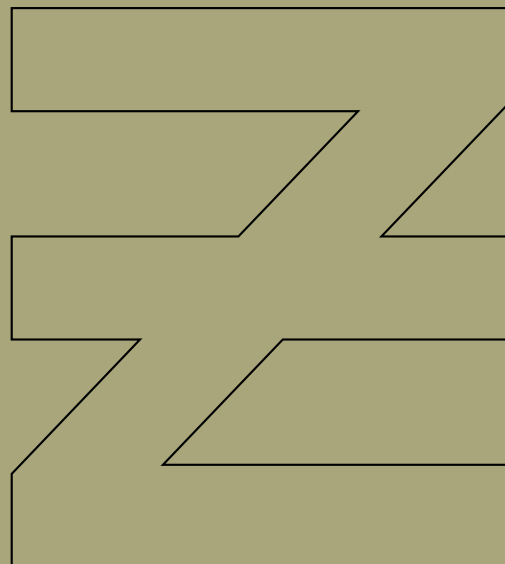


Product Disclosure Statement  
18 September 2024

Ellerston Capital  
ABN 34 110 397 674  
AFSL No. 283 000  
ARSN 634 091875  
APIR Code ECL2707AU



# Ellerston JAADE Australian Private Assets Fund (Retail)

## Product Disclosure Statement

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## Important Information

Ellerston Capital Limited ABN 34 110 397 674, AFSL No. 283 000 ("Ellerston Capital", "the Manager" or "we") is the issuer of this product disclosure statement (PDS) dated 18 September 2024. Investments in Units (Units) in the Ellerston JAADE Australian Private Assets Fund (Retail) ARSN 634 091 875 (Fund) are made available by Ellerston Capital as the responsible entity of the Fund.

Applications for Units under this PDS may only be made on the Application Form accompanying this PDS. The Application Form contains important terms relating to the Fund and should be read in full before deciding to invest. The Application Form does not form a part of this PDS.

The information in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. It is important that you carefully read this PDS in full before deciding to invest in Units. In particular, you should carefully consider the risks associated with an investment in the Fund and whether the information in this PDS is appropriate for you in light of your objectives, financial situation and needs. To obtain advice or more information about the product offered in this PDS you should speak to your financial adviser or other professional adviser.

You should rely only on information in this PDS. No person is authorised to provide any information, or to make any representations, in connection with the issue of Units, which is not contained in this PDS. Any information or representations not contained in this PDS may not be relied upon as having been authorised by the Manager in connection with the issue of Units. This PDS supersedes and replaces all previous representations made in respect of the Manager and the Fund.

This PDS only constitutes an offer of, or invitation to apply for, financial products to persons within Australia or in places where it is lawful to make such an offer or invitation. Units in the Fund are not available for purchase within the United States or to US Persons.

This PDS is available electronically at [www.ellerstoncapital.com](http://www.ellerstoncapital.com). If you access an electronic copy of this PDS, then you should ensure that you download and read the entire PDS and the Application Form. If you are printing an electronic copy of this PDS, you must print all pages, including the Application Form. If you make this PDS available to another person, you must give them the entire electronic file or printout, including the Application Form. A paper copy of this PDS (including any supplementary document) can be obtained free of charge by calling Ellerston Capital on (02) 9021 7701 or by emailing [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com).

You will be asked to provide personal information to us (directly or through the Registry) if you apply for Units. For information about how the Manager collects, holds and uses this personal information see **Section 9.8**.

An investment in the Fund is subject to investment and other risks, including possible delays in repayment and loss of income and principal invested. Investments in the Fund are not deposits with, or other liabilities of Ellerston Capital, any member of the Manager's Group, Service Providers or related bodies corporate, affiliates, associates or officers of any of the above entities. None of these entities guarantees any particular rate of return or the performance of the Fund nor do they guarantee the repayment of capital from the Fund. There are no forecasts or prospective financial information relating to the Fund in this PDS.

No person other than Ellerston Capital has caused or authorised the issue of this PDS nor do any of them take any responsibility for the preparation of this PDS or the establishment or performance of the Fund. ASIC takes no responsibility for the contents of this PDS.

All actions referred to in this PDS as being taken by the Fund are performed by Ellerston Capital as responsible entity of the Fund or its delegates, as the case may be, in respect of the Fund.

None of the Service Providers have or will undertake any due diligence inquiries with respect to investments of the Fund for the benefit of the Fund or its prospective investors.

To the full extent permitted by law no:

- representation or warranty (express or implied) is given; and
- responsibility or liability (including in negligence) is accepted,

by any company or person, in the group of companies to which each Service Provider belongs, as to the truth, accuracy or completeness of any statement, opinion, forecast, information or other matter (whether expressed or implied) contained in this PDS or as to any other matter concerning it.

The Manager reserves the right to vary the Offer, including by closing the Offer at any time, accepting late applications, changing the timing of the Offer, either generally or in particular cases, without notifying any recipient of this PDS or any applicants. Prospective investors are encouraged to submit their applications as soon as possible.

Subject to the law and the Constitution, the Manager may change at any time the information, terms and conditions set out in this PDS and otherwise applying to Units. Where a person is a Unit holder, they will be provided with at least 30 days' written notice of any such change which is materially detrimental to them as a Unit holder including any increase to fees. Unit holders who redeem their Units prior to the change will ordinarily not be bound by the change. Where a change is not materially adverse to Unit holders the information may be made available at: [www.ellerstoncapital.com](http://www.ellerstoncapital.com). Unit holders may obtain a paper copy of this information free of charge by contacting the Manager.

Certain capitalised expressions used in this PDS have defined meanings, which are explained in the Glossary – **Section 10**. References to \$ or A\$ are to Australian dollars.

# 1. Key Features of the Fund

This table contains a summary of the key features of the Units. You should read the PDS in full before deciding whether to invest. See the Glossary in **Section 10** for definitions of terms.

Key Fund Information		
Investment Manager	<p>The responsible entity and Manager of the Fund and Underlying Fund is Ellerston Capital Limited.</p> <p>The Investment Team has overall responsibility for the Underlying Fund's investment decisions and is supported by a team of investment professionals.</p>	<b>Section 2</b>
Fund Structure	The Fund is an Australian unit trust registered as a managed investment scheme under the Corporations Act 2001 (Cth) ('Corporations Act'). The Fund is a feeder fund that invests in a class of units in the Underlying Fund.	<b>Section 3.8</b>
Investment Horizon	This Fund is suitable for investors seeking capital growth over the medium and long-term of 5 to 7 years. The Fund is not expected to pay regular income.	
Investment Objective	The Fund is targeting a return of 20% per annum on the Fund's Invested Capital (net of fees and expenses) by investing in the Ellerston JAADE Australian Private Assets Fund (Wholesale) ("Underlying Fund").	<b>Section 3</b>
Investment Strategy	<p>The Fund is a feeder fund that will acquire units in the Underlying Fund. The Underlying Fund will focus on Expansion Stage unlisted companies (referred to as private equity). The investment strategy of the Underlying Fund is to invest in established businesses and Pre-IPO Investments, with a primary focus on providing Investee companies with Growth Capital and leveraging our operational and financial expertise to increase the value of our investments. Such companies will have:</p> <ul style="list-style-type: none"> <li>• A clear nexus with Australia, i.e. they will either be Australian companies that are based in Australia or will have material operations or customers in Australia;</li> <li>• Established addressable market and revenue model, clear unit economics and pathway to profitability;</li> <li>• Effective risk management processes in place and meet key criteria we establish for environmental, social and governance requirements; and</li> <li>• Predominant activity that is not property development or land ownership, finance or insurance, construction, or making investments directed at deriving passive income.</li> </ul> <p>The Underlying Fund will acquire minority interests in businesses that have established revenue and business models that can demonstrate a clear pathway to scaling profitably with a sustainable business model and strong competitive positions.</p> <p>The key dependency underpinning the investment strategy is the research, analysis, models, skill and experience of the Manager.</p> <p>The Underlying Fund intends to recycle capital and distribute profits and other income except where such capital is used to fund withdrawals at that time.</p>	
Investments	The Fund is a feeder fund that invests in a class of units within the Underlying Fund.	<b>Section 3</b>
Investment Guidelines and Exposures	<p>The Manager has the following guidelines in the Underlying Fund:</p> <ul style="list-style-type: none"> <li>• Target portfolio construction of approximately 6 to 10 Investee companies at any one time, however, the portfolio may comprise up to 12 Investee companies where the Manager acting reasonably intends to realise an Investee company or identifies a compelling investment opportunity. The portfolio is subject to risks such as ability to source suitable investments, ability to sell and the ability to raise funds for the Fund and Underlying Fund (see <b>Section 4</b> for more on risks).</li> <li>• The portfolio will aim to be invested in accordance with the following target ranges: <ul style="list-style-type: none"> <li>• Private / unlisted high growth businesses at 30-50%;</li> <li>• Pre-IPO (Initial Public Offer) Investments at 30-50%; and</li> <li>• Cash and Cash-like-Investments 10-20%.</li> </ul> </li> </ul> <p>The portfolio of the Underlying Fund may fall outside these ranges from time to time including but not limited to situations where the Underlying Fund is acquiring or realising positions in Investee companies or other Pre-IPO Investments.</p>	<b>Section 3</b>

Liquidity	<p>The Fund should be considered an illiquid investment. Unit holders may only withdraw/ redeem from the Fund pursuant to a Redemption Offer made by us following the Initial Holding Period. We intend to make limited Redemption Offers on a Quarterly basis. However, these will be made subject to the Fund having sufficient liquidity and there is no guarantee that an investor will be able to fully liquidate their investment.</p> <p>The Manager will aim to maintain limited liquidity to fund redemptions under Redemption Offers and other operational purposes by:</p> <ul style="list-style-type: none"> <li>• Targeting cash on hand in the Underlying Fund at 10-20% of the Underlying Fund's Net Asset Value;</li> <li>• Realising investments in the Underlying Fund;</li> <li>• Each portfolio investment is intended to be held for a period of 2-4 years (although there is a risk that investments may be held longer) and will seek to include key terms which are structured to ensure the Underlying Fund is best able to achieve a realisation event within the target holding period;</li> <li>• Issuing new Units within the Fund pursuant to Applications;</li> <li>• Limiting net redemptions at 5% of the Underlying Fund's Net Asset Value per Quarter; and</li> <li>• Once the Underlying Fund is fully invested, it may borrow up to 30% of its assets to provide liquidity for redemptions.</li> </ul> <p>The Manager may be unsuccessful in maintaining sufficient liquidity to provide Redemption Offers and to meet demand for investors to redeem from the Fund.</p>	Section 6.2
Key risks	<p>There are a number of risks associated with investing in the Fund. The key risks include:</p> <ul style="list-style-type: none"> <li>• <b>Liquidity Risk:</b> An investment in the Fund is illiquid. Investors have no right to withdraw from the Fund, except in accordance with the Constitution. Investors may be offered Redemption Offers on a quarterly basis following the Initial Holding Period subject to the capacity of the Fund to satisfy such redemptions. However, there is no guarantee that a Redemption Offer will be offered or that your Redemption Request will be satisfied. In addition, the Fund is subject to a limit on net redemptions in the Underlying Fund at 5% of the Underlying Fund's Net Asset value per Quarter. Other investors in the Fund and Underlying Fund wanting to redeem will adversely impact the ability of the Fund to satisfy Redemption Requests. There can be no assurance that the Manager will be able to realise investments in a timely manner nor at a suitable price. The realisation of the investments is subject to a number of factors such as general economic and market conditions.</li> <li>• <b>Manager risk:</b> The success of the Fund is dependent on the ability of the Manager to identify investment opportunities that achieve the Fund's investment objective (for example, identifying successful Investee companies).</li> <li>• <b>General investment risk:</b> Like any investment, the investment returns of an investment in the Fund will be subject to economic variables (including interest rates, unemployment, inflation and economic growth), market conditions, factors impacting particular Investees and government policy. Some Investees will have certain levels of debt to carry out and expand their operations. The level of interest rates payable on that debt, and the availability of debt financing (including to refinance existing borrowings) can have a significant effect on the returns of those entities. In addition, private assets may carry higher risks that public companies and later stage companies are not exposed to due to their strategic and other operating requirements.</li> <li>• <b>ESG Risk:</b> The Manager endeavours to implement the ESG considerations applicable to the Fund to the best of our ability. ESG considerations may be based on company disclosures or ESG information provided to the Manager by screening agents and other third-party service providers which may not prove to be fully accurate, complete or effective. The integration of ESG considerations into the investment process may have a positive or negative impact on the performance of the Fund, particularly where the approach of the Fund leads to the exclusion of certain issuers, industries or sectors for reasons other than investment performance or where the estimated impact of positive or negative ESG factors is miscalculated.</li> </ul>	Section 4

This is not a comprehensive summary of all the risks of investing in the Fund. Refer to **Section 4**. We recommend you should obtain financial advice before investing.

Valuation, location and custody of assets	The key aspects of the Fund's valuation policy are set out in <b>Section 6.6</b> . The Fund predominately invests in a class of units in the Underlying Fund, (an Australian unit trust) and Cash and Cash-like Investments. The Administrator and Custodian holds the Fund's assets.	<b>Sections 6.6 and 6.7</b>
Leverage	There is no Leverage in the Fund. The Underlying Fund is permitted to borrow up to 30% of its assets for the purpose of satisfying Redemption Requests.	<b>Section 4.2</b>
Derivatives	While the Fund does not utilise Derivatives, the Underlying Fund may use Options and Warrants to achieve its positions in Investee companies.	

Investors will be given 30 days' prior notice of any adverse material changes, otherwise these changes will be available on the Manager's website.

