (3) full Business Days ahead of the applicable application date (at the end of the month).
Redemptions (Withdrawals)	<p>Redemptions may be submitted on a monthly basis, thirty (30) days in advance of the redemption date. Withdrawal proceeds will generally be paid within 30 Business Days of the applicable withdrawal date. However, the Trust Deed allows the Trustee to reject withdrawal requests (which may be delayed or suspended in certain circumstances) as outlined in section 4.9 and 4.10.</p> <p>Redemptions within the first six months of an investment will incur an exit fee as outlined in section 4.16.4.</p>
Valuation Frequency	The Fund's assets are normally valued monthly.
Fees and Expenses	Please refer to section 4.16 headed 'Fees and Expenses'.
Distribution Frequency	Quarterly. Automatically reinvested in additional Units unless investors request otherwise.
Cooling Off	No cooling off period applies to Units offered under this Information Memorandum.

<sup>2</sup> This suggested investment period may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investments.

Feature	Summary
Suitability	The Fund is generally suited for persons seeking medium term capital growth and those who can tolerate a medium level of risk. You should speak with your financial adviser before investing in the Fund.
ESG, ethical and Shari'ah-compliance	The Manager takes into account ESG, ethical and Shari'ah-compliance considerations in the selection, retention or realisation of investments (see 4.5 for further details). All investments will have an ethical and Shari'ah compliance overlay and the Fund will target at least 60% of funds being compliant with our ESG and positive societal impact policies.

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## 2. SIGNIFICANT BENEFITS OF THE FUND

There are many potential benefits of investing in the Fund. Some of the significant benefits include, but are not limited to:

- Potential to generate capital growth over the medium term as well as regular income from the underlying investment assets
- The Fund will automatically re-invest any distributions to compound further capital growth and future investment income. You may request to receive any quarterly distributions which may provide regular investment income. Returns are not guaranteed.
- You can more easily diversify your investments globally across multiple asset types, locations, currencies and investment attributes with lower cost and time than doing it individually
- Access to the investment expertise of the Manager
- Active risk management through diversification strategies to mitigate risks within specific assets, locations or currencies
- Access to investment opportunities that individual investors usually cannot achieve
- Align your investments to ethical and Shari'ah-compliance and at least 60% to ESG and positive societal impact by reference to the United Nations Sustainable Development Goals (see 4.5 for further investment policy details)
- Managed funds can often invest for less cost than ordinary investors
- Generally, you can add to or withdraw your investment monthly
- Having clear legal rights through a robust corporate governance structure.

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## 3. SIGNIFICANT RISK FACTORS

### 3.1 About Risk and Return

All investments are subject to varying risks and the value of your investment can decrease as well as increase (i.e. you can experience investment gains or investment losses). Investment returns are affected by many factors including market volatility, benchmark interest rates and economic cycles. Changes in value can be significant and they can happen quickly. Different types of investments perform differently at different times and have different risk characteristics and volatility. These are some of the reasons why you should consider investing in different types of investments (often called diversification).

The significant risks associated with investing in this Fund are discussed in the Information Memorandum below.

We cannot eliminate all risks and can't promise that the ways they are managed will always be successful. However, the Manager's process is an important step in managing many of these risks. The performance of the Fund will be influenced by many factors, some of which are outside our control and the Manager's control.

If these risks materialise, your distributions may be lower than expected or there may be none. The value of your investment could fall, and you could lose money.

## **3.2 Significant Risks**

The significant risks of the Fund include:

### **3.2.1 Investment Risk**

All investments carry risk. Generally, investments with higher expected returns also carry higher levels of risk. Investing in the Fund carries risk. There is no guarantee that the Fund will achieve its investment objective. You may lose some or all of your investment. This risk is mitigated (but not eliminated) by the Manager undertaking due diligence on the Fund's underlying investments, diversifying across multiple investment assets and rebalancing the Fund allocations across investments as investment risk parameters change.

### **3.2.2 Market Risk**

The performance of the Fund will be affected by the performance of investment markets generally. The value of investments may go up or down in line with market movements. You may lose money on your investment in the Fund due to decreases in the price of securities held by the Fund or periods of below-average performance in a specific security or in the securities market as a whole. This risk is mitigated (but not eliminated) by investing in a diverse range of assets, including assets that have not historically correlated with the negative performance of major listed markets.

### **3.2.3 Key Person Risk**

The Manager performs investment management related activities for the Fund. The Fund's performance depends on the expertise of the Manager, its directors and employees and the investment decisions that they make. To manage this risk, the Manager, its directors and employees maintain an up to date knowledge of various market factors through a review of fundamental data whilst also conducting ongoing research. This information is then taken into consideration when making investment management decisions.

### **3.2.4 Service Provider Risk**

Service provider risk is that the various parties involved in the operation of the Fund, including the trustee, brokerage provider, or other underlying agents fail to perform their obligations. This may affect the value of your investment in the Fund. This risk is mitigated (but not eliminated) by undertaking due diligence on all third-party service providers to the Fund and using third party service providers who are well regarded in the Australian or their respective overseas markets.

### **3.2.5 Regulatory Risk**

Regulatory risk is the risk that regulatory or taxation changes introduced by a government or regulator, may affect the value of investments of the Fund. These changes may occur in Australia or other countries in which the Fund invests and include changes in government policies (including taxation), regulations and laws or changes in generally accepted accounting policies or valuation methods.

### **3.2.6 Fund and Taxation Risk**

Investing in a pooled investment vehicle like the Fund is not the same as investing directly in its underlying assets which may have tax consequences for Unit Holders. For example, there is a risk that investing in the Fund may give different results than investing directly in the assets because of income or capital gains accrued in the Fund and the consequences of redemption by other investors. The Taxation Considerations in the Additional Information section below contains more information on this subject.

### **3.2.7 Foreign Exchange Risk**

The Fund may trade in offshore markets and therefore may be exposed to the risk of exchange rate movements as well as its underlying investment performance. This risk is mitigated (but not eliminated) by investing in assets that are held in a diverse range of currencies so adverse changes in one currency does not affect the entire portfolio. Additionally, where possible, the

Fund will rebalance exposures to different currencies in anticipation of adverse currency fluctuations.

### **3.2.8 Liquidity Risk**

Liquidity risk is the risk that if the Fund invests in assets that cannot be readily bought and sold at an acceptable price and within a generally acceptable timeframe, it may not be able to sell sufficient assets to pay redemptions. If this occurs, it may be necessary for the Fund to suspend redemptions to allow sufficient time to liquidate the assets required to meet redemptions. This risk is mitigated (but not eliminated) by maintaining a portion of the Fund's assets in cash or highly liquid asset form that can be made available for investors, including for redemption purposes.

### **3.2.9 Operational Risk**

It is important that the directors maintain systems and practices that ensure investment operations run smoothly and accurately. Failures in this area can lead to losses due to such things as incorrect trade settlements, incorrect payment instructions or poorly defined documentation. This risk is mitigated (but not eliminated) by regularly reviewing systems, processes and practices and performing due diligence on any third party to which any of the core operational functions are outsourced.