#### Key Product Features

#### Costs of Investing in the Fund

Fees and Costs	Fees and costs are estimated to be 5.30% p.a. of the Net Asset Value of the Fund comprised of the following: <b>Indirect costs incurred in Underlying Fund:</b> <ul style="list-style-type: none"> <li>• <b>Management Fee</b> 1.75% p.a. of the Invested Capital of the Underlying Fund. The Manager estimates that the Management Fee of the Underlying Fund will be 1.40% p.a. of the Net Asset Value of the Fund based on the assumption that the Underlying Fund is 80% invested with 20% Cash.</li> <li>• <b>Expense Recoveries</b> Capped at 0.50% p.a. of the Net Asset Value of the Underlying Fund.</li> </ul> <b>Performance Fee</b> 20% of excess returns above the 8% hurdle (net of fees and costs). The Manager estimates the Performance Fee of the Underlying Fund to be 3.40% p.a. of the Net Asset Value of the Fund (based on historical performance fees).	<b>Sections 5.1 and 5.3</b>
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Buy/Sell Spread	0.38% of the Net Asset Value of the Fund.	<b>Section 5.2</b>
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#### Investment Requirements

Minimum Initial Investment	Minimum initial investment – \$25,000 Minimum additional investment – \$10,000	<b>Section 6.1</b>
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Applications	Quarterly. Complete Applications to be received by the Registry by 2:00pm (Sydney time) on the last Business Day of the Quarter.	<b>Section 6.1</b>
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#### Distributions

Frequency	Distributions (if any) will be made at 30 June.	<b>Section 6.5</b>
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Payment Method	Paid into your nominated bank account or reinvested in additional Units.	<b>Section 6.5</b>
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*\*All fees set out are inclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances.*

#### Reporting

Monthly Factsheet	A monthly factsheet will be available on our website <a href="http://www.ellerstoncapital.com">www.ellerstoncapital.com</a> .	<b>Section 9.1</b>
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Regular Reporting	Confirmation of all applications and redemptions. An annual periodic statement providing your account balance, transaction summary and distribution details (if any).	<b>Section 9.1</b>
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Online Access	Investors are able to access their holdings, transaction history and other statements online through our secure web portal: <a href="https://investorweb.mainstreamfs.com/">https://investorweb.mainstreamfs.com/</a>	
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Unit Pricing	Unit prices are on our website <a href="http://www.ellerstoncapital.com">www.ellerstoncapital.com</a> .	<b>Section 6.6</b>
Annual Audited Financial Report	Annual audited financial report for the Fund is made available on our website <a href="http://www.ellerstoncapital.com">www.ellerstoncapital.com</a> .	<b>Section 9.1</b>
Annual Tax Reporting	Annual tax statement for the Fund. Exit statement if you have redeemed Units during the financial year.	<b>Section 9.1</b>

## 2. About Ellerston Capital

Ellerston Capital is a specialist investment manager providing a range of innovative Australian and international investment strategies. As a firm majority owned by its principals and employees, our clients' objectives are our objectives.

As a dedicated investment manager, we aim to do one thing exceptionally well: grow and protect our clients' wealth through investing. We are passionate about creating value for our clients by identifying outstanding investment ideas and designing portfolios that perform over the long term. Our funds target a diverse range of strategies including, but not limited to, long only Australian, global and Asian equities, Australian and global long-short equity and private equity.

Ellerston Capital has been managing money since 2002. Our clients include sovereign wealth, industry and corporate superannuation funds, international funds, family offices and high net worth investors.

### Key personnel of the JAADE investment team

The Ellerston JAADE Australian Private Assets Fund (Retail) is managed by Ellerston Capital's Private asset team (David Leslie and Justin Diddams) with the added expertise of Anthony Klok and Jayne Shaw and Aristocrat's ex-CEO, Jamie Odell and ex-CFO Toni Korsanos. The members of the team are uniquely positioned and have complementary skill sets and provide proven operational and management expertise.

#### David Leslie

*Bachelor of Business (Economics and Finance), Royal Melbourne Institute of Technology*

David Leslie has over 25 years' experience in technology and investment markets. David has extensive experience in researching, analysing and investing in technology businesses over the last 20 years and most recently has managed Ellerston's investments in early stage technology businesses. In this capacity David has coordinated the investment case, the due diligence and negotiations with Investees, as well as the fund raising process with investors. David is a Director of Mable Technologies Pty Ltd, and an Alternate Director of Prospecion (Health Analytics Pty Ltd) and Phocas Group Pty Ltd.

Prior to joining Ellerston, David spent five years with Deutsche Bank in Sydney as a senior analyst, where he achieved recognition as the No 1 rated research analyst covering technology and later the No 1 rated research analyst covering leisure and gaming. David was responsible for publishing written research reports and making investment recommendations to Deutsche Bank's institutional investor clients in Australia and internationally.

David was one the first employees to join Ellerston in 2005 and his focus has been the global technology and gaming industries. David was originally employed as an analyst and after six months he was given responsibility for managing a global equity portfolio of technology and gaming investments. After spending his first year with Ellerston in Sydney he moved to London for two years where he managed a portfolio of over \$100 million of listed investments.

After returning to Sydney with Ellerston in 2008, David has continued his industry focus and has provided investment ideas for international and domestic equity portfolios, before launching the Ellerston Special Opportunities Platform with Anthony Klok in 2011.

#### Jamie Odell

*MBA, University of Sussex, UK*

Jamie has over 30 years' experience as Global CEO and Managing Director, successfully leading multinational organisations in the consumer goods, technology and gaming industries. He moved to Australia from the UK in 1992 as Managing Director of Lyons Tetley Australia, and then spent time in Singapore leading the duty free division of a premium wine and spirit organisation, Allied Domecq, across the Asia Pacific region. Jamie returned in 2000 to join the Foster's Group in Melbourne, ultimately as Managing Director for their Australia and Asia Pacific regions across all categories, notably the beer division CUB. Prior to this, within Fosters, Jamie ran their global wine business (now spun off as Treasury Wine Estates), which owned and operated vineyards and wineries in Australia, NZ, California and Italy.

At the beginning of 2009 Jamie was appointed CEO of Aristocrat, based in Sydney, and led a turnaround of that business, which is now a top 20 company within the Australian Stock Exchange and has a market capitalisation of around A\$30 billion. That turnaround was built upon a clear strategic focus on having the best technology, content and people, in addition to completing highly accretive M&A – entering adjacent segments including Digital and Server Based Gaming.

Since leaving Aristocrat in 2017, Jamie has focused on investments in the start-up technology sector, in both Australia and the US, and is currently Executive Chairman of Light & Wonder.

#### **Toni Korsanos**

***Bachelor of Economics (Finance and Accounting), Macquarie University, Graduate of the Australian Institute of Company Directors and Member of Institute of Chartered Accountants.***

Toni has more than 20 years' senior executive experience in financial and general management, strategy, mergers and acquisitions, communications, technology and risk management. Toni is on the board of portfolio company Phocas.

Toni was the Chief Financial Officer & Head of Strategy (2009 to 2018) and Company Secretary (2011 to 2018) of Aristocrat Leisure Limited. Toni has experience running diverse businesses and led a broad portfolio including Finance, Strategy and Business Development, M&A, Investor Relations & Communications, IT, Global Supply Chain, and Human Resources. Toni also has significant global experience in customer driven organisations, across diverse geographies with a concentration in the US.

At Aristocrat Toni and Jamie partnered closely to turn around the business and was intricately involved in defining the strategy and the direction of the company. Strong growth was delivered through building a high-performance culture, attracting and retaining the world's best talent, revamping the technology base, undertaking effective organic investment and accretive M&A, most notably in the social digital and US gaming markets.

Prior to working at Aristocrat, Toni held a number of finance and business development positions at Kellogg's Australia and New Zealand, Goodman Fielder Limited and Coopers & Lybrand in Sydney.

Since leaving Aristocrat in March 2018, Toni has focused on investments in the technology sector as well as holding a Vice Chairman Director position in Light & Wonder and Non-Executive Director roles at Phocas Group Pty Ltd and Treasury Wine Estates Limited.

#### **Anthony Klok**

***Bachelor of Commerce and Laws, University of Tasmania, Graduate of the Australian Institute of Company Directors.***

Anthony Klok is an experienced lawyer and senior executive with considerable experience in sourcing, negotiating and investing in online and technology-based companies. He also has a strong track record as a director on public and private company boards in a variety of industries. Anthony has more than 40 years advisory and operational experience in diverse areas including legal, corporate advisory, business development, media and technology and internet businesses.

From 2008 to 2010, Anthony was responsible for identification, due diligence, structuring and execution of investment opportunities at Crown and prior to that was the CEO of Betfair Australia for three years, a joint venture between UK based Betfair PLC and Crown. Betfair is an online gaming platform. This provided essential experience in running, managing and growing a global business in the technology space.

Prior to Betfair, Anthony worked at PBL where his responsibilities included analysis and structuring of new investments as well as strategic and management input to a range of PBL's existing investments. His experience in this area encompassed analysis and sourcing of investment opportunities; negotiating, undertaking due diligence and structuring of transactions and strategic management guidance post-completion. During this period PBL successfully entered joint ventures in relation to, or acquired equity in, a number of businesses which have leveraged the internet for success, such as Seek, Carsales.com, NineMSN and Betfair. Prior to this, Anthony was a partner at the law firm Blake Dawson Waldron.

Anthony is currently a non-executive director and Chairman of Prospecta Software Pty Ltd, Frontier Digital Ventures Limited (ASX-listed) and Genero Media Pty Ltd and a non-executive director of Data Zoo Pty Limited.

#### **Jayne Shaw**

***Bachelor of Nursing – Southmead, Bristol University UK***

Jayne Shaw is the Executive Chair and co-founder of BCAL Diagnostics which is now listed on the ASX. She is a qualified and registered nurse in the UK, and on arrival in Australia became Director of Nursing and Chief Executive Officer of two private hospitals. Founding an international healthcare consulting business, which was later acquired by Healthsouth, she co-founded Vision Group—which became an ASX-listed Ophthalmic Doctor equity model. She has founded and lead several healthcare companies which have either been sold or listed on the ASX and has worked on many international mergers and acquisitions with private equity companies in the UK, Australia and the USA. Currently she co-owns Sydney Breast Clinic and holds existing board positions at Magentus, Mable Technologies, Pharm X and Prospecion. Jayne also serves as a Non-Executive Director at Pinnacle Charitable Foundation Prospecion and an advisor to the Board of Problem Shared (UK based).

**Justin Diddams**

*Bachelor of Commerce, (Finance and Accounting), University of Sydney, Graduate of the Australian Institute of Company Directors and Member of Institute of Chartered Accountants.*

Justin joined Ellerston in December 2017. His role in the Private Assets team includes deal sourcing, due diligence, investment analysis and corporate strategy across portfolio companies. He has over 20 years' experience in investments and financial markets. Prior to joining Ellerston, Justin gained valuable experience inside an early stage business as Chief Financial Officer of Cover Genius, a disruptive global insurance tech platform. During this period Justin completed a capital raising and US market entry for the company.

Prior to joining Cover Genius, Justin was a Director at Citigroup for six years, where he was the head of equity research covering the Telecommunications, Media and Technology sectors in Australia and New Zealand, where he focused on thematic and company specific investment research, including coverage of IPOs and corporate transactions. Before joining Citigroup, Justin spent four years as an Equity Research Analyst at RBS/ABN Amro bank in London where he covered Media and Entertainment companies throughout Europe. Justin commenced his career as an accountant at EY.

Justin holds Non-Executive Director positions at LiteracyPlanet, Azupay Ltd and Prospecta Software Pty Ltd.

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**The Ellerston JAADE Investment Committee**

The JAADE Investment Committee ("the Committee"), comprising the Investment Team and an independent Chair:

- **Jamie Odell**, Chairman
- **Geoff Kleemann**, Independent Member
- **Anthony Klok**, Member
- **David Leslie**, Member
- **Jamie Odell**, Member
- **Toni Korsanos**, Member
- **Jayne Shaw**, Member
- **Justin Diddams**, Member

The Investment Committee will review and provide prior approval for all investments and divestments by the Underlying Fund, which require a unanimous affirmative vote of all Investment Committee members who are present and eligible to vote. The Committee adheres to the overall governance framework and policies set by Ellerston Capital, including the Conflicts of Interest Policy, to ensure that actual and potential conflicts are appropriately identified and managed so that the Manager acts in the best interests of the Underlying Fund's investors.

The members of the Committee may change from time to time.

**Geoff Kleemann, Independent Member of the Investment Committee**

Geoff Kleemann, has over 40 years' experience in accounting, business management and strategy, and board roles, has served on numerous high profile listed Australian companies over that time. Geoff has a long history with the team dating back to his role as the Chief Financial Officer of PBL when he worked closely with Anthony Klok and also engaged professionally with David Leslie.

Geoff commenced his career over forty years ago as a chartered accountant with Deloitte, before moving into various finance roles in the public domain. He has over thirty years' experience as an independent director, finance director and Chief Financial Officer at a number of publicly listed companies across a variety of industries. He's currently an independent director at Domain Holdings Australia Limited (ASX: DHG). His previous executive roles have included Crown Resorts (ASX:CWN), Publishing & Broadcasting Limited (PBL:ASX), Woolworths (ASX:WOW) and Pioneer International. During this time Geoff was involved in a number of significant capital raisings both in the Australian and global debt markets, and across the ASX and Nasdaq equity markets.

Geoff was also heavily involved in the assessment and decision-making processes for numerous corporate acquisitions/investments in both large and small enterprises, including Crown Limited, Burswood, Foxtel, and Crown Macau. He has also acted as an executive director on various joint venture and fully owned investments, including Fox Sports, Wizard Financial, Hoyts and Australian Cement.

Geoff is currently the independent chairman of the Ellerston Ventures Investment Committee.



### 3.About the Ellerston JAADE Australian Private Assets Fund (Retail)

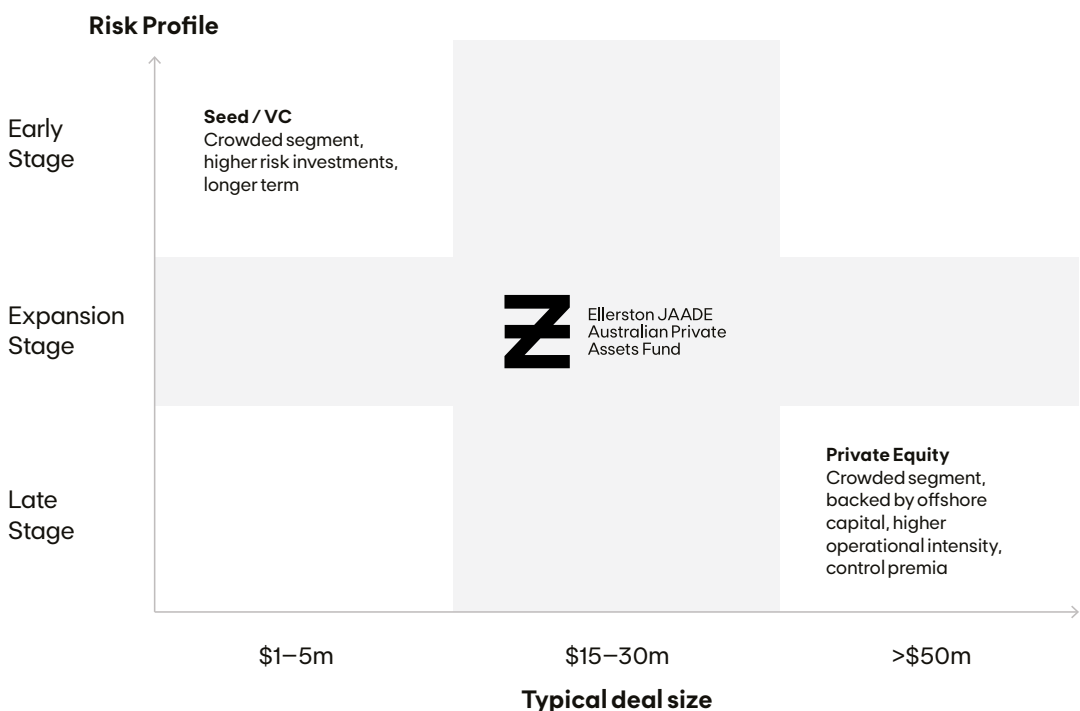
#### 3.1 Investment Strategy of the Underlying Fund

The Fund focuses on Expansion Stage Private Equity. The Investment Team’s philosophy has five key underlying beliefs, which directly drive our approach to finding and growing investment opportunities:

Investment Belief	Ellerston JAADE Approach
1. Private companies offer investors significant valuation advantages over public companies	Model company value based on anticipated post-IPO multiples to better gauge return potential
2. Technology disruption is real and impacts every business	Assess the opportunity and competitive position with a technology lens
3. Operational expertise can make or break a business’s ability to grow	Use our experience to assess and mentor management and determine strategies to scale for growth
4. Discerning private companies will choose investment partners who contribute more than just capital	Cultivate partnerships based on fit of skill-sets, culture and alignment of interests with founders and management
5. Always have the end in mind	Plan our exit from the beginning and focus on optimising outcomes for investors and our investment partners

#### 3.1.1 Target Opportunities

The Fund will acquire minority interests in businesses that have established revenue and business models that can demonstrate a clear pathway to scaling profitably with a sustainable business model and strong competitive positions. These companies are too big for Early Stage Venture Capital investors and too small for Late Stage Private Equity investors who are also seeking a majority interest.



### 3.1.2 Investment Criteria

The Fund is targeting investment in companies with the following criteria:

- **Sustainable growth models and addressable opportunity set:** Companies will be chosen on the bases of a demonstrable capability, including functional technology, product or platform. They need to achieve sustainable high revenue growth rates, have large addressable opportunities and ideally be able to operate in global markets.
- **Nexus with Australia:** Investments will have a clear nexus with Australia, in other words they will either be Australian companies that are based here or have a material operations or customers in Australia. This will ensure we are able to leverage our capabilities and connections to help them reach their potential.
- **Medium term exit horizon:** With an investment horizon of 2 to 4 years, we work with Investees to ensure clear alignment of interests around the exit outcomes. This includes potential trade sale or IPO pathways.
- **Aligned with ESG guidelines:** Investments will be subject to clear ESG guidelines and we recognise that in the world of fast-paced entrepreneurial businesses we need to be rigorous to ensure that all companies have effective risk management processes in place and meet key criteria we establish for ESG requirements.
- **Leverage our expertise:** While the best high growth companies have many options, we offer the founders, management and shareholders of these companies a combination of hands-on management expertise and strong investment market experience.

Private equity inherently involves a higher degree of risk than other asset classes such as cash, Fixed Interest, listed domestic and international Equities and property, but it also has the potential to generate higher levels of capital growth than those asset classes.

### 3.1.3 Investment Process

Our investment selection and management process is rigorous, with input from multiple sources and oversight by the Investment Committee (Refer to Section 3.1.4).

#### Investment Selection (3-6 months)

1. Source Deals	2. Screen deals & initial due diligence	3. Negotiate termsheet	4. Conduct detailed due diligence	5. Set terms & approve
<p>Review 20+ leads per month</p> <p>Sourced from:</p> <ul style="list-style-type: none"> <li>- Internal, external, co-investor, investor &amp; professional networks</li> <li>- Portfolio companies</li> <li>- Inbound and outbound enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Meet ~ 10 companies per month (i.e. 30-50% of leads)</li> <li>• Form initial views on: <ul style="list-style-type: none"> <li>- Management capability</li> <li>- Product/platform</li> <li>- Market opportunity</li> <li>- Competitive process</li> </ul> </li> <li>• Fit with our strategy</li> <li>• Elect 'Champion' for each opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Establish and document deal value, structure, team value add and exit strategy</li> <li>• Investment Committee unanimously approves non-binding term sheet</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial DD on management and fundamentals</li> <li>• Product and technology DD on capability (often utilising Advisor Panel)</li> <li>• Accounting and legal DD to complement financial modelling</li> </ul>	<ul style="list-style-type: none"> <li>• Champion prepares and submits investment case to Investment Committee</li> <li>• Unanimous decision to execute</li> <li>• Prepare and review final transaction documents before executing</li> </ul>

#### Investment Management (2-4 years)

6. Post investment value creation	7. Exit Strategy
<ul style="list-style-type: none"> <li>• Provide expertise and mentoring</li> <li>• Review against KPI's and report regularly to Inv. Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Refine timing and path for exit strategy</li> <li>• Optimise exit for all parties</li> </ul>

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### 3.1.4 The Ellerston JAADE Advisor Panel

JAADE has established an external Advisor Panel of business leaders and strategic experts. The Advisor Panel has been chosen to have complementary, wide-ranging coverage of markets and executive experience. They will meet periodically to obtain a broad overview of opportunities and the performance of Investee companies in order to provide additional depth of perspective and advice to the team on the current opportunity set. Where specific panel members have relevant expertise, the Investment Team will engage them for bespoke consulting that may include formal engagement and potentially, board representation.

The members of the Advisory Panel may change from time to time.

#### Ellerston JAADE Advisor Panel

##### Peter Tonagh

Chairman of ACT Capital Partners and Bill Identity, Board Director of Quantum, Deputy Chair of Australian Broadcasting Corp. Formerly CEO of Foxtel and News Corp Australia. Previously with Boston Consulting Group.

##### Naseema Sparks AM

Chairman of Homart Pharmaceuticals and OpenMarkets Group; Board Director of Australian Vintage Group; AICD council member. Former Director at Blackmores and MD of M&C Saatchi.

##### Michael Malone

Founder and former CEO of iiNet. Current Board Director of NBN Co, Seven West Media and WiseTech Global. Former Chairman of Superloop and Director of DownUnder Geosultions, Speedcast Limited and Axicom.

##### Carl Jackson

Former CEO and Chairman of MySale Group, a leading Australian online retail and e-commerce company listed on the London Stock Exchange. Carl has 25 years of international retail operations experience.

Source: Ellerston Capital as at 31 August 2024.

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### 3.2 Portfolio Construction of the Underlying Fund

The portfolio of the Underlying Fund will be relatively concentrated and will aim to target between 10% - 20% of the Underlying Fund's Net Asset Value per investment generally across 6 – 10 Investee companies. However, the portfolio may comprise up to 12 Investee companies where the Manager acting reasonably intends to realise an Investee company or identifies a compelling investment opportunity. We believe these portfolio guidelines enables us to maximise our returns through meaningful engagement and mentorship of each Investee company in the Fund's portfolio.

Key criteria for a company to be considered for inclusion in the Fund's portfolio may include the following:

- A minimum of \$10 million in revenues, with a focus on recurring and/or subscription based revenues;
- Strong proof of concept (i.e. demonstrable capability, including functional technology, product or platform);
- Business model with established clear unit economics; and
- The ability to generate real earnings over the investment horizon.

Ellerston Capital's broader investment team has significant depth and experiencing covering a wide range of industry sectors and geographic markets, which may result in the Investment Team assessing investments outside the technology sector. It is intended that the Underlying Fund will be sector agnostic, preferring to identify potential opportunities based on our investment philosophy and approach. However, our category focus remains consistent with a bias towards the following investments:

- Qualifying pre-IPO companies seeking dedicated Growth Capital; and
- Disruptive businesses with significant market opportunities and scalable models.

The Underlying Fund will not invest in real estate, construction or investments that are used for the purposes of providing funding (via debt or balance sheet) to APRA regulated and other insurance businesses.

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### 3.3 Underlying Fund Portfolio Guidelines

Investment universe

- Australian Private Companies; and
- Cash and Cash-like Investments.

Target number of positions

- Generally, 6–10 Investee Companies but may be up to 12.
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### 3.4 Fund Information and Performance

Performance information for the Fund will be displayed at [www.ellerstoncapital.com](http://www.ellerstoncapital.com). Prospective investors in the Fund can obtain performance information by telephoning (02) 9021 7701 or by emailing [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com). Past performance is not an indicator of future performance.

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### 3.5 Labour, Environmental, Social and Ethical Considerations

The Manager integrates consideration of labour standards or social, environmental or ethical considerations through a unique, proprietary and multi-step approach to ESG embedded through the investment process in the selection, retention or realisation of investments. The Manager does not employ a fixed methodology for taking these considerations into account, other than as described below.

The Manager will exclude direct investments in the following sectors:

Sector		Permitted Holding
Tobacco	Companies that generate any direct revenue from the production of tobacco and/or manufacture of nicotine alternatives and tobacco-based products.	0%
Pornography	Companies that generate any direct revenue from the production, sale or advertisement of pornography.	0%
Old Growth Forest Logging	Companies that conduct old growth forest logging.	0%

The Manager will also restrict direct investments in companies in the following sectors based on the revenue threshold limits specified:

Sector		Permitted Revenue <sup>1</sup> Threshold
Thermal Coal Production	Companies that generate direct net revenue from the production of thermal coal and have no intention to initiate new thermal coal explorations.	≤10%

Investments which form part of the Underlying Fund's portfolio may become subject to a business sector or activity exclusion post-investment, for example due to market movements or M&A activity. In those circumstances, the Underlying Fund will not be obliged to immediately dispose of the investment but will not increase the size of its position where possible. The Manager will then assess the circumstances leading to exclusion and may engage with management of the issuer in order to obtain further information. If the Manager determines that divestment is warranted, the Underlying Fund will exit the investment within a reasonable timeframe, giving due consideration to any relevant market conditions and financial impact to the Fund.

Please refer to the Manager's [Responsible Investment Policy](#) for further details on our approach to responsible investing.

Refer to **Section 9.2** for further details.

<sup>1</sup> Revenue is defined as total consolidated revenue for the company, as per the most recent values disclosed to the market.

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## 3.6 Other Fund Considerations

### Liquidity

The Fund is intended to be treated as an illiquid investment and there is no guarantee that an Investor will be able to fully redeem their investment in the Fund. Unit holders will be subject to an Initial Holding Period which will enable the Fund to achieve scale and following the Initial Holding Period, requests to redeem will be subject to any Redemption Offers made available by the Manager and subject to the Fund having sufficient liquidity (see **Section 6.2**).

The Fund aims to be able to satisfy requests to redeem via Redemption Offer of up to 5% per Quarter of the Net Asset Value of the Underlying Fund based on an assumption that individual assets will have a holding period between 2-4 years with individual investments structured to include deal terms to facilitate a realisation event during specified periods. The Underlying Fund will also target a cash holding of 10-20% of the Underlying Fund's Net Asset Value to support funding redemptions and other operational requirements. The Manager may be unsuccessful in maintaining sufficient liquidity to provide Redemption Offers and to meet demand for investors to redeem from the Fund.

### Key Dependencies

The key dependency underpinning the investment strategy is the research, analysis, skill and experience of the Manager. With the investment techniques available to the Fund, the Fund aims to generate capital growth on each investment that is, generating a profit which is not dependent on the general movements of the market (e.g. market conditions or interest rates) but rather on the skill of the Manager.