### **3.2.10 Leverage Risk**

The use of leverage can substantially enhance the performance of the Fund. Conversely, the use of leverage runs the risk of losing a larger proportion of the of the equity component of a particular investment in the event of adverse price movements. The use of leverage tends to lead to higher volatility in unit price movements.

While the Fund is permitted to use leverage under the terms of the Trust Deed, it is generally not expected to borrow as per its investment strategy.

### **3.2.11 Withdrawal of Offer**

The Trustee reserves the right not to proceed with all or any part of the offer of Unit in the Fund at any time before the issue of the Units. If the offer does not proceed, the Trustee will return all application monies, without interest, as soon as practicable after giving notice of its withdrawal. The Trustee is not obliged to accept every investor that applies for Units and has discretion over whom will be accepted as an investor.

### **3.2.12 Force Majeure Risk**

Force majeure generally refers to an event beyond a party's control, including fire, flood, earthquakes, war, acts of terrorism, labour strikes, pandemics and black swan events. A force majeure event may adversely affect those businesses in which the Fund invests, the Fund's service providers and/or the standard operations of the financial markets.

### **3.2.13 Low Cash position**

If the Fund has a low cash balance this could hamper or delay the ability of the Fund to pay distributions or process a Redemption Request to Investors (see section 4.9 and 4.10). This risk is mitigated (but not eliminated) by maintaining a portion of the Fund's assets in cash or highly liquid asset form.

### **3.2.14 Thinly-Capitalised Director Risk**

The directors of the Trustee and Manager do not have any material independent financial resources. If an action or claim is brought against the directors and such a claim is not covered by the professional indemnity arranged by or on behalf of the directors, the Fund cannot assume that the directors will have sufficient financial resources to cover any amounts payable under any such claim. This risk is mitigated (but not eliminated) by calling upon the Manager's existing shareholders to increase capital or seeking additional investor capital to support the Fund's operations.

### **3.2.15 Credit risk**

Credit risk can occur where the certainty of repayment of secured or unsecured debt assets held by the Fund or its underlying investments is eroded and these debt assets are written down as partially or wholly irrecoverable. Changes in official finance rates, particularly increases, may impact on the ability of creditors to maintain payment programs under the Fund's underlying assets. This risk is mitigated (but not eliminated) by the Manager undertaking due diligence on the Fund's underlying investments, seeking and enforcing any security where feasible, diversifying across multiple investment assets and rebalancing the Fund allocations across investments as investment risk parameters change.

### **3.2.16 ESG, ethical and Shari'ah-compliance risk**

The Fund aims to invest in assets that are consistent with the Manager's investment principles on ESG, ethical and Shari'ah-compliance. The Manager uses positive and negative screening methods including seeking to exclude from the Fund certain industries which conflict with the Manager's investment principles on ESG, ethical and Shari'ah-compliance. Examples of such industries are outlined in the investment strategy (see 4.5 below). The material relating to ESG, ethical and Shari'ah compliance may change between the time when you read this Information Memorandum and when you acquire the product.

The Manager will rely on advice from third party ESG, ethical and Shari'ah advisors and representations made by underlying investment managers or other third parties, as needed, to determine whether any particular investment proposed by the Fund is consistent with what we consider to be beneficial ESG or ethical practices and Shari'ah law. The Manager does not audit the underlying assets or third parties involved in the investment selection process and as such there is a risk that the Fund may have some exposure to assets that are not consistent with ESG or ethical practices and Shari'ah law. This risk is mitigated (but not eliminated) by the Manager's due diligence processes when appointing advisors and assessing underlying assets for their suitability for the Fund.

### **3.2.17 Cyber risk**

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the information technology systems and networks of the Trustee and the Fund's service providers.

### **3.2.18 Risk Generally**

This is not an exhaustive list and there may be additional risks which arise. The Manager takes risk management very seriously and endeavour to keep abreast of developments or new-entrant risks that may arise. Other significant risks relevant to many managed funds include the value of investments will vary, the level of returns will vary, future returns may differ from past returns and returns are not guaranteed. You may lose some of your money.

The Manager will strive to manage these risks but they cannot be completely eliminated. You can adopt certain tools to help you manage your own risk.

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## **4. ADDITIONAL INFORMATION**

### **4.1 About the Fund**

#### **Introduction**

The Fund is a "unit trust". This means your interests in the Fund are represented by "units". Certain rights (such as a right to any income and a right to vote) attach to your Units. You may also have obligations in respect of your Units.

Each Unit has a value that the Trustee calculates. When you invest, the Trustee issues you a number of Units depending on the amount you invest. Similarly, when you withdraw from the Fund, the Trustee calculates your withdrawal proceeds by reference to the number and value of Units you hold at the time of withdrawal. Generally, the price of Units will vary as the market value of assets in the Fund rises or falls.

The Trustee may appoint service providers to assist in the ongoing operation, management and administration of the Fund. Key service providers to the Fund are described below.

### **Investment Objectives**

The Wholesum Responsible Fund is an ethical and impact-focused global investment offering. It comprises a globally diversified portfolio of onshore and offshore liquid stocks and ETFs on major listed markets, secured and unsecured debt, unlisted placements with responsible investment funds and vehicles, crowdfunding platforms and direct placements into companies, projects and investment platforms.

The Fund's primary goal is to enable the investors to grow their wealth – whether they are concerned about ethical compliance, alignment with positive societal impact or are seeking strong diversification for their funds through exposure to the Fund's assets and various onshore and offshore markets. The Fund is actively managed by the Manager using a multi-pronged investment strategy to target consistent, competitive returns within a moderate medium-term risk profile.

## **4.2 About the Trustee**

Boutique Capital partners with early stage fund managers to launch and operate boutique funds management businesses. Boutique Capital provides a fixed-cost solution, support and expertise, to get fund managers started faster. In addition to professional trustee and licensing services, Boutique Capital provides custodial, administrative and registry services to oversee the Fund operations.

Boutique Capital is responsible for the day-to-day operations for the Fund and has appointed the Manager to manage the assets of the Fund.

## **4.3 About the Manager**

Invest Wholesum is a mission-driven independent investment company that specialises in global ethical and impact-focused portfolios while delivering its services through innovative technologies. The Founder, Dr Tanvir Uddin, advisors and team members have been researching and experimenting with the investment thesis for the past 10 years. The company was launched in 2023 when a group of angel investors and the founding team got together with a view to co-designing a compelling investment solution that addresses key gaps in the market. Many funds are not suitable for the diverse cultural needs of emerging investor segments (such as migrants and millennials). The Manager believes those that service these groups tend to be highly volatile due to limited diversification beyond stocks and property within a few narrow markets. The Fund is designed to tap into growing global access to new asset classes and markets from groundbreaking financial technologies and regulatory maturity.