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## 3.7 Changes to the Investment Objective and Strategy

The Manager may change at any time the investment objective and strategy to meet current market conditions. Where a change is not materially adverse to Unit holders the information may be made available at: [www.ellerstoncapital.com](http://www.ellerstoncapital.com). Otherwise Unitholders will be given 30 days' prior notice.

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## 3.8 Fund Structure

The Fund is an Australian unit trust registered as a managed investment scheme under the Corporations Act. The Fund invests into a separate class of units in the Underlying Fund. The Underlying Fund is an un-registered managed investment scheme. The Underlying Fund invests in the assets of the Fund directly in accordance with the investment strategy set out in **Section 3**.

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## Investment Structure

### 3.9 Key Service Providers to the Fund

Role	Provider	Key functions
Responsible Entity and Manager	Ellerston Capital Limited	Responsible Entity of the Fund. Managing the Fund's investments. See <b>Section 2</b> .
Administrator and Custodian	Apex Fund Services Pty Ltd	Holds custody of the Fund's assets. Investment accounting, fund accounting and Net Asset Value calculations.
Registrar	Apex Fund Services Pty Ltd	Investor services and fund registry.
Auditor	Ernst & Young	Auditing annual financial accounts and the Fund's compliance plan.

Cash may be held on deposit with one or more Australian banks.

Each Key Service Provider has entered into a service agreement which sets out the Key Service Provider's obligations to the Fund. The Manager monitors the performance of the Key Service Providers on an ongoing basis to determine their compliance with service agreement obligations (e.g. receiving compliance attestations).

All arrangements are on an arms' length basis. All the entities described in this section are Australian. See **Section 4** for risks relating to the above, in particular counterparty risks.

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### 3.10 Classes of Units in the Fund

The Fund may issue additional classes of units at a future date.

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## 4. Risks

**An investment in the Fund entails risks. There can be no assurance that the Fund's investment objective will be achieved. Investors should consider any investment in the Fund as a supplement to an overall investment portfolio and should invest only if they are willing to undertake the risks involved. Unit holders in the Fund could lose some or all of their investment in the Fund. Investors should consider the following risks in determining whether an investment in the Fund is suitable for them. They should seek professional advice before investing. The summary below is a guide only and not an exhaustive list of all the risks of investing in the Fund.**

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### 4.1 General Risks

**General investment risk:** Like any investment, the investment returns of an investment in the Underlying Fund will be subject to economic variables (including interest rates, unemployment, inflation and economic growth), market conditions, factors impacting particular Investees and government policy. Some Investees will have certain levels of debt to carry out and expand their operations. The level of interest rates payable on that debt, and the availability of debt financing (including to refinance existing borrowings) can have a significant effect on the returns of those entities.

**Other business interests:** The members of the Investment Team and the Manager its and employees may be members of other advisory boards, investment committees or funds, and are, or in the future may be, officers or directors of, or otherwise affiliated with, investors of one or more of other investment funds. This may present conflicts of interest where such professionals may be pursuing the interest of more than one such party simultaneously.

**Currency risks:** Currency movements relative to the Australian dollar can cause changes in the value of your investments.

**Counterparty risks:** Counterparties to agreements with Investees may not perform their obligations under those agreements. This could adversely affect the performance of the Fund.

**Tax regulation risks:** Investors could become subject to unforeseen taxation in the jurisdiction in which the Fund operates, is managed, advised, promoted or invests. In addition, taxes incurred in such jurisdictions by the Fund or Underlying Fund may not be creditable or deductible by the Fund or the Investors in their respective jurisdictions. There can be no assurance that the structure of the Fund or any investment will be tax-efficient for any particular Investor. Prospective Investors are urged to consult their own tax advisers with references to their specific tax situations and in respect of the Australian tax implications of acquiring, holding and disposing of interests in a Unit trust on their specific circumstances.

Any taxation information in this PDS is of a general nature only and is not to be taken as any tax or other advice. Investors are advised to monitor changes to taxation rules and how they may affect their tax obligation.

**Pandemic Risk:** The impact of pandemics may have adverse implications on the Fund's ability to achieve its investment objectives.

**ESG Risk:** The Manager endeavours to implement the ESG considerations applicable to the Fund to the best of our ability. ESG considerations may be based on company disclosures or ESG information provided to the Manager by screening agents and other third-party service providers which may not prove to be fully accurate, complete or effective. The integration of ESG considerations into the investment process may have a positive or negative impact on the performance of the Fund, particularly where the approach of the Fund leads to the exclusion of certain issuers, industries or sectors for reasons other than investment performance or where the estimated impact of positive or negative ESG factors is miscalculated.

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### 4.2 Specific Risks

**Illiquid investments:** An investment in the Fund is illiquid and there is no established secondary market in which an Investor may sell its units in the Fund and none is expected to develop in the future. In addition, Investors have no right to withdraw from the Fund, except in accordance with the Constitution. Redemptions from Investors will be subject to any Redemption Offers made available by the Manager. However, there is no guarantee any or all portion of a request will be fulfilled. Redemptions may also be suspended by the Manager in certain circumstances.

There can be no assurance that the Manager will be able to realise investments in a timely manner nor at a suitable price. The realisation of the investments is subject to a number of factors such as general economic and market conditions.

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**Regulatory risks:** Regulatory changes to the Corporations Act or other laws may affect optimum investment decision making by the Manager. The actions of governments and regulators have a significant influence on the outlook for companies and the returns to Investors.

**Target returns:** The Manager cannot guarantee the level of returns targeted will be achieved from an investment in the Fund.

**Reliance on projections:** The financial performance of an investment of the Underlying Fund may vary significantly from its management's projections. Any failure to meet its projections may be materially adverse to the return on the Fund and to Investors.

**Past performance:** The performance of prior investments in which the Manager, and/or Investment Team have been involved cannot be relied upon in assessing the merits of the Fund. Applicants should read the PDS and Constitution in full and obtain independent advice prior to investment.

**Manager:** The Manager may not be successful in implementing the Underlying Fund's investment strategy and may not be able to affect improvements in an Investee's performance.

**Market risk:** Market conditions are volatile which may prevent the Underlying Fund achieving its fund raising objectives. Failing to raise sufficient capital could result in the Underlying Fund being unable to achieve its targeted investment strategy and objectives.

**Key person risk:** The departure of a member of the Investment Team may impact the ability of the Manager to implement the strategy.

**Deal flow:** The Manager may not be able to identify and reach agreement with any, or a sufficient number of suitable Investees.

**Deal allocation:** Ellerston Capital acts in various capacities for clients including investment mandates and funds and as a result there is no assurance that all transactions that the Manager is involved in will be referred to the Underlying Fund.

**Due diligence:** Investments will be made in early stage companies which have limited information available for due diligence. As such, some investments may be made based on limited due diligence and on publicly available information. This may increase the risks to the Underlying Fund associated with those investments.

**Distributions:** Distributions will vary from time to time depending on whether exits can be achieved. If exits are unsuccessful no distributions may be made and capital may be lost.

**Lack of diversification:** The Underlying Fund will concentrate on companies and technologies initially and primarily located in Australia. To the extent that the Underlying Fund concentrates investments in Australia, they will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular region.

**Minority investments:** As the Underlying Fund intends to take minority positions (rather than controlling stakes), there is a risk that Investees' shareholders and management may make decisions that the Manager does not agree with and/or that do not serve the Fund's interests. Additionally, the Underlying Fund may not be successful in obtaining a board seat or board observers seat in respect of each Investee and this could prevent the Manager from implementing its investment strategy.

**Founder and management risks:** Although the Manager will monitor the performance of each Investee company, the Manager will not control the day-to-day operations of Investee companies. The Manager will invest in and rely on the ability of the founders and/or management team of Investees to operate the business and execute on business strategy.

While it is the intention for the Manager to focus on investments with a strong management team, or where a strong management team can be developed and maintained, the death, disability, resignation or termination of one or more of those people could have a material adverse impact on their business and prospects of the investment made.

**Indemnity:** The Fund will indemnify certain persons in respect of any claims, losses, liabilities, costs or expenses incurred in connection with the Fund (to the extent that it is not the result of negligence, wilful misconduct or fraud by the indemnified persons), which may result in a loss of capital for Investors.

**Valuation:** Investees may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisable value.

**Competitors:** Competing businesses including those with superior products or technologies may adversely affect an Investee which may have a material adverse effect on returns to Investors. The introduction of new competitors or a more aggressive competitive response from existing participants may affect the operating performance of an Investee. There is no assurance that an Investee will be able to compete successfully in its marketplace and any increase in competition could adversely affect the earnings of an Investee.

**Leverage:** The Underlying Fund may use Leverage to fund Redemption Requests and such costs will be borne by the Underlying Fund (and indirectly by Investors). To the extent there are redemptions in the Underlying Fund by other investors, the Fund may bear a larger portion of such borrowing costs. Leverage involves a degree of financial risk and may increase the exposure of the Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments.

The assets of the Underlying Fund, including any uninvested amounts, may be, in whole or in part, offered as security for such Leverage. To the extent that the Underlying Fund is unable to meet obligations under the leverage facility, there is therefore a risk that committed capital and the Underlying Fund will be used to repay leverage.

**Risks of certain divestments:** In connection with the divestment of an investment in a portfolio company or otherwise, the Underlying Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Underlying Fund.

**Performance Fee:** The Manager's entitlement to a performance fee may create an incentive for the Manager to make riskier or more speculative investments than would be the case absent such performance fee. In addition, as performance fees are accrued into the Net Asset Value and based on the carrying value of the investment, which may defer from the actual proceeds received on realisation, it is possible that Investors may be impacted (positively or negatively) by applications or redemptions from Investors.

**Absence of recourse:** The Constitution limits the circumstances under which the Manager and its respective officers, directors, partners, employees, shareholders, affiliates and other agents can be held liable. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

**Passive investment, lack of control:** Investors will not be able to control or participate in the management and day-to-day operations of the Fund including decisions regarding the making and disposition of investments. Accordingly, investors must be willing to rely on the ability of the Manager to manage the Fund and its investment judgment and management skills.

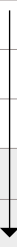

**Compulsory withdrawal:** Investors may have their units compulsorily withdrawn from the Fund in accordance with the Constitution including in circumstances where the Investor is in breach of the Constitution or made a misrepresentation in acquiring their units.

**Re-investing of realised proceeds:** Pursuant to the Constitution the Manager may recycle the proceeds of realised investment of the Underlying Fund in its discretion which will delay the return of capital to Investors.

### 4.3 Risk Management Strategy

The Underlying Fund seeks to mitigate risk through strong investment due diligence and sign-off processes, portfolio diversification and targeting companies for inclusion in the portfolio that have surpassed the risks inherent in the early stage of the life cycle such as strategy, operational and execution risks.

#### Fund Profile

Stage of Development	Relative Risk Level	Relative Potential Returns
Pre Seed	Highest	Highest
Seed		
Early Stage Venture Capital		
Late Venture Capital		
Expansion / Growth		
Pre-IPO		
Buyout / Public Equity	Lowest	Lowest

The Manager's risk management process also includes a comprehensive compliance framework. This framework includes compliance policies, training, monitoring and maintaining a compliance plan and a compliance committee for its registered schemes. The compliance plan for the Fund sets out how the Manager will ensure compliance with both the Corporations Act and the Constitution. The compliance committee comprises a majority of independent members with appropriate expertise. It monitors the Fund's adherence with the compliance plan. The independent members of the compliance committee are highly experienced and qualified individuals and are responsible for monitoring all of the Manager's registered schemes. The compliance plan is audited externally on an annual basis. The Manager has a compliance team, the head of which reports directly to the Board. The Manager also segregates the Manager's staff that make investment decisions from those that are responsible for administering the Fund.

The Manager maintains business continuity and disaster recovery plans. The accounting role for the Fund is performed by the Administrator, an independent third party. The financial statements are audited annually.



## 5. Fees and Costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### To Find Out More

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs charged 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 **Section 7** of this PDS.

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

If you are investing indirectly through an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

### 5.1 Fees and Cost Summary

#### Ellerston JAADE Australian Private Assets Fund (Retail)

Type of Fee or Cost	Amount <sup>1,2</sup>	How and When Paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b> The fee and costs for managing your investment.	<b>Indirect costs</b> Estimated to be 1.90% p.a. of the Net Asset value of Units comprising of the following fees and costs of the Underlying Fund.  <b>Management Fee</b> 1.75% p.a. of the Investment Capital of the Underlying Fund.  The Manager estimates the Management Fee of the Underlying Fund to be 1.40% p.a. of the Net Asset Value of the Fund <sup>3</sup> .  <b>Expense Recoveries</b> Capped at 0.50% p.a. of the Net Asset Value of the Underlying Fund.	Indirect costs are variable and are deducted from the assets of the Underlying Fund when they are incurred. Such fees are reflected in the unit price of the Underlying Fund and are not charged directly to the Fund.  Management fees are charged in the Underlying Fund and are included in the indirect costs of this Fund.  Cost recoveries incurred by the Underlying Fund are capped at 0.50% p.a. of the Net Asset Value of the Underlying Fund. These costs are not charged separately and are not paid to the Manager.  Refer to <b>Section 5.2</b> for more details.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product.	Performance fee of 20% of excess returns of each Investee company above the 8% hurdle (net of fees and costs) are payable in the Underlying Fund.  Estimated to be 2.54% p.a. of the Net Asset Value of the Fund.	Performance fees are accrued on unrealised gains and are paid to the Manager on a realisation event for an Investee company with 50% of the performance fee held for 12 months after realisation and only paid if the total average return of all Investee companies in the portfolio is in excess of 8% p.a. at that time.  Refer to <b>Section 5.2</b> for more details.

<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets.	Estimated to be 0.00% p.a. of the Net Asset Value of Units. <sup>4</sup>	Paid out of the Fund's assets when the costs are incurred and reflected in the Unit price. The amount shown is net of any transaction costs recovered from investors via the buy-sell spread.  Refer to <b>Section 5.2</b> for more details.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<b>Establishment fee</b> The fee to open your investment.	Nil.	Not applicable.
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil.	Not applicable.
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme.	0.38% of the application / redemption amount (as applicable).	The Buy/Sell Spread is deducted from the application amount received from, or the redemption amount to be paid to, applicants and withdrawing Unitholders respectively at the time of the relevant application or redemption.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	Nil.	Not applicable.
<b>Exit fee</b> The fee to close your investment.	Nil.	Not applicable.
<b>Switching fee</b> The fee for changing investment options.	Nil.	Not applicable.

<sup>1</sup> All fees set out in this **Section 5** are inclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances.

<sup>2</sup> Fees in this PDS can be individually negotiated if you are a 'wholesale' client under the Corporations Act. If you invest via an IDPS, the operator may have negotiated a lower fee which may be passed onto you. Please contact your IDPS operator for further details.

<sup>3</sup> The estimate assumes that the Underlying Fund is 80% invested with 20% Cash.

<sup>4</sup> Transaction costs are shown net of any amounts recovered by the Fund from the Buy-Sell Spread charged to transacting investors. Refer to **Section 5.2** for more details.

## 5.2 Additional Explanation of Fees and Costs

### GST

All fees set out in this **Section 5** are inclusive of any applicable Goods and Services Tax (GST) and net of input tax credits (unless otherwise stated). The Fund may not be entitled to claim an input tax credit in all instances.

### Management Fees and Costs

The management fees and costs are indirect costs comprised of the ongoing management fee and expense recoveries of the Underlying Fund.

### Indirect Costs

Indirect costs are certain costs which we reasonably estimate will reduce, directly or indirectly, the Fund's return. Indirect costs may include underlying investment manager fees and costs and certain derivative costs. If any indirect costs are incurred, they would be reflected in the Unit price of the Fund and would not be charged to you as a fee directly.

Based on the information available to us as at the date of the PDS and having regard to the past financial year, the Manager estimates the indirect costs of the Fund to be 1.90% p.a. of the Net Asset value of the Fund which is made up of the Underlying Fund's management fee and expense recovery.

### *Management Fee*

The management fee is 1.75% p.a. of the Invested Capital of the Underlying Fund which is estimated at 1.40% p.a. of the Net Asset Value of the Fund. The estimate is based on the assumption that the Underlying Fund is 80% invested with 20% Cash and no management fee is payable on cash.

The Fund does not charge a management fee directly.

### *Expenses Recoveries*

All costs or general expenses reasonably and properly incurred in the proper performance of its duties by us in connection with the management of the Fund are payable out of the Fund. We are responsible for providing all office personnel, office space and office facilities required for the performance of its services. The Fund bears all other expenses incidental to its operations, including, but not limited to, fees payable to the Fund's service providers (e.g. administrator and custodian); taxes imposed on the Fund or us (in our capacity as responsible entity of the Fund); governmental charges and duties; the Fund's advisers (e.g. legal, accounting and audit); and printing and distributing the PDS, subscription materials, marketing materials and any reports and notices to Unitholders or prospective Unitholders. The total of these ongoing expenses is capped at 0.50% p.a. of the Net Asset Value of the Underlying Fund. Fund may also incur unanticipated expenses arising from its business, such as litigation and indemnification expenses. Government fees, duties and bank charges may also apply to investments and redemptions and be deducted from application monies or redemption proceeds.

All costs or expenses incurred (or that will be incurred) by us in connection with the offer of Units are payable out of the Fund and we may choose to include in the assets of the Fund deferred establishment costs for Unit pricing purposes.

### **Performance Fee**

The Fund does not charge a performance fee directly.

However, performance fees are payable in the Underlying Fund on any excess return of each Investee company (net of fees and costs) that is above the hurdle rate of 8% per annum and where the total average return of all Investee companies in the portfolio (calculated on an Investee by Investee basis and net of fees and costs) is in excess of the hurdle rate of 8% per annum at the time of calculation.

Performance fees are accrued on unrealised gains but are paid to the Manager on a realisation event for an Investee company with 50% of the performance fee held for 12 months after realisation, and only paid if the total average return of all Investee companies in the portfolio (calculated on an Investee by Investee basis and net of fees and costs) is in excess of 8% per annum at that time.

Based on the Fund's average performance fee by reference to the number of financial years in which the Fund operated, the Manager estimates the performance fee to be 2.54% p.a. of the Net Asset Value of the Units. This estimate should not be taken as a forecast of the Fund's performance.

See **Section 5.3** below for worked examples of the performance fee.

### **Transaction Costs**

Transaction costs are costs of buying and selling the Fund and Underlying Fund's assets. Transaction costs such as brokerage, settlement costs, exchange fees and clearing costs may be incurred as a result of changes in a Fund and Underlying Fund's investment portfolio. The buy-sell spread incurred by the Manager in the Underlying Fund is also a transaction cost of the Fund. Transaction costs may vary year to year as the turnover in the underlying assets may change substantially as investment and market conditions change. Transaction costs are deducted from the assets of the Fund as they are incurred and reflected in the Unit price. They are not charged to Unitholders as an additional fee.

Based on the past financial year, the Manager estimates the total transaction costs for the Fund to be 0.01% p.a. of the Net Asset Value of the Units. The Manager estimates that 0.11% to be recouped via the Buy/Sell Spread. The Manager estimates the transaction costs, net of amounts recovered by the Buy/Sell Spread, to be 0.00% p.a. of the Net Asset Value of the Units.

The transaction costs set out in **Section 5.1** of this PDS are net of any amount recovered by the Buy/Sell Spread.

### **Buy/Sell Spread**

We may charge a Buy/Sell Spread. An amount equal to 0.38% is effectively deducted from the Unitholder's application and redemption monies. For example, if you invested \$100,000 in the Fund, the cost of your Buy Spread would be \$380. This amount is paid to the Fund on account of our estimate of costs associated with buying and selling assets represented by the relevant application or redemption and is not paid to us. Such costs are, however, an additional cost to you and will impact on the return on your investment. Such costs could include estimated brokerage and stamp duties, taxes and other charges and expenses from buying or selling Fund investments. The amount is paid so as to mitigate any unfairness from an application or redemption affecting other Unitholders. No buy spread is payable on the initial issue of Units. Management fees and costs do not include the Buy/Sell Spread. We may vary the Buy/Sell Spread from time to time and prior notice will not ordinarily be provided. Any changes to the Buy/Sell Spread will be posted on our website [www.ellerstoncapital.com](http://www.ellerstoncapital.com).

### Fee Waiver or Deferral and Issue of Units

Ellerston Capital, in its sole discretion, may waive or defer the payment of all or part of its Management Fee and/or Performance Fee either generally or for certain Unitholders. Ellerston Capital may, where permitted under the law, charge fees on a different basis to certain associates of us and Unitholders that are 'wholesale clients' (as defined under the Corporations Act) or who make a substantial investment in the Fund or other of the Manager's investment products. We may elect to receive part of its Management Fee and/or Performance Fee in the form of Units in the Fund. Any Units issued to us will be at the Application Price for those Units applicable at that time.

### Fee Maximums and Changes to Fees

Ellerston Capital is entitled under the Constitution to charge a maximum management fee of 3% per year of the gross asset value of the Fund and a maximum performance fee of 20% (each exclusive of GST). Ellerston Capital has elected to waive or reduce these fees for the Units to the levels shown on in **Section 5.1** at the Underlying Fund level. Ellerston Capital may, however, within the bounds of the Constitution, elect to change these fees (e.g. due to changes in economic conditions and size of the Fund) without the Unitholder's consent and Unitholders will be provided at least 30 days' written notice of any increase in these or other fees.

### Distributor Remuneration

The Fund's distributors may receive a commission from the Management Fee. Commissions are incorporated into the Management Fee and are paid by us and are not an extra amount paid from the Fund nor are they an amount the Unitholder pays.

We may provide additional remuneration and other benefits to distributors indirectly by paying them additional amounts (such as marketing support payments) and/or non-monetary benefits (such as business and technical support, professional development services and conferences). If these amounts or benefits are provided, they are payable out of the fees and costs we are entitled to receive and are not an additional cost to you.

### Adviser Service Fee

You may agree to pay your adviser a fee for any financial advice that they provide to you. However, these are separate to any fees we charge in respect of your investment in the Fund, as set out in the table above.

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## 5.3 Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – Ellerston JAADE Australian Private Assets Fund (Retail)		Balance of \$50,000 with a contribution of \$5,000 during year <sup>1</sup>
<b>Contribution Fees</b>	Nil.	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS Management fees and costs</b>	<b>Estimated indirect costs</b> 1.90% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$950</b> each year.
<b>PLUS Performance fees</b>	2.54% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$1,270<sup>2</sup></b> in performance fees each year.
<b>PLUS Transaction costs</b>	0.00% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in transaction costs.
<b>EQUALS Cost of Fund</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: <b>\$2,200<sup>1</sup></b> <b>What it costs you will depend on the fees you negotiate with the Fund, your IDPS operator or financial adviser, as applicable.</b>

<sup>1</sup> This example assumes the \$5,000 contribution occurs at the end of the first year, therefore all fees and costs are calculated using the \$50,000 balance only. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

<sup>2</sup> This example includes a performance fee estimate of 2.54% p.a. Past performance is not a reliable indicator of future performance. In particular, the performance fee payable (if any) will depend on the performance of the Fund and any estimated or past performance fee is not a reliable indicator of future performance fees of the Fund.

Please note that this is just an example. In practice, your investment balance will vary, as will the Fund's fees and costs. Fee rebates may be individually negotiated with wholesale clients (as defined in the Corporations Act).

We may change the fees set out on this section (e.g. due to changes in economic conditions and size of the Fund) without the Unitholder's consent and Unitholders will be provided at least 30 days' written notice of any increase in these or other fees.

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## 5.4 Example of Performance Fee in Underlying Fund

Performance Fees are calculated and accrued quarterly by the Underlying Fund at 20% of any excess return (net of fees and costs) of each Investee company above the hurdle rate of 8% per annum and where the total average return of all Investee companies (calculated on an Investee by Investee basis and net of fees and costs) is in excess of the hurdle rate of 8% per annum at the time of calculation.

Performance Fees are only paid on realisation of an Investee company. On realisation, 50% of the Performance Fee will be payable with the remaining portion subject to deferral for a 12 month period. The deferred portion of the Performance Fee is only payable if the total average return of all Investee companies in the portfolio (calculated on an Investee by Investee basis and net of fees and costs) is in excess of 8% per annum at that time.

We present the following scenarios to illustrate the Performance Fee calculations in the Underlying Fund.

### Scenario A

- On day 1 the Underlying Fund invested a total of \$15,000,000 (including fees and costs) in 3 Investee companies, (Investee company A, B and C) evenly at \$5,000,000 per Investee.
- At the end of 3 years the Underlying Fund completes a realisation event on Investee company A, the return on Investee company A is 20% per annum and the total average return of all Investee companies (net of Management Fees and expense recovery) is more than 8% per annum.
- The Performance Fee accrued on the \$5,000,000 investment made in Investee company A would be \$400,788, calculated as follows:
  - total return on Investee company A is ( $\$5,000,000 \times 20\%$  per annum. for 3 years) \$3,640,000;
  - total Management Fees and expense recovery for Investee company A is ( $\$5,000,000 \times 2.25\%$  per annum. for 3 years) \$337,500;
  - total hurdle for Investee company A is ( $\$5,000,000 \times 8\%$  per annum. for 3 years) \$1,298,560;
  - the excess return for Investee Company A above the hurdle of 8% per annum is ( $\$3,640,000 - \$337,500 - \$1,298,560$ ) \$2,003,940; and
  - accordingly, the Performance Fee accrued in respect of Investee company A is ( $\$2,003,940 \times 20\%$ ) \$400,788
- 50% of the Performance Fee is paid at the time of realisation i.e. \$200,394.
- 12 months after the realisation event, the total average return of all Investee companies (net of Management Fees and expense recovery) is above 8% per annum and the remaining 50% of the Performance Fee is paid.

### Scenario B

- On day 1 the Underlying Fund invested \$5,000,000 (including Fees and Costs) in each of 3 Investee Companies, Investee Company A, B and C, i.e. a total of \$15,000,000.
- At the end of 3 years, the Underlying Fund completes a realisation event on Investee company A, the return on Investee company A is 20% per annum and the total average return of all Investee companies (net of Management Fees and Expense recovery) is more than 8% per annum.
- The Performance Fee accrued on the \$5,000,000 investment made in Company A would be \$400,788, calculated as follows:
  - total return on Investee company A is ( $\$5,000,000 \times 20\%$  p.a. for 3 years) \$3,640,000;
  - total Management Fees and expense recovery for Investee Company A is ( $\$5,000,000 \times 2.25\%$  per annum. for 3 years) \$337,500;
  - total hurdle for Investee Company A is ( $\$5,000,000 \times 8\%$  per annum for 3 years) \$1,298,560;
  - Excess return in respect of Investee Company A is ( $\$3,640,000 - \$337,500 - \$1,298,560$ ) \$2,003,940 and
  - Performance Fee accrued in respect of Investee Company A is ( $\$2,003,940 \times 20\%$ ) \$400,788
- 50% of the Performance Fee is paid at the time of calculation i.e. \$200,394.
- 12 months after the realisation event, the total average return of all Investee companies (net of Management Fees and Expense recovery) is NOT above 8% per annum and the remaining 50% of the Performance Fee is no longer payable.