Our mission is to generate consistent outperformance against inflation while striving towards ethical compliance and positive societal impact. At a company level, we take mission-driven execution seriously. We contribute a portion of our revenues to charity and strive to support non-profits with innovative treasury investment solutions. To further our mission, we actively collaborate with reputable, global investment partners and conduct financial literacy and awareness education at the grassroots level.

The key personnel of the Manager are:<sup>3</sup>

(a) **Dr Tanvir Uddin**

Tanvir is a highly experienced global responsible finance and investment professional. As a serial entrepreneur, Tanvir loves innovating at the intersection of access to financial services, technology and sustainability. The founding of Wholesum combines over a decade of academic research and study into responsible investments (via a Masters of Islamic Finance

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<sup>3</sup> Information has been provided for the purposes of providing background to the investment team and their prior experience. The investments described are not investments, or proposed investments, of the Fund and cannot be used to consider the merits of becoming an investor in the Fund or the Fund's prospects of success. Past performance is no indicator of future performance.

and PhD in Emerging Markets Microfinance Law) with grassroots and institutional investments professional experience.

Tanvir was selected as one of 12 global Fellows through the Islamic Corporation for Development of the Private Sector's (a subsidiary of the Islamic Development Bank) Islamic finance talent development program (2016-17, Cohort #5). There he worked across multiple managed funds (valued at over \$300M USD) and helped structure term finance deals in renewable energy and utilities.

Within the corporate development team at Brighte (2018-2020), Tanvir supported large capital programs including Australia's inaugural \$A190M green-certified Asset-Backed Securitisation and a \$A100M Series C raise. Prior to Wholesum, Tanvir co-founded Vyro, a sustainable mobility platform that uses technology to accelerate transition to electric vehicles (2021-2023). There he helped raise A\$3M of equity funding and obtained a A\$30M debt facility term sheet to establish Australia's first 100% electric vehicle financing program. Tanvir started his career in McKinsey & Co in Sydney and has consulted extensively with financial access, small and medium-sized enterprise and agriculture technology programs with the boutique consultancy, Rogers MacJohn (2018-2023).

Tanvir holds a PhD from the University of Sydney where he was awarded numerous prestigious scholarships. He also holds First-Class Honours degrees in Bachelor of Arts and Laws from the University of New South Wales under the prestigious Scientia Scholarship program. Through funding from the Islamic Corporation for Development of the Private Sector Fellowship, Tanvir obtained a Masters of Islamic Finance from IE Business School. Having lived, worked and studied in over 60 countries, Tanvir is familiar with commercial engagements and investments in multiple jurisdictions including Australia, Bangladesh, Indonesia, Malaysia, Saudi Arabia and the United Arab Emirates.

Tanvir actively engages with academia, non-profits and community organisations globally on his areas of expertise such as responsible finance, impact investing, financial literacy and Islamic finance. The activities include research collaborations, podcasts and speaking engagements.

(b) **Tauseef Quazi**

Tauseef is a highly experienced investment professional with 10+ years' experience. He was an investment manager at Crescent Wealth overseeing strategic asset allocation and was a member of the Investment Committee for Crescent Wealth Funds Management. Crescent Wealth is an Australian Islamic Super and Investments house making, utilising an ethical investment strategy.

Prior to Crescent Wealth, Tauseef was an Analyst with Merrill Lynch and Goldman Sachs where his advisory and research experience included global and domestic financial institution sectors. His mergers and acquisition work covered asset valuation, equity research and private equity investments. He has also held roles in Strategy for leading Australian organisations such as Thorn Group and Woolworths Limited.

Tauseef holds a Bachelor of Commerce (Finance) from the University of New South Wales. He completed Honours in Finance in 2010 with a thesis on market microstructure, examining price and volume behaviour of option prices around mergers and acquisitions. In 2010, he was awarded one of the University of New South Wales prestigious scholarship, the Co-op Scholarship in Finance and Dean's Award for Academic Excellence from the Australian School of Business. Tauseef's aim is to continue to innovate a series of unique investment funds.

#### **4.4 Directors of the Manager**

Dr Tanvir Uddin is the sole Director and Secretary of the Manager, see section 3.2 above in respect of Key Person risk.

#### **4.5 Investment Strategy**

##### **Overview**

The Fund will implement a balanced, style-agnostic strategy that combines passive allocation and active rebalancing to achieve its target returns with moderate risk through a 5-year market cycle.



The asset allocation features investments in onshore and offshore secured and unsecured Debt, Equity, Listed / Unlisted Managed Funds, Investment Platforms (including Crowdfunding), Direct Unlisted Placements and ETFs.

The Fund undertakes active consideration of ethical and Shari'ah compliance. Additionally, the Fund will target a minimum 60% assets (based on net asset value of the Fund) that align with Environmental, Social and Governance (ESG) criteria and / or generate what we consider to be a positive direct and / or indirect societal impact. For example, we may invest in notes issued by small or medium enterprises that seek to reduce poverty and / or create employment by financing low cost unsecured loans, increase the allocation of capital to micro-enterprises that are not sufficiently supported by available financing options or finance businesses that are implementing socially beneficial practices such as environmental conservation, sustainable practices and ethical treatment of suppliers and value chain stakeholders.

#### **4.5.1 Ethical and Shari'ah Compliance**

The Fund aims to invest in assets that are consistent with the Manager's investment principles on ethical practices and Shari'ah-compliance.

##### **Selection and Review Process**

Negative screens are used to exclude investments from the investable universe because they conflict with the Manager's investment principles on ethical and Shari'ah-compliance. Examples of **Non-compliant Industries** include:

- Tobacco
- Alcohol
- Financial services that practice conventional non Shari'ah finance activities
- Immoral purposes
- Gambling
- Pork food products
- Armaments and weaponry
- Hotel and accommodation premises serving alcohol
- Businesses deemed unacceptable by the Fund's Shari'ah advisors.

For investments via investment partners and underlying investment managers, the Manager assesses whether Non-compliant Industries are negatively screened in their investment strategy. In addition to an initial investment review, an annual review is conducted to ensure they do not allocate the Fund's investment monies in Non-compliant Industries. An investment partner or underlying investment manager may invest in Non-compliant Industries so long as the Fund's monies are only utilised in compliance with ethical and Shari'ah standards.

##### **Application of Standards**

The Manager may take the following Shari'ah standards into consideration for the purpose of selecting, retaining or realising any investments for the Fund:

- The investee business, investment manager or investment partner's adoption of internationally reputable Shari'ah standards such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI);
- Relevant regulatory guidelines as applicable in the jurisdiction that the business or underlying investment manager is incorporated within or undertakes its principal business activities;
- The investee business, investment manager or investment partner's Shari'ah advisory board or consultant; or

- The Fund's internal or third-party Shari'ah advisors.