### Scenario C

- On day 1 the Underlying Fund invested \$5,000,000 (including Fees and Costs) in each of 3 Investee companies, Investee company A, B and C i.e. a total of \$15,000,000.
- At the end of 3 years the Underlying Fund completes a realisation event on Investee company A, the return on Investee company A is 20% per annum and the total average return of all Investee companies (net of Management Fees and expense recovery) is NOT more than 8% per annum.
- There is no Performance Fee accrued on the \$5,000,000 investment made in Investee company A.

### Scenario D

- On day 1 the Underlying Fund invested \$5,000,000 (including Fees and Costs) in each of 3 Investee companies, Investee company A, B and C i.e. a total of \$15,000,000.
- At the end of 3 years the Underlying Fund completes a realisation event on Investee company A, the return on Investee company A is 7% per annum and the total average of all Investee companies (net of Management Fees and expense recovery) is more than 8% per annum.
- There is no Performance Fee accrued on the \$5,000,000 investment made in Investee company A.

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## 6. How the Fund Works

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### 6.1 How to Apply

Units in the Fund are available for issue under the PDS. To invest in the Fund you must complete the Application Form accompanying the PDS.

If the Registry receives a completed Application Form, including all related documents and application monies, by 2:00pm (Sydney time) on the last Business Day of the Quarter (or such other time as we may determine), we will process the application using the Application Price at the end of the Quarter. We may in our absolute discretion waive this notice requirement.

Application Forms received after the relevant cut-off time will generally be processed for the following Quarter. Incomplete applications will be processed once we have received correct documentation and application monies. We may from time to time allow additional dates for accepting applications.

#### Minimum Investment

The minimum initial investment amount is \$25,000 and the minimum additional investment amount is \$10,000. The Manager may in its absolute discretion waive or vary these minimum requirements.

#### Application Price

The Application Price will be the Net Asset Value per Unit as at the last Business Day of each Quarter, plus the Buy/Sell Spread.

#### Application Acceptance and Interest

To ensure the Fund remains efficient and competitive, the Manager may in its absolute discretion reject or decline to accept applications (in part or in full) and may close the Fund to further investment at any time.

Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest.

#### Issue of Units

The number of Units issued to an applicant will be equal to the application amount divided by the Application Price.

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### 6.2 How to Redeem

The Fund operates as a non-liquid scheme and you can only redeem from the Fund in response to a Redemption Offer made by us. While the Fund is considered non-liquid, the Manager intends to provide limited Redemptions Offers on a quarterly basis following the Initial Holding Period, subject to the Fund having sufficient liquidity. Investors should note that the Fund is an illiquid investment and they may not be able to liquidate their investment in the Fund.

The Manager will aim to maintain limited liquidity to fund redemptions under Redemption Offers and other operational purposes by:

- Targeting cash on hand in the Underlying Fund at 10-20% of the Underlying Fund's Net Asset Value;
- Realising investments in the Underlying Fund;
- Each portfolio investment is intended to be held for a period of 2-4 years (although there is a risk that investments may be held longer) and will seek to include key terms which are structured to ensure the Underlying Fund is best able to achieve a realisation event within the target holding period;
- Issuing new Units within the Fund pursuant to Applications;
- Limiting net redemptions at 5% of the Fund's Net Asset Value per Quarter;
- Once the Underlying Fund is fully invested, it may borrow up to 30% of its assets to provide liquidity for redemptions.

The Manager may be unsuccessful in maintaining sufficient liquidity to provide Redemption Offers and to meet demand for investors to redeem from the Fund. The Manager cannot guarantee the offer or payment of withdrawals at any particular time. The amount available for a Redemption Offer will primarily depend upon the receipt of proceeds from the redemption of units in or distributions from the Underlying Fund (and the redemption of units in the Underlying Fund by Ellerston Capital will primarily depend upon the realisation of assets in the Underlying Fund and the Underlying Fund's ability to manage cash at levels of 10-20%) and the issue of new Units via Applications.

A Redemption Offer will be made to all investors via our website [www.ellerstoncapital.com](http://www.ellerstoncapital.com). We will provide a Redemption Offer to investors which will specify: (a) the period during which the offer will remain open which will be at least 21 days after the Redemption Offer is made (Offer Period); (b) the assets that will be used to satisfy Redemption Requests; (c) the amount of money that is expected to be available when those assets are converted into cash; and (d) the method of dealing with Redemption Requests if the money available is insufficient to satisfy all requests. Investors may request written withdrawal of part or all of their Units by lodging a valid withdrawal notice (**Redemption Request**) that must be received no later than 2.00pm AEST on the last Business Day of the Offer Period. As required by the Corporations Act the Redemption Requests must be satisfied within 21 days of the end of the Offer Period. No fee is payable for a withdrawal. If the Fund suffers a loss on its investment or otherwise reduction in value, there may be a reduction in value of the assets in the Fund on which the withdrawal value is based. This may result in a reduced Redemption Price payable to the investors who are redeeming Units. We do not guarantee Redemption Offers will be made each Quarter, as this will be dependent on having sufficient funds available which is primarily determined by the realisation of assets in the Underlying Fund and the Underlying Fund's ability to manage cash at levels of 10-20% and the issue of new Units via Applications. The Underlying Fund may also explore the use of a debt facility. Further, if a Redemption Offer is made, we do not guarantee that you will be able to withdraw the full amount requested as we are required to satisfy Redemption Requests pro-rata if the amount requested for withdrawal by participating investors exceeds the amount of the Redemption Offer. We also reserve the right to cancel a Redemption Offer before the closing date.

### **Redemption Price**

The Redemption Price for a Unit will be its Net Asset Value per Unit as at the last Business Day of the Quarter, less the Buy/Sell Spread. This price may be adjusted to take into account the actual proceeds received by the Underlying Fund or Fund.

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## **6.3 Extra-Ordinary Circumstances**

The Manager has the ability to introduce additional measures to deal with extraordinary circumstances, for example a period of extraordinary market conditions and/or economic circumstances or circumstances which in the reasonable opinion of the Manager is warranted in order to protect the interests of existing unitholders in the Fund. Such measures shall be of a temporary nature only and are expected to be lifted once circumstances have normalised or where in the reasonable opinion of the Manager are no longer required. The Manager may decide at its discretion not to accept redemptions and/or applications for a period of up to 12 months.

In the event that there is a prolonged period where no Redemption Offer is made, the Manager will aim to provide an Annual Withdrawal Offer which shall commence 12 months from the period on which redemptions have been suspended.

### **Suspension of Redemptions**

Suspensions may occur for up to 365 days including where:

- It is impracticable or impossible for the Manager to calculate the Net Asset Value of the Fund, for example because of financial market disruptions or closures;
- The Manager reasonably considers that if the Redemption Requests were met immediately, Unit holders who continue to hold Units may bear or suffer a material disadvantage including, but not limited to, bearing a disproportionate burden of tax or other expenses or bearing a material diminution in the value of the Fund;
- The Manager is unable to realise Fund property to satisfy Redemption Requests;

- The Manager reasonably considers it to be in the interests of Unit holders; or
- It is otherwise legally permitted.

Unitholders will be notified in writing of any material changes to their redemption rights.

### **Annual Withdrawal Offer**

In the event that there is a prolonged period where no Redemption Offer is made by the Manager, subject to the Corporations Act, the Manager will endeavour to continue to work to provide liquidity to all investors wishing to redeem all or some of their investment. We intend to provide an offer to all investors outlining what liquidity is available, how it will be funded and the methodology for dealing with requests over the available liquidity (**Annual Withdrawal Offer**) which will remain open for at least 21 days from the date the offer is made (**Annual Withdrawal Offer Period**). The Manager will endeavour to make an Annual Withdrawal Offer, subject to the Fund having sufficient liquidity, if redemptions have been suspended for a period of 12 months or where no Redemption Offers have been made in the last 12 months. The amount available under the Annual Withdrawal Offer will primarily depend on the liquidity available in the Fund, including the proceeds received from the redemption of units in or distributions from the Underlying Fund. To participate in an Annual Withdrawal Offer, you must lodge a written withdrawal request to participate in the Annual Withdrawal Offer (**Withdrawal Request**) with us by 2 pm AEST on the last Business Day of the Annual Withdrawal Offer Period. A Withdrawal Request requires investors to identify the amount they are seeking to withdraw from the Fund. If an Annual Withdrawal Offer is made, we do not guarantee that you will be able to withdraw the full amount requested as we are required to satisfy Withdrawal Requests pro-rata if the amount requested for withdrawal by participating investors exceeds the amount available under the Annual Withdrawal Offer.

We do not represent or guarantee that the amount available under an Annual Withdrawal Offer will be equivalent to the total amount which investors have indicated in the Withdrawal Requests that they are seeking to withdraw from the Fund as the amount available for an Annual Withdrawal Offer will primarily depend upon the receipt of proceeds from the redemption of units in or distributions from the Underlying Fund (and the redemption of units in the Underlying Fund by Ellerston Capital will primarily depend upon the realisation of assets in the Underlying Fund and the Underlying Fund's ability to manage cash at levels of 10-20%) and the issue of new Units via Applications. The Underlying Fund may also explore the use of a debt facility. The Manager may be unsuccessful in maintaining sufficient liquidity to provide an Annual Withdrawal Offer and to meet demand for investors to redeem from the Fund.

## **6.4 Transfers**

You may not sell or transfer (or agree to do so) any Units to another person without our prior written consent. We may impose certain terms and conditions or delay or withhold our consent.

To apply, complete and send to the Registry the transfer document. This is available from the Registry. If you do not obtain our consent, we may compulsorily redeem the relevant Units.

The sale or transfer of Units will have tax consequences. Stamp duty may also be payable unless an exemption applies. You should obtain tax and stamp duty advice before requesting a transfer.

## **6.5 Distributions**

The Fund is not expected to pay regular distributions. The distribution policy of the Fund is to distribute (when available) as soon as practicable after 30 June (or otherwise as determined by the Manager) the net income of the Fund. Distributions from the Fund may comprise income and/or capital as determined by the Manager under the Fund's Constitution. We may also distribute additional amounts at other times. There is no guarantee that any income will be generated.

Distributions are calculated based on the number of Units held as at the end of the distribution date (e.g. 30 June). Your distribution entitlement is not pro-rated for the duration of your investment during the year.

Distributions will be automatically reinvested in Units unless the investor notifies the Manager otherwise. Reinvestments will be at the Net Asset Value per Unit (with no Buy/Sell Spread).

Unitholders should review their distribution election to ensure that their election accurately reflects their current investment objectives and to avoid any delays in processing of distribution payments. Unitholders may not elect to have a fixed number of Units or a percentage of their distribution reinvested in the Fund.



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## 6.6 Net Asset Value of Units

The Net Asset Value for a Unit is the total value of trust property less the trust liabilities (calculated in accordance with the Constitution), divided by the number of Units on issue. The key aspects of the valuation policy applied in valuing the Fund's assets are set out below. We may rely upon the valuations or prices supplied by third parties and/or industry standard pricing models for which we will not or are not able to verify the accuracy. The Manager has appointed the Administrator to calculate the net asset valuations of the Fund. The Manager has established separate class accounts for each class of Units in the Fund. Amounts which are referable to a class (as determined by the Manager in accordance with the Constitution) will be allocated to the relevant class. The Net Asset Value will be calculated on the basis of each class. Each class of Units will be invested in the same portfolio of assets.

Units will typically be priced on the last Business Day of the Quarter except where the calculation of the Net Asset Value of the Fund is suspended (refer **Section 6.3** for further details).

Unit prices will be displayed at [www.ellerstoncapital.com](http://www.ellerstoncapital.com) or can be obtained by telephoning (02) 9021 7701.

The Manager has documented how it intends to exercise unit pricing discretions in a policy document. If a discretion is exercised in a way that departs from the documented policy, a record of this will be kept in an exceptions register. The policy document and any exceptions register will be available to Unit holders free of charge by contacting the Manager.

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## 6.7 Valuation of Underlying Fund's Assets

The Underlying Fund's investments will generally be valued quarterly in accordance with the International Private Equity and Venture Capital Guidelines and Accounting Standards.

It is our intention to carry investments at Fair Value for the first 12 months after their acquisition unless a significant event occurs which the Manager believes justifies a revaluation. For example, where an independent third party invests into an Investee at a different valuation, the Manager may revalue these investments, at what the Manager believes to be fair value based on applicable valuation methodologies, any recent sales of interests in the relevant investment, comparable industry transactions or any other method the Manager considers appropriate, acting in a reasonable manner. These valuations are no guarantee of, and may differ from, the actual realisable value of an investment.

Each investment will be valued to determine the appropriate carrying value of the investment. Valuations conducted in accordance with the following methodology:

- Cash – face value of cash amount;
- Cash Like instruments – face value of the amount;
- Debt instruments – The value is determined in accordance with Australian Accounting Standards;
- Unlisted investments – based on the most recent transaction value or in accordance with IPEV guidelines;
- Pre-IPO Investments – based on the most recent transaction value or in accordance with IPEV guidelines; and
- Listed securities – giving consideration to any restrictions (e.g. escrow) and/or liquidity available in these securities using the guideline provided by IPEV.

The Fair Value of the Invested Capital shall be determined by aggregating the value of each investment within the portfolio.

Ellerston Capital's Valuation Committee shall review the Fair Value of each investment on a quarterly basis.