### Sources of Information and Data

For adherence to Shari'ah standards, the Fund makes reliance upon a number of factors, for example:

- The investee business, investment manager or investment partner's internal Shari'ah compliance review and endorsement process;
- Third-party Shari'ah endorsement of the investee business, investment manager or investment partner from a regulatory authority, Shari'ah certification body or third-party Shari'ah review process;
- The Fund's internal or third-party Shari'ah advisors including Shari'ah certification bodies; or
- Application of Shari'ah screening methodologies by the Manager as per internationally recognised Shari'ah standards (such as Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)), Shari'ah certification bodies or the Fund's internal or third-party Shari'ah advisors.

The information that the Manager will rely upon for ethical and Shari'ah compliance include publicly available information, representations from the investee or underlying investment manager and third-party advisors or consultants.

### Divestment

During the annual review process, should a direct investee or investment partner or underlying investment manager engage in Non-compliant Industries in contravention of the Fund's ethical and Shari'ah compliant principles, the Fund will divest those assets as soon as reasonably practicable.

## 4.5.2 ESG and Impact Investing

The Fund will target at least 60% of assets (based on net asset value of the Fund) that align with Environmental, Social and Governance (ESG) criteria and / or generate what we consider to be a positive direct and / or indirect societal impact.

### Selection and Review Process

The Fund aims to invest in assets that are consistent with the Manager's investment focus regarding ESG and positive impact via positive screening.

Examples of ESG considerations include how a business, project or investment activity:

- Safeguards the environment – for example, corporate policies addressing climate change, waste management, fossil fuel use, clean energy production, biodiversity conservation, and ecosystem preservation;
- Enhances social outcomes – for example, relationships with employees, suppliers, customers, and the communities where they operate; or
- Maintains effective governance – for example, the company's leadership, executive pay, audits, internal controls, and shareholder rights.

Examples of scenarios that the Manager seeks to select investments that align with the impact investment objectives (**Impact Scenarios**) include investing in notes, debt, financial instruments, or other investment mechanisms:

- issued by micro, small or medium enterprises that seek to reduce poverty, create employment or generate economic growth by financing low-cost unsecured loans;
- that increase the allocation of capital to micro, small or medium enterprises that are not sufficiently supported by available financing options; or

- issued by businesses that are implementing socially beneficial practices such as safeguarding the environment, sustainable practices and ethical treatment of suppliers and value chain stakeholders.

### **Application of Standards**

There is no single objective standard that the Manager applies for evaluating ESG and impact investing but for at least 60% of the fund assets (based on net asset value of the Fund), positive screens are applied. The Manager relies on frameworks such as the United Nations Sustainable Development Goals (UNSDGs) to positively identify whether an asset features ESG credentials and / or promotes a positive societal impact. In the case of following the UNSDGs, the primary test is whether the investment asset or underlying manager's portfolio contributes to one or more of the 17 UNSDGs. A few relevant UNSDGs that the Manager considers include:

- Goal 1: No Poverty;
- Goal 2: Zero Hunger;
- Goal 3: Good Health and Well-Being;
- Goal 5: Gender Equality;
- Goal 7: Affordable and Clean Energy;
- Goal 8: Decent Work and Economic Growth; or
- Goal 10: Reduced Inequalities.

The Manager considers all contributions to society, knowing that there is no single or simple answer to improving inequality, pollution, climate change and the well-being of all.

The screens used for each asset selection will not be the same as it is acknowledged it may not always be possible to satisfy all the screening requirements for every investment due to their diverse underlying holdings. In instances where an underlying fund manager fails to satisfy the screening requirements because of a select few underlying holdings, but is otherwise considered to be an appropriate fit for the Fund, the underlying fund and assets will be further assessed to determine whether the benefits of inclusion outweigh the benefits of exclusion. The following will be considered in the assessment:

- 1) Overall benefit of the inclusion of the asset in the portfolio;
- 2) Total weight allocated to assets that fail to satisfy all the screens; and
- 3) Screens that are breached and the level of the breach.

### **Sources of Information and Data**

The Fund assesses ESG standards compliance and prospective direct / indirect societal impact for its investments using numerous sources, for example:

- Literature review of the location or industry to ascertain potential theories of ESG alignment and impact from similar investments;
- Review of the investee business, underlying investment manager, investment partner and general industry financial and operational reports;
- Independent and third-party evaluations;
- Third-party and proprietary case studies; or
- Other sources of evidence and insight applicable to specific investment assets in investee locations.

The Manager will rely on advice from third party advisors and representations made by underlying investment managers or other third parties, as needed, to determine whether any particular investment proposed by the Fund is consistent with ESG standards and positive impact. In addition, the Manager recognises that some companies are genuinely trying to transition from their past to be more positive contributors to tomorrow's society.

### **Divestment**

Compliance against the universe of investable securities will be reviewed annually. Where the Manager identifies that the net asset value of the Fund falls below the 60% threshold for compliance with ESG and impact, a proportion of the Fund's assets will be sold as soon as reasonably practicable and re-allocated to meet the target threshold.

## **4.5.3 Other Important Matters**

### **Valuation, Location and Custody of Assets**

The Fund's assets are denominated in Australian dollars, except for international assets (such as securities) which are denominated in the local currency of the country where the market on which the securities are listed or the underlying assets, is located. The Trustee for the Fund is responsible for valuing the assets according to its valuation policy. Exchange traded assets such as ethical ETFs are valued using their market price.

### **Liquidity**

The Fund permits redemptions monthly. Normally once the Trustee decides you can withdraw your money, we process the request within 30 Calendar Days of the end of the month (although the Trust Deed for the Fund allows us to delay or suspend withdrawals in certain circumstances, which could be significantly longer) (see section 4.9 and 4.10), and then pay funds to your account.

Ultimate liquidity will depend on the assets in which the Fund invests. It is expected that the Fund will be able to meet redemptions in normal market conditions. In a rapidly moving market investors could experience a deferral or scaling back to a partial payment of their redemption plus a deferral of the outstanding amount.

The Trust Deed of the Fund permits deferral of redemptions in certain circumstances. Please refer to "How to Redeem Units" for further information. The Fund is also permitted to defer redemptions where more than 10% of the net asset value of the Fund is being redeemed. This is commonly referred to as "gating". If gating occurs, the Trustee may in its discretion pro rata each redemption request to ensure that only 10% (or such percentage as the Trustee may determine) of the net asset value of the Fund is redeemed and may defer the residual redemption requests in excess of that amount by treating them as though they were received for the next relevant redemption period (subject again to the 10% restriction for that redemption day). Please refer to "Significant Risk Factors" and "Liquidity Risk" for more information on liquidity.

### **Environment Social Governance, Ethical and Shari'ah-Compliance**

The Manager takes environmental, social, governance (ESG), ethical or Shari'ah-compliance considerations into account in selection, retention or realisation of any underlying asset.