The Manager may appoint an independent valuation expert to review the carrying value of an investment as deemed necessary by the Valuation Committee.

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## 6.8 Cooling Off Rights

No cooling-off rights apply to the Fund, as it is considered 'illiquid'.

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## 6.9 Indirect Investors

You may invest indirectly in the Fund through certain investor directed portfolio services, master funds or other portfolio administration services (IDPS). The PDS may be used as disclosure to clients and prospective clients of the IDPS.

An Indirect Investor does not become a Unit holder in the Fund. Accordingly, an Indirect Investor does not acquire the rights of a Unit holder or acquire any direct interest in the Fund. The operator or manager of the IDPS acquires these rights (including the right to vote at meetings) and can exercise them, or decline to exercise them, on behalf of the person according to the arrangements governing the IDPS.

A person who invests in the Fund through an IDPS should ignore information in this PDS that is relevant only for direct investors. This includes the following:

#### **Application Form**

A person investing in the Fund through an IDPS should not complete the Application Form attached to, or accompanied by, this PDS. An Indirect Investor should complete the application form supplied by the operator of the IDPS. Refer to your IDPS operator for the minimum investment amount that may apply to an investment in the Fund through an IDPS.

#### **Information**

An Indirect Investor will not receive statements, tax information or other information directly from the Manager. An Indirect Investor should receive equivalent information from the operator of the IDPS.

#### **Redemptions**

Provisions which relate to redemptions from the Fund will apply to the operator of the IDPS and not the Indirect Investor.

#### **Fees and Expenses**

Fees and expenses applicable to the IDPS (and set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses stated in this PDS.

#### **Tax**

Taxation consequences of investing in the Fund outlined in **Section 7** do not consider the treatment of Indirect Investors. You should consult your tax adviser in relation to investing through an IDPS.

#### **Complaints Handling**

As an Indirect Investor, you will have the same access to the Manager's complaints resolution policy to the same extent as if you were a direct investor. See **Section 9.6** for further detail.

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## **7. Tax Considerations**

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### **7.1 General Overview**

The taxation environment applying to the investments is currently undergoing substantial reform and may change. Any gains from the Fund's investments and from your investment in the Fund may be treated on revenue or capital account depending on the particular circumstances of the Fund and each investor. This may impact the Fund's and an investor's ability to obtain a discount on the capital gains tax applied on any gains. Under Australian tax law, a holding of Units may give rise to taxable distributions even though investors may not receive distributions in cash to fund the tax liability. The transfer or redemption of Units involves a disposal, which may have tax implications. Stamp duty may also be payable on the transfer unless an exemption applies. You are not required by law to quote your Tax File Number (TFN). However, without your TFN or appropriate exemption information, we are required to withhold tax at the highest marginal tax rate (plus Medicare Levy) from income distributions and interest payments made to you.

Investors should obtain independent professional advice in relation to their particular circumstances regarding the taxation consequences of an investment in the Fund before investing.

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### **7.2 Summary of Tax Implications**

A summary of the general Australian taxation implications for the Fund and Investors in the Fund is set out below. The summary has been prepared on the basis that Investors:

- are tax resident in Australia;
- are subject to Australian tax (that is, are not exempt from Australian tax); and
- hold their investments on capital account.

The summary does not consider the tax implications for other taxpayers who hold their investments on revenue account (e.g. banks, life insurance companies, equity traders, etc.).

These comments are of a general nature only and do not constitute tax advice and should not be relied upon as such. Investors should seek their own independent taxation advice about their specific facts and circumstances.

The Fund currently qualifies as a managed investment trust (MIT) for Australian tax purposes and it is intended that the Fund will continue to qualify as a MIT. The Fund has also made an election to be an attribution MIT (AMIT). The election will apply to the Fund for all income years while the Fund continues to meet certain criteria.

### **Taxation of the Fund**

The Responsible Entity of the Fund should not generally be subject to tax in respect of the income and gains derived by the Fund in each financial year, provided investors are presently entitled to the income of the trust or, where the Fund is an AMIT, the Responsible Entity attributes all of the taxable income of the Fund to Investors in accordance with the AMIT rules and the Constitution each income year. It is noted that, under the AMIT Rules, the cash paid to Investors does not need to be equal to amounts attributed to those Investors.

The Fund has made an election for deemed capital account treatment to apply to the Fund. This election should continue to apply while the Fund continues to qualify as a MIT.

Where the Fund incurs a revenue loss (which may arise where the Fund makes a loss on investments to which the deemed capital account treatment described above does not apply) in a financial year, the Fund may carry this tax loss forward to offset against future taxable income of the fund, subject to the satisfaction of the trust loss carry forward rules. Any capital losses made by the Fund can be offset against capital gains in the same financial year or carried forward to offset future capital gains. Capital losses are not subject to the tax loss recoupment rules however they cannot offset revenue gains.

### **Taxation of distributions from the Fund**

Resident taxpaying Investors will include in their assessable income, their share of the "taxable income" of the Fund or the amount attributed to them by the Responsible Entity and this will be advised to Investors via the annual distribution statement. Where the Fund is an AMIT during an income year, the amount attributed to Investors will represent a fair and reasonable attribution of the Fund's taxable income determined by the Responsible Entity in accordance with the Constitution. The fair and reasonable attribution may take into account the Investor's share of their interests in the Fund and any gains realised by the Fund in order to fund an Investor's Redemption Request.

The Responsible Entity may be required to withhold tax from distributions in a range of circumstances including for certain payments to non-resident investors.

### **Cost base adjustments**

The cost base of the Investor's units in the Fund will generally be the amount the Investor paid for the units (including incidental costs of acquisitions and disposals). However, changes to the cost base will be required to be calculated by each of the Investors of the Fund on an annual basis. Where the Fund qualifies as an AMIT, broadly, the cost base will increase where the Fund attributes an amount of assessable income (including grossed up capital gains) or non-assessable non-exempt income and the cost base will decrease for amounts of cash distribution to which an Investor becomes entitled to or tax offsets attributed to the Investor by the Responsible Entity.

A reasonable estimate of the AMIT cost base net amount will be provided to members as part of the Attribution MIT Member Annual (AMMA) statement.

Similarly, where the Fund does not qualify as an AMIT, investors' cost bases should also be required to be reduced where an investor's cash distribution entitlement exceeds their share of taxable income of the Fund.

Where an Investor's cost base is reduced to nil, further reductions in the cost base will be taken to be a capital gain for the Investors.

### **Disposal or redemption of units**

Resident Investors will make a capital gain where the capital proceeds from the disposal or redemption of their units exceeds the cost base of the relevant units. Conversely, a capital loss will arise if the capital proceeds are less than the reduced cost base of the relevant units.

Under current law, where the Investor is an individual, an entity acting in the capacity of trustee (conditions apply) or is a complying superannuation fund and the units have been held for more than 12 months, any capital gain arising from disposal or redemption of the units may be reduced by the relevant CGT discount (if applicable).

### **Annual tax statement**

Investors should expect to receive an annual tax statement or, where the Fund qualifies as an AMIT for an income year, an AMMA tax statement for the Fund within 3 months after the end of each financial year. The statement will show the cash distributed and the taxable and non-taxable components and, where the Fund qualifies as an AMIT, a reasonable estimate of any adjustments to the Investor's cost base of their units.

### **Tax File Number (TFN) and Australian Business Number (ABN)**

The Responsible Entity is authorised under Australian tax laws to collect TFNs and ABNs in connection with investments in the Fund.

It is not compulsory for an Investor to provide their TFN, but without a TFN (or ABN in some circumstances) or the appropriate exemption information, the Responsible Entity must withhold tax from distributions (and undistributed amounts to which they are presently entitled) at the 'top rate', being the highest marginal tax rate (plus Medicare levy) until the TFN or exemption is provided.

Investors may prefer to provide an ABN as an alternative to their TFN if their investment is made as part of an enterprise.

Investors who have not quoted their TFN or ABN (or a relevant exemption) will need to claim a credit in their income tax return for the tax withheld (or, if this is not appropriate, they can apply to the Australian Taxation Office (ATO) for a refund).

### **Indirect Investment in the Fund**

A Unitholder may invest indirectly in the Fund through an IDPS. In this case, it is the IDPS and not the investor that will be the Unitholder in the Fund.

The nature of the relationship between investors and an IDPS and of the indirect interest held by investors may differ between IDPS depending on the arrangements and terms governing the IDPS.

Investors should seek their own independent advice regarding the effect that holding their investment in the Fund via a particular IDPS has on the applicable income tax (including capital gains tax) treatment.

### **Reporting**

For investors that are considered to be residents of certain countries for tax purposes, we may also be required to obtain additional information and report to the Australian Tax Office (ATO) or overseas tax authority each year relevant details relating to their investment, including balance and income received, under rules designed to combat tax evasion in their country of residence for tax purposes.

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

The Fund is required to comply with FATCA. FATCA enables the U.S Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in non-US entities. To comply with these requirements, we will collect and disclose information about certain investors such as your US Taxpayer Identification Number to the ATO or IRS. If you do not provide this information, we may be required to withhold tax on any payments made to you.

If the Fund suffers any amount of FATCA tax, neither the Manager nor the Fund will be required to compensate you for any such tax, and the effects of these amounts will be reflected in the returns of the Fund. A credit for such foreign taxes may be available in your jurisdiction of residence. You should seek your own advice in this regard.

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## **8. Material Documents**

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### **8.1 Constitution**

The Fund is registered as a managed investment scheme under the Corporations Act. The operation of the Fund is governed under the law and its Constitution which addresses matters such as Unit pricing and redemptions and applications; the issue and transfer of Units; Unitholder meetings; Unitholders' rights to income of the Fund; the Manager's powers, fee entitlement and right to be indemnified from the Fund's assets; and how the responsible entity of the Fund may be changed. The life of the Fund is 80 years less one day, unless the Manager exercises its right to terminate the Fund earlier. The following are some key terms of the Fund's Constitution not explained elsewhere in this PDS.

#### **Compulsory Redemption**

The Manager may in its absolute discretion, upon a minimum of three days' notice to a Unitholder, redeem all or a portion of Units held by such Unitholder in its absolute discretion if the Manager believes:

- The Units are held in breach of prohibitions contained in the Constitution;
- The Units are held in circumstances which might result in a violation (including by the Manager) of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect;
- A Unitholder made a misrepresentation in acquiring its Units;
- The Fund is uneconomical to operate;
- A Unitholder is a registered holder of less than \$25,000 of Units; or

- The Manager determines that the continued participation of a Unitholder might cause the Manager or any Unitholder to violate any law or if any litigation is commenced or threatened against the Manager or any Unitholder arising out of the participation by the Unit holder in the Fund.

### **The Manager's Indemnity and Liability**

The Manager is indemnified under the Constitution for all amounts incurred by it in the proper performance of its duties. The Manager's liability to Unitholders is limited to the Manager's ability to be indemnified from the Fund subject to the law and the Manager acting without breach of trust, fraud or gross negligence involving a failure to show the degree of care and diligence required of it.

### **Unit Holder Liability**

The liability of a Unitholder to the Fund is generally limited to the amount subscribed, or agreed to be subscribed, for Units and any tax payable in respect of their Unit holding. The effectiveness of these provisions has not yet been determined by an Australian court.

### **Amending the Constitution**

The Constitution may be changed by the Manager where it reasonably considers that the change will not adversely affect Unit holders' rights or if the change is approved by Unitholders.

## **8.2 Service Providers**

The Fund may from time to time change or appoint additional Service Providers and enter into agreements with those providers where the Fund indemnifies the Service Provider and limits their liability to the Fund similar to that described above in respect of the Manager's indemnity and liability. The Administrator and Custodian has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to you for any act done or omission made in accordance with the custody agreement.

# **9. Additional Information**

## **9.1 Communication and Reporting**

Unitholders will be provided with the communications set out in the table below. Unitholders will also receive confirmations of their Unit applications, redemptions and distributions. Unitholders may ask the Manager for additional information as reasonably required, although the Manager may not always be able to satisfy such requests.

Statement	Timing
Fund newsletter	Monthly
Periodic statements	Annually
Income distribution statement (including details of income entitlements)	Annually (if distributions are made)
Tax statement	Annually
Annual report (including the Fund's audited accounts)	Annually

We will not mail a hard copy of the annual report to you unless you elect to receive it in hard copy by completing the relevant part of the Application Form. You can elect to receive the annual report by email. The annual report will be available at [www.ellerstoncapital.com](http://www.ellerstoncapital.com). Other information relating to the Units you hold will be provided in hard copy unless you elect to receive it by email by completing the relevant part of the Application Form. If you hold other Classes of Units in the Fund, any election you make with respect to Units will apply to all classes of Units you hold.

Fund related information will be provided through our website at [www.ellerstoncapital.com](http://www.ellerstoncapital.com).

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## 9.2 Environmental, Social and Governance (ESG)

Ellerston Capital is a signatory to the United Nations backed Principles for Responsible Investment (PRI) and a member of the Responsible Investment Association of Australia (RIAA).

Ellerston Capital recognises that different asset classes, strategies, and investment time horizons require our investment teams to adopt different perspectives pertaining to ESG to strengthen effective decision making. The Investment Team takes into account labour standards and ESG considerations as part of its investment process. Whilst the Investment Team does not have a predetermined view of what constitutes ESG considerations, the analysis of ESG considerations often relates to issues such as climate change, labour standards and board composition. The Investment Team does not use a specific methodology for taking into account labour standards or ESG considerations for the Underlying Fund.