The Manager recognises that ESG, ethical and Shari'ah-compliance issues may affect the value of investments managed on behalf of investors. The Manager assesses and manages all foreseeable and potentially material risk factors and, in this context, the Manager considers ESG, ethical and Shari'ah-compliance, including any residual breaches of their considerations, as a risk factor in the overall risk/reward assessment of an investment.

### **Active management**

Active management involves rebalance of tradeable asset classes in the portfolio in a disciplined manner to ensure the portfolio conforms to the investment strategy, target asset allocation and achieves the target return. Returns are not guaranteed.

## **4.6 Outsourced Functions**

The Manager outsources the trustee, custodial, administrative (including applications and redemption process) and licensing services to the Trustee. The Manager may consult third parties for investment advice and delegate investment management responsibilities from time to time.

## **4.7 Professional Trustee & Licensing Services**

The Trustee will assume ultimate regulatory responsibility for legal issue, variation, and redemption of Units in the Fund. As the holder of the Australian Financial Services Licence, the Trustee will also assume ultimate regulatory responsibility for the legally compliant operation of the Fund and will be the principal point of contact for any regulatory aspect of fund operation.

## **4.8 How to Invest in the Fund**

### **4.8.1 Terms and Conditions of Investing**

The offer to invest in the Fund is subject to the terms and conditions described in the Information Memorandum and as set out in the Trust Deed.

The Trustee and Manager reserve the right to change the terms and conditions and to refuse or reject an application.

### **4.8.2 Application for Units**

The minimum initial investment amount for the Fund is A\$20,000. We may accept lesser application amounts at our discretion.

New investors in the Fund must fully complete, sign and lodge the Application Form in accordance with the instructions and as directed in the Application Form including any electronic application methods. The Application Form contains detailed instructions and will ask you to provide the identification documents required under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (AML CTF Act). New investors must provide all relevant information requested in the Application Form, including but not limited to, the relevant certification (if required) in relation to the new investor's status as a Wholesale Client.

The Application Form and monies should be received three (3) Business Days prior to the last Business Day of the month. If the Trustee receives your correctly completed application and monies within the stipulated period each month, then it will generally process the application using the unit price effective for that month. If your request is received after this time, it will be processed using the unit price effective for the next month. If the Application Form and monies are received on a non-Business Day, it is treated as having been received before 5pm the next Business Day.

Interest will not be paid on your application money and will not form part of the assets of the Fund.

The number of Units issued to you when you make an investment will be calculated by dividing the amount you invest by the applicable application price.

The Trustee may in its absolute discretion decline to extend, or may withdraw, an invitation to invest or reject an application for Units (including adding to your investment) at any time without giving a reason. Neither the Trustee, the Manager, nor any other person accepts any liability to any recipient of this Information Memorandum for costs incurred or losses suffered if an invitation is withdrawn for any reason or if an application is refused in whole or in part. The Trustee reserves the right to accept or reject any applications in its absolute discretion or to remove any existing client (in accordance with the compulsory redemption provisions of the Trust Deed).

If the application is rejected, the application monies without interest will be returned to the investor at the address notified on the Application Form.

## **Additional Investments**

The minimum additional investment amount for the Fund is A\$2,000.

To make an additional investment, investors must fully complete, sign and lodge the Additional Application Form in accordance with the instructions and as directed in the Additional Application Form including any electronic application methods.

## **How to Pay**

Investors must pay any initial and additional investment amounts in accordance with the instructions, to the account details and as directed in the Application Form including any electronic methods such as using electronic funds transfer (EFT). Cash is not accepted. Where required, please use your investor name or number as the reference when using EFT.

## **Investing via an IDPS**

When you invest via an IDPS, it is the IDPS operator which becomes the investor in the Fund (not you). It follows that the IDPS operator has the rights of an investor and can exercise them (or not) in accordance with their arrangements with you. This means for example, that you generally cannot vote on Units held in the Fund and you do not have cooling off rights in respect of any Units held in the Fund. Speak with the IDPS operator to determine whether any cooling off rights are available to you through the service.

We are not responsible for the operation of any IDPS through which you invest.

Indirect investors complete the application forms for the IDPS and receive reports from that operator, not from us. The minimum investment, balance and withdrawal amounts may be different. You should also take into account the fees and charges of the IDPS operator as these will be in addition to the fees paid in connection with an investment in the Fund.

Enquiries and complaints about the IDPS should be directed to the IDPS operator and not to us. All investors (regardless of whether you hold Units in the Fund directly or hold Units indirectly via an IDPS), are able to access our complaints procedures outlined in the Information Memorandum. For indirect investors, if your complaint concerns the operation of the IDPS, you should contact the IDPS operator directly.

Indirect investors may rely on the information in this Information Memorandum. However, in addition to reading this Information Memorandum, you should read the document that explains the IDPS from your IDPS operator.

### **4.8.3 How to Redeem Units/Withdrawals**

Unit Holders who wish to make a Redemption Request must contact the Trustee in writing by using the Redemption Request Form. A Redemption Request must be received by the Trustee no later than 5pm, Sydney time, on the day which is thirty (30) days before the last Business Day of the month. The Trustee will process the redemption request using the unit price effective for the month. Redemption Request Forms received after that time will be processed in the next month using the next month's unit price, although the Trustee may in its absolute discretion accept Redemption Requests until the last day of the month. If the Redemption Request is received on a non-Business Day, it is treated as having been received before 5pm the next Business Day.

The proceeds of a Redemption Request will generally be paid to the redeeming Unit Holder within 30 Calendar Days of the end of the month.

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

## **4.9 Delays**

The Trust Deed for the Fund allows the Trustee to delay or suspend a Redemption Request in certain circumstances, which could be significantly longer than 30 Calendar Days for example if:

- there is a circumstance outside the Trustee's reasonable control which it considers impacts on its ability to properly or fairly calculate Unit price, for so long as the circumstance continues (for example, if the assets are subject to restrictions or if there is material market uncertainty);
- the Trustee's has determined to honour redemption requests in relation to a particular processing day and the total redemption moneys which would be payable at that time represent more than 10% of the value of the net assets of the Fund (and in this case the Trustee can redeem the Units at such future time, or at times over such period, as the Trustee determines, and payments to each investor must be in the proportion that their redemption moneys bear to all other redemption moneys which were payable at that time). This is commonly referred to as "gating". Please refer to "Liquidity" for more information on gating; and
- such other circumstance as the Trustee determines to be appropriate having regard to the best interests of investors as a whole.

Unit prices are generally calculated at the time the delay ends.

The Trust Deed for the Fund sets out the wide range of circumstances in which the Trustee can delay withdrawal of your money. A copy of the Trust Deed is available free of charge on request.

#### **4.10 Minimum Redemption Request**

The Trustee may reject a Redemption Request if the amount payable is less than the Minimum Redemption Amount. The Minimum Redemption Amount is A\$5,000.

If a Unit Holder submits a Redemption Request that will result in the Unit Holder holding less than the current Minimum Balance, the Trustee may treat the Redemption Request as applicable to all Units held by that Unit Holder. The Minimum Balance is A\$5,000.

The Trustee may at any time in its absolute discretion suspend the redemption of Units in the Fund or refuse to redeem Units in accordance with the Redemption Request.

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

#### **4.11 Compulsory Redemptions**

In certain circumstances the Trustee can, or may be required to, redeem some or all of your Units without you asking including in these circumstances:

- the investor agrees;
- the investor has breached its obligations to the Trustee;
- the Trustee believes that the Units are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect;
- to satisfy any amount of money due to it (as trustee or in any other capacity related to the Fund) by the investor (including in relation to fees);
- to satisfy any amount of money it (as trustee or in any other capacity related to the Fund) owes someone else relating to the investor (for example, to the ATO, the Manager or a lender to the investor);
- the investor ceases to maintain a minimum holding as notified to the investor from time to time;
- where the Trustee suspects that law prohibits the person from legally being an investor;

- this Trust Deed or the terms on which the Member invested in the Fund (including an Application Form) is or would be breached;
- the investor ceases to be an Eligible Investor (as defined in the Trust Deed);
- the Trustee determines that the Fund is no longer economically viable to continue or the Fund's purpose cannot be achieved or accomplished (or has been achieved or accomplished);
- the Trustee determines that the continued participation of an investor might cause the Trustee or any investor to violate any law or if any litigation is commenced or threatened to be commenced (or the Trustee reasonably considers may be commenced or may be threatened) against the Trustee or any investor arising out of the participation of the investor in the Trust;
- the Manager, in its absolute discretion, has requested that the Trustee redeems the Units held by a particular investor (in its absolute discretion);
- such other circumstance as the terms of issue contemplate; or
- it is otherwise legally permitted

and the Redemption Amount will equal the value of that investor's Units next calculated after the Trustee determines to redeem those Units, less any applicable Fees.

#### **4.12 Unit Pricing**

The unit price is the price at which Units are issued and redeemed.

The unit price is calculated by taking the total value of the Fund's assets at the relevant valuation date, adjusting for any accrued expenses and liabilities of the Fund and then dividing the net value by the total number of Units held by all investors on that day.

The Fund's assets are generally valued monthly at their market value as at the close of each market represented in the portfolio, in accordance with the Trust Deed for the Fund.

However, the Trust Deed of the Fund also allows for the Trustee to use other valuation methods and policies for different classes of assets, where it determines it to be appropriate. This may occur where the market value for an asset is unreliable or cannot be objectively ascertained at the relevant time. In these circumstances, the fair value of the assets will be determined in accordance with the Fund's pricing policies and procedures which is an amount that an investor might reasonably expect to receive upon its current sale in the ordinary course.

The fair value of an asset depends on a number of relevant factors including the nature of the asset, the initial cost and size of the holding of the asset, the price and trading of similar assets, market quotations from independent pricing sources, and referring the matter to a pricing committee formed to assess these factors.

No buy spread or sell spread is charged by the Fund so the transaction costs associated with an investor's entry or exit from the Fund are borne by the Fund and reflected in the unit price.

#### **4.13 Cooling Off Period**

No cooling off period applies to Units offered under this Information Memorandum.

#### **4.14 Transferring Your Units**

To transfer Units, complete a Transfer Form in accordance with the instructions and as directed by the Trustee including any electronic application methods.

You will receive confirmation when your transfer is processed. You may need to pay stamp duty on the transfer.

Changes in ownership affecting indirect investors should be directed to the operator of your platform.



## 4.15 Distributions

Distributions are expected but not guaranteed. A Unit entitles you to participate in any income generated from the assets of the Fund including net realised capital gains. Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of Units on issue.

All quarterly income distributions will be automatically reinvested in additional Units unless investors request otherwise by emailing the Trustee. Investors should be aware that an investment in the Fund carries the risk that you may lose some or all of your investment. Unit prices will normally fall after the end of each distribution period. Consequently, if you invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

Any distributions reinvested are reinvested at the ex-distribution mid-price. The ex-distribution mid-price is calculated by taking the value of the investments of the Fund and taking away the value of the liabilities as defined in the Fund's Trust Deed including the provision for distribution. We divide the result of this by the number of Units we have on issue. These steps give us a per unit price used in connection with reinvestment of distributions. We make no adjustment to your Units for costs of buying or realising investments (called a buy/sell spread), so the transaction costs associated with an investor's entry or exit from the Fund are borne by the Fund and reflected in the unit price.

Please note there may be tax implications for you on distributions reinvested on your behalf.

Subject to the Trust Deed, distributions (if any) are paid in \$AUD and are normally paid within 60 Business Days from the end of the relevant distribution period.

### 4.15.1 Distribution Payment Options

Distributions are automatically reinvested, unless you request otherwise.

## 4.16 Fees and Expenses

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

<b>Wholesum Responsible Fund</b>		
<b>Type of fee or cost</b>	<b>Amount (plus GST)</b>	<b>How and when paid</b>
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs</i> The fees and costs for managing your investment	2% p.a.	Paid monthly in arrears. Discounts apply for non-profits, charities and high amount investors.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	20% of net performance (ie after management fees and expenses) over the hurdle, subject to the Fund's unit price exceeding the high water mark.	Paid annually in arrears based on performance of the prior year. Discounts apply for non-profits, charities and high amount investors.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<i>Entry fee</i> The fee to open your investment	\$100	After application, deducted from the application moneys.

<b>Wholesum Responsible Fund</b>		
<b>Type of fee or cost</b>	<b>Amount (plus GST)</b>	<b>How and when paid</b>
<i>Early Exit fee</i> <sup>2</sup> The fee to close your investment	Not applicable unless: exiting in the first three months – 1.5% or after three, but before six months – 1.0%.	At redemption.

<sup>1</sup> All fees are expressed as a percentage of NAV of the Fund excluding accrued fees.

<sup>2</sup> These are expressed as a percentage of your redemption amount.

#### **4.16.1 Management Fees and Costs**

Management fees and costs include the Manager's fees, ordinary and abnormal expenses and any indirect costs. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

The Manager is entitled to be paid a Management Fee of 2.0% p.a. (plus GST) of the Net Asset Value excluding accrued fees calculated and accrued monthly in arrears.

Management costs paid out of Fund assets reduce the Net Asset Value of the Fund and are reflected in the unit price. Management costs exclude transaction costs (i.e. costs associated with investing the underlying assets).

If the Manager decides to change the Management Fee, Unit Holders will be notified in writing and this Information Memorandum updated. The Manager will provide 90 days' written notice before making any changes to the Management Fee. The Management Fee is calculated and payable on the last Business Day of each calendar month, or at other times that the Trustee determines.

#### **4.16.2 Performance Fee**

A Performance Fee may be payable to the Manager for successfully managing the Fund. If payable, this will increase the overall management costs for the Fund.

The Performance Fee is 20% of net performance (ie after management fees and expenses) over the hurdle and is payable to the Manager, subject to the Fund's unit price exceeding the high water mark.