We recognise that in the world of fast-paced entrepreneurial businesses we need to be rigorous to ensure that all companies have effective risk management processes in place and meet key criteria we establish for ESG requirements. As such, we apply ESG initially at the sourcing and screening stage and in more detail during the due diligence process wherein we have integrated our internal ESG audit to the process. Specifically, this focuses on reviewing the company's management of ESG topics that are identified as material to the industry that the prospective investee company is allocated, and/or topics determined to be material to the company itself. Examples include, but are not limited to:

- **Environmental:** Water and waste consumption;
- **Social:** Ethical behaviour, staff turnover, OHS performance, equal opportunity; and
- **Governance:** Board skills and attendance, remuneration and board/management focus on value creation.

During the due diligence process within the Underlying Fund, the Investment Team reviews all of our potential Investee companies using our internal ESG audit document as an input in the investment process. We also draw on the wider ESG activities within Ellerston's investment and ESG teams and information sourced from third party ESG data providers, together with customised quantified data on the listed universe to ensure we are evaluating the companies in context. This ESG assessment is integrated into the company analysis alongside fundamental considerations, with a focus on prioritising investor returns.

Post investment, we assess the evolving ESG maturity of our companies, and engage on specific, or emerging, ESG issues as required.

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## 9.3 Further Information

A non-exhaustive summary of some of the key terms of the Offer and Constitution of the Fund has been set out in this PDS. For further information about the Fund contact your financial adviser. The Constitution may be viewed between 9:00 am and 5:00 pm, Sydney time, on weekdays by contacting the Manager on [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com) or (02) 9021 7701.

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## 9.4 Offer Changes

The Manager reserves the right to cancel the Offer, reject an application (in full or in part) and return application monies for whatever reason.

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## 9.5 Disclosing Entity

At the date of this PDS, the Fund is not currently a disclosing entity under the Corporations Act. If this changes, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, any ASIC office.

If and when the Fund becomes a disclosing entity, you may obtain a copy of:

- The Fund's annual financial report most recently lodged with ASIC;
- Any half-year financial reports lodged with ASIC by the Fund after lodgement of that annual report and before the date of this PDS; and
- Any continuous disclosure notices given by the Fund after that date of lodgement of that annual report and before the date of this PDS;

on request from us free of charge.

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## 9.6 Complaints Resolution

The Manager has a formal policy in place for dealing with complaints. If you have a complaint, please notify us by telephoning (02) 9021 7701, by emailing [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com) or by writing to Ellerston Capital Limited, Level 11, 179 Elizabeth Street, Sydney NSW 2000. We will acknowledge your complaint as soon as practicable, and will investigate your complaint and aim to provide a final response to you within 30 days of receipt of the complaint.

If you are ultimately dissatisfied with the outcome of your complaint you may refer the matter, free of charge, to the Australian Financial Complaints Authority which is an external dispute resolution scheme:

Phone: 1800 931 678

Fax: +61 3 9613 6399

Email: [info@afca.org.au](mailto:info@afca.org.au)

Website: [www.afca.org.au](http://www.afca.org.au)

Mail:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

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## 9.7 Anti-Money Laundering

The Manager is required to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (AML/CTF Law). The Manager may require you to provide personal information and documentation in relation to your identity when you purchase Units in the Fund. The Manager may need to obtain additional information and documentation from you when undertaking transactions in relation to your investment. The Manager may need to identify:

- A Unitholder (including all investor types noted on the Application Form) prior to purchasing Units in the Fund. The Manager will not issue Units until all relevant information has been received and your identity has been satisfactorily verified;
- Your estate – if you die while you are the owner of Units in the Fund, the Manager may need to identify your legal personal representative prior to redeeming Units or transferring ownership; and
- Anyone acting on your behalf, including your power of attorney.

In some circumstances, the Manager may need to re-verify this information.

By applying to invest in the Fund, you also acknowledge that the Manager may decide to delay or refuse any request or transaction, including by suspending the issue or redemption of Units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under, any AML/CTF Law, and the Manager will incur no liability to you if it does so.

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## 9.8 Privacy

The Application Form accompanying this PDS requires you to provide personal information. The Manager and each Service Provider to the Manager or Fund may collect, hold and use your personal information in order to assess your application, service your needs as a client or Unit holder, provide facilities and services to you, the Manager or the Fund and for other purposes permitted under the *Privacy Act 1998* (Cth). Tax and company law also require some of the information to be collected in connection with your application. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all. Your information may also be disclosed to members of the Manager's Group, contractors and consultants engaged by the Manager or a Manager Group entity, the Registry, and the Administrator and to their affiliates, delegates, agents and Service Providers on the basis that they deal with such information in accordance with any agreement entered into with the Manager or the Manager's privacy policy. The Manager may need to disclose information about you to government entities and regulators as required by law.

Your information may also be used to inform you about investment opportunities or other matters that the Manager's Group thinks may be of interest to you. Contact the Manager using its contact details in the corporate directory if you do not want your personal information to be used for this purpose or to request a copy of your personal information held by the Manager (or the Registry). See the Registry's privacy policy at <https://www.apexgroup.com/privacy-policy/privacy-policy-australia/> for information regarding how the Registry protects the confidentiality of Unit holder's personal information.

The Managers or the Registry's privacy policy (where applicable) includes further details surrounding:

- How you may complain about a breach of the Australian Privacy Principles and how we will deal with your complaint; and
- The circumstances in which personal information to overseas recipients and which countries such recipients are located if it is practicable to specify those countries.

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## 9.9 Key Corporate Governance Policies

### Related Party Transactions

Ellerston Capital has a related party transactions policy which sets out the requirement that related party dealings be on not less than "arm's length terms" or that an exemption applies to the transaction or that the dealings be approved by the members of the entity giving the benefit to the related party or otherwise comply with Corporations Act requirements.

### Conflicts of Interest

Ellerston Capital has established internal policies and procedures to ensure that any conflicts of interest arising in relation to the Fund are adequately identified and appropriately managed.

Where we consider that a particular conflict of interest is likely to have a materially adverse effect on Unitholders we will seek to implement adequate arrangements to mitigate and prevent (where practicable) these adverse effects on Unitholders. In certain cases, we may disclose the conflict of interest to Unitholders and obtain their consent for us (and other persons if relevant) to proceed in the context of that conflict of interest.

### Group Activities

Subject to the Corporations Act and the Manager's compliance policies, each of the Manager and other members of the Manager's Group and their associates may from time to time:

- Invest in the Fund, any such investment will be on the same terms as other Unitholders. The Manager's Group reserves the right to add to or withdraw its investment without further notice;
- Act in various capacities (such as manager and responsible entity) in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of Unitholders;
- Deal with each other in relation to the Fund (such as the Fund acquiring investments from the Manager's Group) in which case the dealing will generally be on arm's length terms or approved by Unitholders;
- Invest in and deal in any capacity, with the same investments as that of the Fund, on similar or different terms; and/or
- Recommend that investments be purchased or sold, on behalf of the Fund, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients.

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## 9.10 Service Provider Appointments

The Manager has appointed:

- Apex Fund Services Pty Ltd to provide registry services for the Fund;
- Apex Fund Services Pty Ltd to provide accounting services for the Fund and custody; and
- Ernst & Young as auditors of the Fund.

The Manager may, subject to the law, change these or engage replacement or additional service providers at any time.

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## 9.11 Consents

Each of the Key Service Providers:

- Has not authorised or caused the issue of this PDS; and
- Does not make or purport to make any statement in this PDS.



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## 10. Glossary

A\$ or \$	Australian dollars.
Administrator and Custodian	Apex Fund Services Pty Ltd
ASFL	Australian Financial Services Licence.
Application Form	The application form accompanying this PDS.
Application Price	Has the meaning provided in <b>Section 6</b> .
Aristocrat	Aristocrat Leisure Limited (ASX: ALL) (ACN 002 818 368).
ASIC	Australian Securities and Investments Commission.
Auditor	Ernst & Young as auditor of the Fund's annual financial accounts and compliance plan.
Business Day	Any day that is not a Saturday, Sunday or public holiday in New South Wales, Australia.
Buy/Sell Spread	Has the meaning provided in <b>Section 5.3</b> .
Cash and Cash-like Investments	Investments in deposits, cash management trusts, Fixed Interest, debentures or similar investments as determined by the Manager.
Class	Each Class of units in the Fund.
Constitution	The Constitution of the Fund dated 3 June 2019 as amended from time to time.
Corporations Act	Means the Corporations Act 2001 (Cth)
Derivative	A financial instrument where the value depends on, or is derived from, the value of an underlying designated asset or market index (e.g. an individual share or a broad share market index).
Early Stage Venture Capital	Capital invested in early stage businesses with limited operating experience and financial success. These businesses typically seek capital to invest in product development, building a team of employees, and formalising customer acquisition strategies. Investments made early in a company's lifecycle typically require a long holding period and can be riskier relative to a late stage companies.
Ellerston Capital	Ellerston Capital Limited ACN 110 397 674.
Expansion Stage Private Equity	Investments in private companies whose service or product is commercially available. While the company's revenues may look strong and show significant growth, the company may not be profitable.
Equities	An interest in the share capital of an issuer, which provides the holder with ownership rights in a company or trust which may be listed or unlisted.
Fair Value	Fair Value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
Fixed Interest	A type of investment that offers a set rate of interest for a specified amount of time, with the principal repaid at maturity. Covers a broad range of investments, with varying degrees of risk, such as term deposits, government bonds.
Fund	Ellerston JAADE Australian Private Assets (Retail) Fund ARSN 634 091 875 an Australian domiciled unit trust, constituted by and under its Constitution and registered as a managed investment scheme.
Growth Capital	Capital invested in relatively mature companies that are looking for capital to expand or restructure operations, enter new markets or finance a significant acquisition without a change of control of the business. This may be in order to finance a transformational event in their lifecycle and are likely to be more mature than venture capital funded companies, able to generate revenue and profit but unable to generate sufficient cash to fund major expansions, acquisitions or other investments.
IDPS	Has the meaning provided in <b>Section 6.9</b> .
Indirect Investor	Has the meaning provided in <b>Section 6.9</b> .
Initial Holding Period	Means the minimum holding period prior to which redemptions will not be permitted being September 2021.

Invested Capital	Means the portion of the aggregate of all capital commitments to the Underlying Fund invested in investments of the Underlying Fund, less the cost of all investments which has been realised and distributed in cash or otherwise to the Underlying Fund unitholders.
Investee	A company or unit trust in which the Underlying Fund invests.
Investment Team	David Leslie, Anthony Klok, Jamie Odell, Toni Korsanos, Jayne Shaw and Justin Diddams.
Investor	Means a person determined under the Corporations Act for the time being as a member of the Fund.
IPEV	International Private Equity and Venture Capital Association.
IPO	Initial public offering.
Key Service Providers	The entities named in <b>Section 3.9</b> as such and any additional or replacement service providers to the Fund from time to time.
KPI	Means key performance indicators.
Late Stage Private Equity	Late stage private equity are proprietary companies with businesses that have typically demonstrated viability as a going concern and generally have a well-known product with a strong market presence. Late stage companies are characterised by positive cash flow generation and have begun to experiment with expanding into other markets for their products or services.
Leverage	Borrowing money or securities to invest or investing through Derivatives in order to increase the monies available for investment.
Mable (formerly Better Caring)	Mable Technologies Pty Ltd (ACN 162 890 379).
Manager	Ellerston Capital as responsible entity and investment manager of the Fund and the Underlying Fund.
Manager's Group	The Manager and each of its related bodies corporate, and each of their associates.
Net Asset Value	The net asset value of the relevant class or the Fund, as appropriate, as determined under the Constitution. Refer also <b>Section 6.6</b> .
Option	An agreement under which the holder has the right but not the obligation to purchase or sell an asset (e.g. a share) at a particular price at or by a particular time.
Offer	The invitation to subscribe for Units set out in this PDS.
PDS	This product disclosure statement.
Pre-IPO Investments	Investments into private companies that are scheduled to undertake an IPO on a stock exchange.
Quarter	Means each calendar quarter ending 31 March, 30 June, 30 September and 31 December.
Redemption Offer	Means an offer to Investors to redeem Units made in accordance with the withdrawal provisions of the Corporations Act applying to non-liquid schemes.
Redemption Price	Has the meaning in <b>Section 6.2</b> .
Redemption Request	Has the meaning in <b>Section 6.2</b> .
Registry or Registrar	Apex Fund Services Pty Ltd
Underlying Fund or JAADE	Ellerston JAADE Australian Private Assets Fund (Wholesale).
Units	Units representing a beneficial interest in the Fund issued pursuant to this PDS.
Unit holder	A person entered on the register of the Fund as a holder of Units pursuant to this PDS.
US Persons	Has the meaning given to the term in Regulation S of the U.S. Securities Act 1933 (as amended).
Warrants	A Derivative that gives the holder the right to purchase securities (usually equities) from the issuer at a specific price within a certain time frame.
Withdrawal Request	Has the meaning in <b>Section 6.3</b> .

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## 11. Corporate Directory

### Manager

**Ellerston Capital Limited**

Level 11, 179 Elizabeth Street  
Sydney NSW 2000  
Phone: 02 9021 7701  
Email: [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com)  
Website: [www.ellerstoncapital.com](http://www.ellerstoncapital.com)

### Registry

**Apex Fund Services Pty Ltd**

Level 10/12 Shelley Street  
Sydney NSW 2000  
Telephone 1300 133 451  
Email: [ellerston@apexgroup.com](mailto:ellerston@apexgroup.com)

### Auditors

**Ernst & Young**

200 George Street  
Sydney NSW 2000

### Administrator and Custodian

**Apex Fund Services Pty Ltd**

Level 10/12 Shelley Street  
Sydney NSW 2000