The high water mark is the highest unit price reached prior to the valuation date, adjusted for any applications, withdrawals or distributions.

The hurdle is an investment return greater than the Australian CPI + 3% p.a. or 8% p.a., whichever is higher (net of fees and expenses).

Performance fees are calculated annually and paid each calendar year in arrears or at other times that the Trustee determines from time to time.

When a performance fee is calculated and is a positive amount, it is accrued and reflected in the Fund's unit price. When a performance fee is calculated and is a negative amount, then the underperformance is carried forward to ensuing annual periods (**performance deficit**) and no performance fee will be paid until the performance deficit has been made up. To ensure that the proportionality between any performance deficit and the value of the Fund remains consistent where a withdrawal may occur, the performance deficit is generally reduced by the proportion of the Fund's gross asset value that the withdrawal represents.

If you withdraw Units before the end of a performance period, the accrued performance fee referable to that performance period will be paid to the Manger.

Where no performance fee has been payable for 3 consecutive years, the Trustee may (but is not obliged to) reset any underperformance to zero. Returns are not guaranteed.

### **4.16.3 Entry Fee**

Each application incurs a A\$100 (plus GST) entry fee to process the application including AML/CTF reviews. This amount will be deducted from the application moneys.

### **4.16.4 Early Exit Fee**

The Trustee may apply an early exit fee for redemptions made within six months of the investment per the following schedule:

- In the first three months: 1.5% Exit Fee (plus GST); or
- After three, but before six months: 1.0% Exit Fee (plus GST).

### **4.16.5 Expenses**

The Trustee may be reimbursed from the Fund in respect of a range of costs and expenses, which may include but are not limited to, costs associated with the Trust Deed (including amendments), establishing the Fund, the Trustee's administration fees, registering the Fund with ASIC (should the Manager determine to register the scheme in accordance with the Corporations Act), ordinary expenses for the Fund, Unit Holder meetings, operating fees and government duties and taxes.

The Manager may be reimbursed from the Fund in respect of a range of costs and expenses, which may include but are not limited to, costs associated with establishing the Fund, the Trustee's administration fees, registering the Fund with ASIC (should the Manager determine to register the scheme in accordance with the Corporations Act), ordinary expenses for the Fund, transaction costs and external consultancy fees.

#### **Ordinary expenses**

The ordinary and every day expenses incurred in establishing and operating the Fund (including custody and administration fees, legal, audit, ESG, ethical and Shari'ah compliance, accounting and taxation preparation costs, insurances, government charges and general expenses) may be deducted from the assets of the Fund as and when they are incurred. The Trust Deed of the Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited.

Ordinary expenses may only be deducted from the Fund after the earlier of the commencement of the second year of operations after Fund establishment or A\$5,000,000 funds under management. The Manager will pay the ordinary expenses until such time and may recover those expenses from the Fund over a period of 24 months. Ordinary expenses do not include wages, rent and operating expenses of the Manager.

The Trustee reserves the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs.

#### **Transaction costs**

Transaction costs include brokerage, settlement costs, currency transactions fees, clearing and stamp duty costs. When you invest in the Fund, the Manager may buy (and sell) investments and incur these costs. When you withdraw, the Manager may sell investments so we can pay your cash to you and incur these costs. These costs are also incurred in connection with day to day trading within the Fund.

#### **Government charges and taxation**

The acquisition, withdrawal or other disposal of Units in the Fund by investors is not subject to GST. Government taxes such as GST will be applied to your account as appropriate.

The Fund generally incurs GST in respect of its various fees and expenses, but may not be entitled to input tax credits or may only be entitled to a partial input tax credit in respect of GST incurred.

The fees outlined in the Information Memorandum take into account any reduced input tax credits which may be available.

In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

The transfer, issue or redemption of Units should not attract any stamp duty (assuming no landholder duty applies). Investors should confirm the stamp duty consequences of transferring Units with their taxation adviser.

#### **4.17 Apportionment of fees and costs**

In circumstances where the Trustee issues different classes of Units in the Fund, the fees and costs will generally be apportioned by the Trustee across all Unit classes (on a pro-rata basis, having regard to the value of the assets in the Fund). However, fees and expenses which are directly referable to a particular class of Units will be charged to investors in that particular class of Units.

#### **4.18 Differential fees**

The Trustee or Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at our discretion.

#### **4.19 Can the fees change?**

All fees can change without investor consent, subject to the maximum fee amounts specified in the Trust Deed of the Fund. Reasons might include changing economic conditions and changes in regulation. The Trustee has the right to recover all proper expenses incurred in managing the Fund and as such these expenses may increase or decrease accordingly (although it is our intention only to recover the expenses listed in the "Reimbursable expenses" section of the Trust Deed, unless we notify you otherwise). We will notify investors of any changes to fees and expenses in accordance with the law and the Trust Deed. The Trust Deed in some circumstances defines the maximum fees that can be charged for some fees described in this Information Memorandum. If we wished to raise fees above the amounts allowed for in the Fund's Trust Deed, we would need the approval of investors.

Please refer to our website for any updates on our estimates of any fees and costs (including indirect costs and transaction costs) which are not considered to be materially adverse from an investor's point of view. Remember, past performance is not an indicator of future performance and any fee or cost for a given year may not be repeated in a future year.

We may accept lower fees than those disclosed in this section.

#### **4.20 Unit Holder Reporting**

As a Unit Holder you will be eligible to request:

- (a) a monthly report on the net asset value of the Fund;
- (b) regular updates from the Manager on the performance of the Fund and its investments; and
- (c) a transaction statement each time you make an investment, reinvestment, or withdrawal.

#### **4.21 Trust Deed**

The Trust Deed for the Fund governs your rights and obligations as a Unit Holder. The Trust Deed and the law determine the relationship between the investors and the Trustee, rights and obligations of Unit Holders, and the responsibilities and duties of the Trustee of the Fund. As a Unit Holder you are bound by the provisions of the Trust Deed. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Trust Deed, as an investor you have the following rights:

- the right to share in any distributions;
- the right to attend and vote at meetings of investors; and
- the right to participate in the proceeds of winding up the Fund.

The Trust Deed contains provisions about convening and conducting meetings of investors.

Under the Trust Deed, the Trustee may:

- deal with itself, an associate, investor or any other person;
- be interested in and receive a benefit under any contract or transaction with itself, an associate, investor or any other person; and
- act in the same or similar capacity in relation to any other fund.

If you are a Unit Holder or potential investor and would like further information on the terms of the Trust Deed, please contact us for a free copy.

#### **4.22 Limits on Our Responsibility**

The Trust Deed has some limits on when we are liable to investors for example, we may take and may act (or not act, as relevant) on any advice, information and documents which we have no reason to doubt is authentic, accurate or genuine. We are not liable in contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund except to the extent that the law imposes such liability.

The Fund's Trust Deed also contains a provision that the Fund's Trust Deed is the source of our relationship with direct investors and not any other laws, except those laws we cannot exclude.

#### **4.23 Limits on Your Responsibility**

We have included provisions in the Fund's Trust Deed designed to protect investors. The Fund's Trust Deed limits each investor's liability to the value of their investment in the Fund and provides that they will not, by reason of being an investor alone, be personally liable to indemnify us and/or any creditor of ours in the event that the liabilities of the Fund exceed the assets of the Fund. However, an absolute assurance about these things cannot be given – the issue has not been finally determined by Australian courts.

#### **4.24 Investment Management Agreement**

The Trustee has appointed the Manager to manage the assets of the Fund under the terms of an Investment Management Agreement (IMA).

The IMA contains provisions dealing with matters such as the Manager's obligations to report to the Trustee and sets out the fees payable to the Manager for its services.

The IMA will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent.

The Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the Trustee for the Fund.

## 4.25 Related Party Transactions and Conflicts of Interest

In our position as Trustee of the Fund we may from time to time face conflicts between our duties to the Fund, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Trust Deed, ASIC policy and the law.

We may from time to time enter into other transactions with related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

Entities related to the Trustee may be providing Custody, Administration, Registry, Fund Accounting and Taxation services and other services relevant to the operation of the Fund.

## 4.26 Consents

The following persons have each given, and as at the date of this Information Memorandum have not withdrawn, their consent to inclusion in the Information Memorandum of the statements concerning it in the form and context in which they appear:

- the Manager.

## 4.27 Dispute Resolution

### 4.27.1 Internal Dispute Resolution

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

### 4.27.2 Contact Details for Complaints

We take complaints seriously and aim to resolve them as quickly as possible. In the first instance, complaints can be registered with the Trustee by email and should be addressed immediately to:

Attention:	Tim Baker
Email	<a href="mailto:info@boutiquecapital.com.au">info@boutiquecapital.com.au</a>
Phone	1800 541 155
Address	Suite 211 3 Eden Street North Sydney NSW 2060

Once we receive a complaint, we will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible. The Trustee will not charge you to investigate your complaint.

## 4.28 Termination of the Fund

The Trustee may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Fund's Trust Deed. The Fund may otherwise terminate if required by law. A notice will be provided to investors advising of the Fund's termination. Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all investors according to the number of Units they hold in the Fund. It can take some time to finalise this process: winding up must be completed as soon as possible after that. In the event that certain illiquid investments can't be liquidated efficiently, then these investments may be distributed pro-rata to investors.

## 4.29 Indemnity

The Trustee of the Fund is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by law, this indemnity includes any liability incurred as a result of any act or omission

of a delegate or agent appointed by the Trustee. The Trustee may retain and pay out any monies in its hands and all sums necessary to affect such an indemnity.

## **4.30 Privacy**

We use personal information about you to administer your investment and to conduct research. By applying for Units in the Fund you consent and agree to information about you being obtained and used by us. If you fail to provide us with the required information or if you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking within the time periods contemplated in the Information Memorandum.

The Trustee collects personal information in the Application Form and may also collect personal information from you over the phone or via the internet during the course of your relationship with the Trustee. All personal information is handled, stored, used, and disclosed in accordance with its policies and procedures. You can obtain a copy of the Privacy Policy by contacting us. If your details change, please advise us as soon as possible in order to update your contact details and maintain accurate and complete records.

Your information will not be disclosed unless:

- the law requires (including under the AML CTF Act and relevant taxation legislation (including FATCA and CRS)).
- your financial adviser needs the information;
- it is in keeping with our Privacy Policy and may be provided confidentially to external service providers including the Fund's custodian, the Manager, auditors, taxation and legal advisers and information technology consultants; or
- we need it to send you promotional material. If you do not want this, indicate on the Application Form or contact us anytime.

If you think any of the details that we hold are wrong or out of date contact us and we will correct the details. You can always access the personal information held about you by contacting us on 1800 541 155 or visiting our website on [www.boutiquecapital.com.au](http://www.boutiquecapital.com.au).

## **4.31 Anti-Money Laundering and Counterterrorism**

### **4.31.1 Financing laws**

The Manager and Trustee have implemented a number of measures and controls to ensure they comply with their obligations under the Anti-Money Laundering Laws or taxation legislation (including FATCA and CRS), including carefully identifying Unit Holders. We may require further information from you as to identity, the source of your funds and similar matters. As a result of the implementation of these measures and controls:

- (a) transactions may be delayed, blocked, frozen or refused where the Fund has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country. Applications cannot be processed unless all the necessary information is provided;
- (b) where transactions are delayed, blocked, frozen or refused, the Fund is not liable for any loss Unit Holders suffer (including consequential loss) as a result of their compliance with the Anti-Money Laundering Laws as they apply to the Fund;
- (c) the Fund may from time to time require additional information from you to assist it in this process including verification of that information by sighting appropriate documentation; and
- (d) the Fund has certain reporting obligations under the Anti-Money Laundering Laws and are prevented from informing Unit Holders that any such reporting has taken place. Where required by law, the Fund may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC.

Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise, the information will be kept confidential.

By applying for Units in the Fund, you also agree that we may, in our absolute discretion:

- determine not to issue Units to you;
- cancel Units which have been issued to you; and/or
- redeem any Units issued to you

if we believe such action to be necessary or desirable in light of our obligations under the AML CTF Act or other legislation (including FATCA and CRS), and we will not be liable to you for any resulting loss.

#### **4.32 Foreign Account Tax Compliance Act (FATCA)**

In April 2014, the Australian Government signed an intergovernmental agreement (IGA) with the United States of America (U.S.), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010. Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S. controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office (ATO). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

#### **4.33 Common Reporting Standard (CRS)**

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities. Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures, and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries. In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.



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## DEFINITIONS

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

**Application Form** means the application form attached to this Information Memorandum.

**Anti-Money Laundering Laws** mean the Proceeds of Crime Act 1987 or 2002 (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), or any other substantially similar or equivalent rules and laws, including of other equivalent competent authorities for other jurisdictions, in connection with the prevention of money laundering, bribery, corruption or terrorism.

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

**Corporations Act** means the Corporations Act (Cth) 2001.

**Fund** means the Wholesum Responsible Fund.

**Hurdle** means Australian CPI + 3% p.a. or 8% p.a., whichever is higher (net of fees).

**Investor Directed Portfolio Services (IDPS)** are custodial, transactional and consolidated reporting services, which are often referred to as master funds, master trusts or wrap services. An IDPS allows you to manage and retain control of your investment portfolio, plus have access to a range of different investments through one service provider.

**Offer** means the offer to acquire Units.

**Redemption Request** means a request by a Unit Holder to the trustee to redeem Units.

**Redemption Request Form** means the redemption request form as supplied by the Trustee..

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

**Unit** means a unit in the Fund.

**Unit Holder** means a holder of Units whose name is recorded in the register of Unit holders.

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